

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C 36, AS AMENDED**

**AND IN THE MATTER OF TK HOLDINGS INC., AND THOSE OTHER
COMPANIES LISTED ON SCHEDULE "A" HERETO (collectively, the "Chapter
11 Debtors")**

**AND IN THE MATTER OF TAKATA CORPORATION, AND THOSE OTHER
COMPANIES LISTED ON SCHEDULE "B" HERETO (the "Japanese Debtors",
and collectively with the Chapter 11 Debtors, the "Debtors")**

**APPLICATION OF TK HOLDINGS INC. AND TAKATA CORPORATION
UNDER SECTION 46 OF THE
*COMPANIES' CREDITORS ARRANGEMENT ACT***

**MOTION RECORD
VOLUME IV OF V**

**(Re: Recognition Of Chapter 11 Plan And Related Orders)
(Returnable March 14, 2018)**

March 6, 2018

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This is **Exhibit "L"** referred to in the
affidavit of **KENNETH BOWLING**
sworn before me this
6th day of March, 2018


A Commissioner for taking affidavits

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	-----X		
	:		
In re	:		Chapter 11
	:		
TK HOLDINGS INC., et al.,	:		Case No. 17-11375 (BLS)
	:		
Debtors.¹	:		Jointly Administered
	:		
	:		Re: Docket Nos. 1165, 1629, 1630
	-----X		

**ORDER PURSUANT TO 11 U.S.C. §§ 105,
502, 1125, 1126, AND 1128, FED. R. BANKR. P. 2002, 3003,
3016, 3017, 3018, 3020, AND 9006, AND LOCAL RULES 2002-1,
3017-1, AND 9006-1 FOR ENTRY OF AN ORDER (I) APPROVING
THE PROPOSED DISCLOSURE STATEMENT AND THE FORM AND
MANNER OF THE NOTICE OF A HEARING THEREON, (II) ESTABLISHING
SOLICITATION AND VOTING PROCEDURES, AND (III) ESTABLISHING NOTICE
AND OBJECTION PROCEDURES FOR CONFIRMATION OF THE DEBTORS' PLAN**

Upon the motion, dated November 15, 2017 (the "*Motion*"),² of TK Holdings Inc. and its affiliated debtors, as debtors and debtors in possession (collectively, the "*Debtors*"), pursuant to sections 105, 502, 1125, 1126, and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3003, 3016, 3017, 3018, 3020, and 9006, and Local Rules 2002-1, 3017-1, and 9006-1, for entry of an order (i) approving the proposed *Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January 5, 2018 [Docket No. 1630] (together with all schedules and exhibits thereto, and as may be

¹ 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.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such term in the Motion.

modified, amended or supplemented from time to time, the “*Proposed Disclosure Statement*”) for the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January 5, 2018 [Docket No. 1629] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Plan*”) and the form and manner of the notice of the hearing to consider the Proposed Disclosure Statement; (ii) establishing solicitation and voting procedures; and (iii) establishing notice and objection procedures with respect to confirmation of the Plan, all as more fully described in the Motion; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and this Court having held a hearing on the Motion; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their Estates, creditors, and all parties in interest; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor, the Court finds and determines the following:

I. Jurisdiction and Venue.

A. Consideration of the Motion and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The Court has jurisdiction to consider the Motion and the relief

requested therein in accordance with 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated as of February 29, 2012.

II. Notice of the Disclosure Statement Hearing.

B. The procedures proposed in the Motion and subsequently followed by the Debtors, including, without limitation, with respect to PPICs, regarding notice to all parties in interest of the time, date, and place of the Disclosure Statement Hearing and the deadline for filing objections to the Proposed Disclosure Statement and service of the Disclosure Statement Hearing Notice [Docket No. 1175], the form of which is attached hereto as **Exhibit B**, provided due, proper, and adequate notice and comply with Bankruptcy Rules 2002, 3017 and 9006 and Local Rules 2002-1, 3017-1, and 9006-1. No further notice is required.

III. The Disclosure Statement.

C. The Proposed Disclosure Statement, as modified and amended in accordance with the Court's ruling at the Disclosure Statement Hearing, contains adequate information within the meaning of section 1125 of the Bankruptcy Code. No further information is necessary.

IV. Balloting and Voting Procedures.

D. The procedures set forth herein and in the Ballots (as defined below) for the solicitation and tabulation of votes to accept or reject the Plan, including, without limitation, the procedures for solicitation and tabulation of votes on the Plan of any PPIC and/or Registered PPIC (as defined herein), provide for a fair and equitable process and are consistent with section 1126 of the Bankruptcy Code.

Ballots

E. The Ballot, substantially in the form attached hereto as **Exhibit 3** (the “***Ballot***”), including all voting instructions provided therein, are consistent with Official Form No. B 314, address the particular needs of these Chapter 11 Cases, and provide adequate information and instructions for each individual entitled to vote to accept or reject the Plan. No further information or instructions are necessary with respect to the Ballot.

Parties Entitled to Vote

F. Pursuant to the Plan, holders of Claims in Class 3 (Mexico Class Action Claims), Class 4 (OEM Unsecured Claims), Class 5 (PSAN PI/WD Claims), and Class 6 (Other General Unsecured Claims) are entitled to vote on account of such Claims (collectively, the “***Voting Classes***”).

Parties Not Entitled to Vote

G. Pursuant to the Plan, holders of Claims in Class 1 (Other Secured Claims) and Class 2 (Other Priority Claims), are unimpaired (collectively, the “***Unimpaired Classes***”) and, accordingly, pursuant to section 1126(f) of the Bankruptcy Code, are presumed to accept the Plan and are not entitled to vote on account of such Claims.

H. Pursuant to the Plan, holders of Claims or Interests in Class 7 (Intercompany Interests) and Class 8 (Subordinated Claims) will not receive or retain any property under the Plan (collectively, the “***Non-Voting Impaired Classes***” and, together with the Unimpaired Classes, the “***Non-Voting Classes***”) and, accordingly, pursuant to section 1126(g) of the Bankruptcy Code, holders of such Claims or Interests are deemed to reject the Plan and are not entitled to vote on account of such Claims or Interests.

Notice of Non-Voting Status

I. The Notices of Non-Voting Status, substantially in the forms attached hereto as Exhibits 4-1, 4-2, and 4-3 comply with the Bankruptcy Code, applicable Bankruptcy Rules, and applicable Local Rules and, together with the Confirmation Hearing Notice, provide adequate notice to Non-Voting Claimants of their non-voting status. No further notice is necessary.

Solicitation

J. The proposed distribution and contents of the Solicitation Packages and related procedures set forth herein and in the Motion, including, without limitation, the procedures with respect to distribution of Solicitation Packages to any PPICs and/or Registered PPICs (as defined below), comply with Bankruptcy Rules 2002 and 3017 and Local Rule 9006-1 and constitute sufficient notice to all interested parties of the Record Date, the Voting Deadline, the Plan Objection Deadline, the Confirmation Hearing, and all related matters.

K. The period set forth herein during which the Debtors may solicit votes to accept or reject the Plan and make elections with respect thereto is a reasonable and sufficient period of time for claimants in the Voting Classes, including, without limitation, any PPICs and/or Registered PPICs, to make an informed decision regarding whether to accept or reject the Plan, make elections with respect thereto and timely return Ballots evidencing such decisions.

V. **The Confirmation Hearing.**

L. The procedures set forth in the Motion regarding notice to all parties in interest, including, without limitation, all PPICs and/or Registered PPICs, of the time, date, and place of the hearing to consider confirmation of the Plan (the “*Confirmation Hearing*”) and for filing objections or responses to the Plan, including, without limitation, the actual and constructive notice of the Confirmation Hearing provided by the Debtors to PPICs and other

claimants and parties in interest pursuant to the Bar Date Order and the order granting the Supplemental PPIC Bar Date Motion, provide due, proper, and adequate notice and comply with Bankruptcy Rules 2002 and 3017 and Local Rule 9006-1. No further notice is required.

M. All other notices to be provided pursuant to the procedures set forth in the Motion, including, without limitation, all notices electronically provided to Registered PPICs, are good and sufficient notice to all parties in interest of all matters pertinent hereto and of all matters pertinent to the Confirmation Hearing. No further notice is required.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED**, as set forth herein.

I. Disclosure Statement.

2. The Proposed Disclosure Statement, as modified and amended in accordance with the Court's ruling at the Disclosure Statement Hearing (as approved, the "***Disclosure Statement***"), contains adequate information in accordance with section 1125 of the Bankruptcy Code, including with respect to the free and clear sale, injunction, exculpation, and release provisions contained in Sections 5.2(c), 5.4, 10.5, 10.6, 10.7, and 10.8 of the Plan, and is **APPROVED**.

3. Except as otherwise set forth by the Court at the Disclosure Statement Hearing, all objections, responses, statements, or comments, if any, in opposition to approval of the Proposed Disclosure Statement and/or any other relief requested in the Motion (including any objections on the record at the Disclosure Statement Hearing), other than those withdrawn with prejudice in their entirety prior to, or on the record at, the Disclosure Statement Hearing are **OVERRULED** in their entirety. Notwithstanding the foregoing, to the extent that any objection, response, statement, or comment constitutes an objection to confirmation of the Plan, such

objection, response, statement, or comment is preserved and adjourned to the Confirmation Hearing.

4. The form and manner of the notice of the hearing on the Proposed Disclosure Statement, including, without limitation, the form and manner of notice provided to any PPICs and/or Registered PPICs, complied with all applicable Bankruptcy Rules and Local Rules.

5. The Disclosure Statement (including all applicable exhibits and schedules thereto) provides sufficient notice of the free and clear sale, injunction, exculpation, and release provisions contained in Sections 5.2(c), 5.4, 10.5, 10.6, 10.7, and 10.8 of the Plan to all claimants, creditors, and other parties in interest, including, without limitation, any PPICs and/or Registered PPICs, in accordance with Bankruptcy Rule 3016(c).

II. Solicitation and Voting Procedures.

Temporary Allowance / Disallowance of Claims

6. A claimant who holds a Claim in a Voting Class is nonetheless **not** entitled to vote to the extent that:

- (a) As of the Record Date (as defined below), the outstanding amount of such claimant's Claim is not greater than zero (\$0.00);
- (b) As of the Record Date, such claimant's Claim has been disallowed, expunged, disqualified, or suspended;
- (c) A claimant is not scheduled in the Debtors' Schedules, or a claimant's Claim is scheduled as contingent, unliquidated, or disputed, and such claimant has not timely filed a proof of claim in accordance with the Bar Date Order, *provided, however*, that any PPIC whose Claim for personal injury or wrongful death is listed on the Schedules shall be entitled to vote on the Plan as set forth in paragraph 7(g) below, regardless of whether such claim is scheduled as contingent, unliquidated, or disputed; or

- (d) Such claimant's Claim is subject to an objection or request for estimation as of the Record Date, subject to the procedures set forth below.

7. Solely for purposes of voting to accept or reject the Plan and not for the purpose of the allowance of, or distribution on account of, a Claim, and without prejudice to the rights of the Debtors in any other context, each Claim within a Class of Claims entitled to vote to accept or reject the Plan is temporarily allowed in an amount equal to the amount of such Claim as set forth in the Schedules, *provided, however*, that:

- (a) If a Claim is deemed Allowed under the Plan, such Claim is allowed for voting purposes in the deemed Allowed amount set forth in the Plan;
- (b) If a proof of claim was timely filed in an amount that is wholly liquidated, non-contingent, and undisputed such Claim is temporarily allowed for voting purposes only in the amount set forth on the proof of claim, unless such Claim is (i) a PPIC Claim, which PPIC Claim shall be treated as set forth in subparagraph (g) below, or (ii) disputed as set forth in subparagraph (j) below;
- (c) If a Claim for which a proof of claim has been timely filed is wholly contingent, unliquidated, or disputed, such claim is accorded one (1) vote and valued at One Dollar (\$1.00) for voting purposes only, and not for purposes of allowance or distribution, unless such Claim is disputed as set forth in subparagraph (j) below;
- (d) If a Claim is listed in the Schedules as contingent, unliquidated, or disputed and a proof of claim was not (i) filed by the applicable Bar Date or (ii) deemed timely filed by an order of this Court prior to the Voting Deadline (as defined below), such Claim is disallowed for voting purposes only and not for purposes of allowance and distribution;
- (e) If a Claim is listed on a timely filed proof of claim as contingent, unliquidated, or disputed in part, such Claim is temporarily allowed in the amount that is liquidated, non-contingent, and undisputed, unless such Claim is (i) a PPIC Claim, which PPIC Claim shall be treated as set forth in subparagraph (g) below, or (ii) disputed as set forth in subparagraph (j) below;

- (f) If a Claim has been estimated or otherwise allowed for voting purposes by order of this Court, such Claim is temporarily allowed in the amount so estimated or allowed by this Court for voting purposes only;
- (g) Notwithstanding anything herein to the contrary, any PPIC Claim, whether listed in the Schedules (solely with respect to any PPIC that was not required to file a proof of claim pursuant to the Bar Date Order) or for which a proof of claim has been timely filed, regardless of whether such PPIC Claim is wholly or partially contingent or non-contingent, liquidated or unliquidated, or disputed or undisputed, is accorded one (1) vote and valued at One Dollar (\$1.00) for voting purposes only, and not for purposes of allowance or distribution, unless such Claim is disputed as set forth in subparagraph (j) below;
- (h) Any claimant who has filed or purchased duplicate Claims within the same Class will be provided with only one (1) Solicitation Package (as defined below) and one (1) Ballot for voting a single Claim in such Class (based on the reasonable efforts of the Debtors), regardless of whether the Debtors have objected to such duplicate Claim;
- (i) Each entity that holds or has filed more than one (1) non-duplicative Claim within a particular Class shall be treated as if such entity has only one (1) Claim in such Class in the aggregate dollar amount of such Claims;
- (j) If the Debtors have filed an objection to or a request for estimation of a Claim on or before the Record Date, such Claim is temporarily disallowed, except as ordered by the Court before the Voting Deadline; *provided, however*, that, if the Debtors' objection seeks to reclassify or reduce the allowed amount of such Claim, then such Claim is temporarily allowed for voting purposes in the reduced amount and/or as reclassified, except as may be otherwise ordered by this Court before the Voting Deadline; and
- (k) Notwithstanding anything herein to the contrary, to the extent the Debtors and/or Prime Clerk are unable to determine (based upon their review of the proofs of claim submitted by any PPIC, including any supporting documentation filed in connection therewith, the Debtors' books and records, and the Schedules) whether a proof of claim relates to a PPIC Claim alleging (i) economic loss, or (ii) an actual personal injury, wrongful death, or other similar harm or injury, such proof of claim shall be treated as an Other General Unsecured Claim under the Plan for solicitation purposes only (*e.g.*, such claimant (x) indicates neither

a personal injury nor an economic loss claim on its proof of claim form, (y) indicates both a Claim for personal injury and a Claim for economic loss on its proof of claim form and the Debtors have no other available documentation or information to determine whether such Claim(s) include(s) a Claim for personal injury or economic loss, or (z) provides no documentation with its proof of claim form to indicate whether such claimant's Claim is for personal injury or economic loss and the Debtors and/or Prime Clerk are not otherwise able to make such a determination from the Debtors' books and records and the Schedules).

8. Subject to the rights of the Future Claimants' Representative set forth in Paragraph 9 below to file a Rule 3018(a) Motion (as defined below) and the Debtors' rights to object to any such Rule 3018(a) Motion, solely for purposes of voting to accept or reject the Plan and not for the purpose of the allowance of, or distribution on account of, any Claim, and without prejudice to the rights of the Debtors in any other context, the Future Claimants' Representative is authorized to cast one (1) vote to accept or reject the Plan in the amount of One Dollar (\$1.00).

9. If any claimant, including the Future Claimants' Representative or any PPICs and/or any Registered PPICs, seeks to challenge the allowance of its Claim for voting purposes, such claimant shall file with the Court a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for voting purposes in a different amount (or, solely with respect to the Future Claimants' Representative, a different number and/or amount of Claims) (a "**Rule 3018(a) Motion**"); *provided, however*, the Debtors reserve all of their respective rights and remedies to challenge or oppose any such Rule 3018(a) Motion, including, without limitation, the right to contest the asserted amounts of such Claims (or, in the case of the Future Claimants' Representative, the asserted number of and/or amount of Claims) such claimant or Future Claimants' Representative is seeking to temporarily allow for voting purposes. Upon the filing of a Rule 3018(a) Motion, such claimant shall be provided with a Ballot, which in turn shall be counted in accordance with the above-designated guidelines, unless

temporarily allowed in a different amount by an order of the Court entered prior to or concurrent with entry of an order confirming the Plan. Any Rule 3018(a) Motion must be filed on or before **January 26, 2018 at 4:00 p.m.** (the “*Rule 3018(a) Motion Deadline*”).³

10. Notwithstanding anything herein to the contrary, any PPIC claimant asserting a Claim for personal injury, wrongful death, or other similar harm or injury arising out of or relating to a harm or injury that was suffered subsequent to the Petition Date may seek to vote on the Plan provided that prior to the Rule 3018(a) Motion Deadline such PPIC claimant has filed (i) a proof of claim in the Chapter 11 Cases, and (ii) a Rule 3018(a) Motion (referencing such filed proof of claim) seeking to temporarily allow such Claim for voting purposes, subject to the rights of the Debtors to challenge or oppose any such Rule 3018(a) Motion.

11. Each claimant that votes to accept or reject the Plan is deemed to have voted the full amount of its Claim therefor.

The Record Date

12. The Record Date shall be set as **January 3, 2018**. Only holders of Claims as of the Record Date shall be entitled to vote to accept or reject to the Plan.

Solicitation Packages

13. The Solicitation Packages are **APPROVED**.

14. In accordance with Bankruptcy Rule 3017(d), the Debtors shall mail the Solicitation Packages no later than the date that is four (4) business days after the entry of this Order approving the Disclosure Statement (the “*General Solicitation Date*”) to the U.S. Trustee and any known holders of Claims against the Debtors in the Voting Classes other than any PPICs. With respect to any PPIC that registered an email address with the Solicitation Agent in

³ Unless otherwise stated, all times referenced in this Order are to prevailing Eastern Time.

connection with the filing of its PPIC Proof of Claim (each such PPIC, a “*Registered PPIC*” and, collectively, the “*Registered PPICs*”), the Debtors shall send Solicitation Packages to such claimants by electronic mail at the email addresses provided by such claimants by a date no later than ten (10) business days after entry of this Order (the “*PPIC Solicitation Date*”). With respect to any PPIC that is entitled to vote on the Plan pursuant to paragraph 7(g) above that did not register an email address with the Solicitation Agent with the filing of its PPIC Proof of Claim, the Debtors shall mail or cause to be mailed Solicitation Packages to such claimants by the General Solicitation Date.

15. In accordance with Bankruptcy Rule 3017(d), Solicitation Packages shall contain:

- (a) Except for any Registered PPIC, if the recipient is in a Voting Class and is entitled to vote on the Plan, (i) the Cover Letter, (ii) a USB flash drive containing electronic copies of the Proposed Order, as entered by the Court, the Disclosure Statement, which will include the Plan as an attachment, and the Plan, as independently filed, (iii) the Confirmation Hearing Notice, (iv) a Ballot for such holder (customized as appropriate), and (v) a postage-prepaid, pre-addressed return envelope;
- (b) If the recipient is a Registered PPIC and is entitled to vote on the Plan, the PPIC Solicitation Email with a hyperlink to a dedicated online portal containing (i) the Proposed Order, as entered by the Court, (ii) the Confirmation Hearing Notice, (iii) the Disclosure Statement, which will include the Plan as an attachment, (iv) the Plan, as independently filed, (v) a Ballot for such holder (customized as appropriate), and (vi) instructions for voting online; or
- (c) If the recipient is a Non-Voting Claimant, or is not otherwise entitled to vote on the Plan, (i) the Confirmation Hearing Notice, and (ii) the applicable Notice of Non-Voting Status, *provided, however,* that if the recipient is a Registered PPIC that is not entitled to vote on the Plan, such PPIC will receive an email with a hyperlink to (i) the Confirmation Hearing Notice, and (ii) the Notice of Non-Voting Status – Disputed Claim.

16. The Debtors are authorized to send letters (by electronic or regular mail) from the Committees and the Future Claimants' Representative to holders of Claims in the Voting Classes.

17. Unless otherwise ordered by the Court, the Debtors shall not be required to mail, or cause to be mailed, Solicitation Packages to any Registered PPIC; rather, the Debtors shall cause the Solicitation Agent to electronically send Solicitation Packages to any such Registered PPIC at the email addresses provided by such party in connection with the filing of its PPIC Proof of Claim in accordance with the procedures outlined above.

18. With respect to the holders of Claims that are not Registered PPICs, the Debtors shall send Solicitation Packages with USB flash drives containing electronic copies of the Proposed Order, as entered by the Court, the Disclosure Statement, which will include the Plan as an attachment, and the Plan, as independently filed. The Debtors, however, will provide printed hard copies of these materials upon request.

19. In addition to accepting paper Ballots from claimants entitled to vote who are not PPICs, the Debtors are authorized to accept Ballots electronically for all claimants entitled to vote through online balloting portals located on the Debtors' restructuring website.⁴ Accordingly, all claimants entitled to vote are permitted to cast an electronic Ballot and electronically sign and submit their Ballot instantly by utilizing the applicable online balloting portal (which permits holders to submit electronic signatures). Instructions for the electronic online transmission of Ballots are set forth on the form of Ballot attached hereto as Exhibit 3. The encrypted Ballot data and audit trail created by an electronic submission shall become part

⁴ The Solicitation Agent will maintain two online balloting portals, one dedicated to PPICs and one for all other claimants.

of the record of any Ballot submitted and the claimant's electronic signature shall be deemed immediately legally valid and effective.

20. With respect to addressees from which Solicitation Packages are returned as undeliverable by the United States Postal Service, the Debtors are excused from mailing Solicitation Packages or any other materials related to voting or confirmation of Plan to those entities listed at such addresses, unless the Debtors are provided with accurate addresses for such entities before the Voting Deadline, and failure to mail Solicitation Packages or any other materials related to voting or confirmation of the Plan to such entities will not constitute inadequate notice of the Confirmation Hearing or the Voting Deadline and shall not constitute a violation of Bankruptcy Rule 3017.

21. The Debtors shall not be required to send Solicitation Packages to claimants that have Claims that have already been paid in full; *provided, however*, that if, and to the extent that, any such claimant would be entitled to receive a Solicitation Package for any other reason, then the Debtors shall send such claimant a Solicitation Package in accordance with the procedures set forth herein.

22. The Debtors shall not be required to distribute copies of the Plan or Disclosure Statement to any party to an executory contract who holds a Claim that is not allowed, filed, or scheduled. The Debtors shall distribute the Confirmation Hearing Notice and the Notice of Cure Amount to such counterparties to executory contracts that have not been assumed or rejected as of the Record Date no later than thirty (30) days prior to the Confirmation Hearing Date.

Ballot

23. The Ballot is **APPROVED**.

24. The Voting Deadline is **February 6, 2018 at 4:00 p.m.**

25. Holders of Claims that are not Registered PPICs and that are entitled to vote in the Voting Classes shall receive a Ballot substantially in the form attached hereto as **Exhibit 3**, which Ballot must be properly executed (electronically or manually), completed, and delivered to the Solicitation Agent by first-class mail, overnight courier, hand delivery, or the applicable online balloting portal, so that they are **actually received** by the Solicitation Agent no later than the Voting Deadline.

26. Holders of Claims that are Registered PPICs and that are entitled to vote in the Voting Classes shall receive the PPIC Solicitation Email with a link to the Ballot substantially in the form attached hereto as **Exhibit 3**, as well as instructions for completing the Ballot online on the applicable online balloting portal. Ballots for Claims whose holders are Registered PPICs must be properly completed and electronically submitted to the Solicitation Agent on the applicable online balloting portal so that they are **actually received** by the Solicitation Agent no later than the Voting Deadline.

Notices of Non-Voting Status

27. The Notices of Non-Voting Status are **APPROVED**.

28. To the Unimpaired Classes, the Debtors shall send a Notice of Non-Voting Status – Unimpaired Class, substantially in the form attached hereto as **Exhibit 4-1**. To the Non-Voting Impaired Classes, the Debtors shall send a Notice of Non-Voting Status – Impaired Class, substantially in the form attached hereto as **Exhibit 4-2**. To the holders of Claims that are subject to a pending objection by the Debtors and are not entitled to vote the disputed portion of their Claim, the Debtors shall send a Notice of Non-Voting Status – Disputed Claim, substantially in the form attached hereto as **Exhibit 4-3**; *provided, however*, that the Debtors are

authorized to send an electronic copy of the Notice of Non-Voting Status – Disputed Claim to any Registered PPIC whose Claim is subject to a pending objection by the Debtors.

29. Notwithstanding the foregoing, each holder of an Intercompany Interest shall be deemed to have received all notices required under this Order without need for such notices to actually be delivered to such holders.

Notices to Executory Contract and Lease Counterparties

30. The Notice of Cure Amount, substantially in the form attached hereto as **Exhibit 5-1**, the Reorganized Takata Assumption Notice, substantially in the form attached hereto as **Exhibit 5-2**, and the Rejection Notice, substantially in the form attached hereto as **Exhibit 5-3**, are APPROVED.

31. The Debtors shall file and serve the Notice of Cure Amount no later than thirty (30) days prior to the Confirmation Hearing Date and shall file and serve any Reorganized Takata Assumption Notices or Rejection Notices on or prior to **January 30, 2018**.

Tabulation Procedures

32. The following tabulation procedures are APPROVED:

- (a) Whenever a claimant casts more than one Ballot voting the same Claim(s) before the Voting Deadline, the last valid Ballot received on or before the Voting Deadline shall be deemed to reflect the voter's intent, and thus, to supersede any prior Ballot.
- (b) Whenever a claimant casts a Ballot that is properly completed, executed, and timely returned to the Solicitation Agent, but does not indicate either an acceptance or rejection of the Plan, the Ballot shall not be counted.
- (c) Whenever a claimant casts a Ballot that is properly completed, executed, and timely returned to the Solicitation Agent, but indicates both an acceptance and a rejection of the Plan, the Ballot shall not be counted.
- (d) The following Ballots shall not be counted:

- i. Any Ballot received after the Voting Deadline, unless the Debtors shall have granted an extension of the Voting Deadline in writing with respect to such Ballot, *provided, however*, that the Debtors shall provide notice to the Committees and the Future Claimants' Representative of the granting of any such extension of the Voting Deadline;
 - ii. Any Ballot that is illegible or contains insufficient information to permit the identification of the claimant;
 - iii. Any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan;
 - iv. Any Ballot cast by a person who is not entitled to vote, even if such individual holds a Claim in a Voting Class (*e.g.*, any person whose Claim was paid in full on or before the Record Date and whose Claim is therefore Zero Dollars (\$0.00)), *provided, however*, that the Debtors shall provide notice to the Committees and the Future Claimants' Representative of any Ballot that is not so counted;
 - v. Any Ballot that does not contain a manual or electronic signature, *provided, however*, that any Ballot cast via the online balloting portals, will be deemed to contain an electronic signature; or
 - vi. Any Ballot transmitted to the Solicitation Agent by means not specifically approved herein.
- (e) If a party that is entitled to vote has more than one Claim within the same Class against a Debtor based upon different transactions, said party shall be entitled to one (1) vote for numerosity purposes in the aggregate dollar amount of all of said Claims.

33. With respect to transfers of Claims filed pursuant to Bankruptcy Rule 3001, the holder of a Claim as of the Record Date shall be the transferor of such Claim and entitled to cast the Ballot with respect to that Claim unless the documentation evidencing such transfer was docketed by the Court on or before **twenty one (21) days** prior to the Record Date and no timely objection with respect to such transfer was filed by the transferor.

34. To the extent a claimant has Claims in multiple classes and makes inconsistent elections with respect to opting out of the releases set forth in Section 10.6(b) of the Plan, such claimant shall be deemed to have granted such releases other than with respect to the specific Claim(s) for which the opt-out election is timely and validly made.

35. To assist in the solicitation process, the Solicitation Agent may, but is not obligated to, contact parties that submit incomplete or otherwise deficient Ballots to cure such deficiencies.

III. The Confirmation Hearing.

36. Consistent with the Bar Date Order, the Confirmation Hearing shall be held on **February 13, 2018 at 10:00 a.m.**; *provided, however*, that the Confirmation Hearing may be adjourned or continued from time to time by the Court or the Debtors without further notice other than adjournments announced in open court or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtors with the Court.

Objection Procedures

37. Consistent with the Bar Date Order, the Plan Objection Deadline shall be **February 6, 2018 at 4:00 p.m.**

38. Objections and responses, if any, to confirmation of the Plan, must: (a) be in writing, (b) conform to the Bankruptcy Rules and the Local Rules, (c) set forth the name of the objecting party, the nature and amount of claims or interests held or asserted by the objecting party against the Debtors' Estates or property, and (d) set forth the basis for the objection and the specific grounds therefor.

39. Registered users of the Bankruptcy Court's case filing system must electronically file their objections and responses. All other parties in interest must file their objections and responses in writing with the United States Bankruptcy Court Clerk's Office, 824

Market Street, 3rd Floor, Wilmington, Delaware 19801 to the attention of the chambers of the Honorable Brendan L. Shannon, United States Bankruptcy Judge.

40. Any objections or responses must also be served (by physical or electronic mail) upon the Notice Parties so as to be received by the Notice Parties no later than the Plan Objection Deadline. Pursuant to Bankruptcy Rule 3020(b), if no objection is timely filed, the Bankruptcy Court may determine that the Plan has been proposed in good faith and not by any means forbidden by law without receiving evidence on such issues.

41. The Debtors are authorized to file and serve replies or an omnibus reply to any objections to confirmation of the Plan no later than **February 11, 2018 at 12:00 p.m.**

42. Objections to confirmation of the Plan that are not timely filed, served, and actually received in the manner set forth above shall not be considered and shall be deemed overruled.

Confirmation Hearing Notice

43. The Confirmation Hearing Notice substantially in the form attached hereto as **Exhibit 1** is **APPROVED**.

44. The Debtors shall use commercially reasonable efforts to publish the Confirmation Hearing Publication Notice, which shall contain substantially similar information as the Confirmation Hearing Notice with any necessary modifications for ease of publication, in the same publications in which the notice of the Bar Date was published pursuant to the Bar Date Order within ten (10) business days after entry of the Proposed Order, or as soon as practicable thereafter (allowing reasonable time for translation or other administrative and logistical issues).

45. Consistent with the relief sought by the Debtors in the Supplemental PPIC Bar Date Motion, the Confirmation Hearing Publication Notice shall also include notice of the Supplemental PPIC Bar Date.

46. Publication of the Confirmation Hearing Notice as set forth in this Order is reasonably calculated to provide notice to unknown creditors, including PPICs, of the Confirmation Hearing and the Plan Objection Deadline and is hereby approved and no other or further notice shall be required.

IV. General.

47. The Debtors are authorized to make non-substantive changes to the Disclosure Statement, the Plan, the Ballots, and related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages prior to mailing.

48. The Debtors are authorized to take all steps necessary to carry out this Order.

49. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: Jan 5, 2018
Wilmington, Delaware


THE HONORABLE BRENDAN L. SHANNON
CHIEF UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Form of Confirmation Hearing Notice

Para acceder a una versión de este aviso en español, por favor visite
[<http://tkrestructuring.com>] [<http://tkrestructuring.com/PPIC>].

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
TK HOLDINGS INC., et al.,	:		Case No. 17-11375 (BLS)
	:		
Debtors.¹	:		Jointly Administered
	:		
	:		
	X		

**NOTICE OF (I) APPROVAL OF
DISCLOSURE STATEMENT, (II) ESTABLISHMENT OF
RECORD DATE, (III) HEARING ON CONFIRMATION OF CHAPTER 11
PLAN, (IV) PROCEDURES FOR OBJECTING TO CONFIRMATION OF
THE PLAN, AND (V) PROCEDURES AND DEADLINES FOR VOTING ON THE PLAN**

TO PARTIES IN INTEREST IN THE CHAPTER 11 CASES OF:

Takata Americas	Case No. 17-11372
TK Finance, LLC	Case No. 17-11373
TK China, LLC	Case No. 17-11374
TK Holdings Inc.	Case No. 17-11375
Takata Protection Systems Inc.	Case No. 17-11376
Interiors in Flight Inc.	Case No. 17-11377
TK Mexico Inc.	Case No. 17-11378
TK Mexico LLC	Case No. 17-11379
TK Holdings de Mexico, S. de R.L. de C.V.	Case No. 17-11380
Industrias Irvin de Mexico, S.A. de C.V.	Case No. 17-11381
Takata de Mexico, S.A. de C.V.	Case No. 17-11382
Strosshe-Mex S. de R.L. de C.V.	Case No. 17-11383

¹ 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.

PLEASE TAKE NOTICE THAT:

1. **Approval of Disclosure Statement.** On [January __, 2018], the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) held a hearing (the “**Disclosure Statement Hearing**”) at which it approved the *Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January __, 2018 [Docket No. [___]] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “**Disclosure Statement**”) of TK Holdings Inc. (“**TKH**”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”), in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), and thereafter entered an order (the “**Disclosure Statement Order**”) with respect thereto. The Disclosure Statement Order, among other things, authorizes the Debtors to solicit votes to accept or reject the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January __, 2018 [Docket No. [___]] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “**Plan**”).²

2. **Confirmation Hearing.** A hearing to consider confirmation of the Plan (the “**Confirmation Hearing**”) has been scheduled for **February 13, 2018 at 10 a.m.**³ before the Honorable Brendan L. Shannon, United States Bankruptcy Judge, in the Bankruptcy Court. Please be advised that the Confirmation Hearing may be adjourned or continued from time to time by the Bankruptcy Court or the Debtor without further notice other than by such adjournment being announced in open court or by a notice of adjournment being filed with the Bankruptcy Court and served on parties entitled to notice under Bankruptcy Rule 2002 and the Local Rules, or otherwise. In accordance with the Plan, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing without further action by the Debtors and without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

3. **Record Date.** Holders of Claims against the Debtors in Class 3 (Mexico Class Action Claims), Class 4 (OEM Unsecured Claims), Class 5 (PSAN PI/WD Claims), and Class 6 (Other General Unsecured Claims) (each a “**Voting Class**” and, collectively, the “**Voting Classes**”) as of January 3, 2018 (the “**Record Date**”) are entitled to vote on account of such Claims. However, a claimant who holds a Claim in a Voting Class is nonetheless **not** entitled to vote to the extent that:

- (a) As of the Record Date, the outstanding amount of such claimant’s Claim is not greater than zero (\$0.00);
- (b) As of the Record Date, such claimant’s Claim has been disallowed, expunged, disqualified, or suspended;

² Capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Disclosure Statement or the Plan, as applicable.

³ Unless otherwise stated, all times referenced in this notice are to prevailing Eastern Time.

- (c) A claimant is not scheduled in the Debtors' Schedules, or a claimant's Claim is scheduled as contingent, unliquidated, or disputed, and such claimant has not timely filed a proof of claim in accordance with the Bar Date Order, *provided, however*, that any PPIC whose Claim for personal injury or wrongful death is listed on the Schedules shall be entitled to vote on the Plan as set forth in paragraph 7(g) of the Disclosure Statement Order, regardless of whether such claim is scheduled as contingent, unliquidated, or disputed; or
- (d) Such claimant's Claim is subject to an objection or request for estimation as of the Record Date, unless a Rule 3018(a) Motion (as defined below) has been filed.

In addition, any PPIC claimant asserting a Claim for personal injury, wrongful death, or other similar harm or injury arising out of or relating to a harm or injury that was suffered subsequent to the Petition Date may seek to vote on the Plan provided that prior to the Rule 3018(a) Motion Deadline (as defined below) such PPIC claimant has filed (i) a proof of claim in the Chapter 11 Cases, and (ii) a Rule 3018(a) Motion (referencing such filed proof of claim) seeking to temporarily allow such Claim for voting purposes, subject to the rights of the Debtors to challenge or oppose any such Rule 3018(a) Motion.

4. ***Voting Deadline.*** All votes to accept or reject the Plan must be **actually received** by the Debtor's voting and tabulation agent, Prime Clerk LLC ("***Prime Clerk***"), by **February 6, 2018 at 4:00 p.m.** (the "***Voting Deadline***"). Any failure to follow the voting instructions included with your Ballot may disqualify your Ballot and your vote.

5. ***Parties in Interest Not Entitled to Vote.*** Holders of Unimpaired Claims in Classes presumed to accept the Plan are not entitled to vote and will not receive a Ballot. Holders of Impaired Claims and Interests that will receive no distribution under the Plan and that are deemed to reject the Plan are not entitled to vote and will not receive a Ballot. Such holders will instead receive a Notice of Non-Voting Status. If you disagree with the amount of your Claim set forth by the Debtors in the Schedules or if you have filed a proof of claim and disagree with either (a) the Debtors' objection to your Claim and believe that you should be entitled to vote on the Plan or (b) the Debtors' classification or request for estimation of your Claim and believe that you should be entitled to vote on the Plan in a different amount or Class, then you must serve on the parties identified in paragraph 9 below and file with the Bankruptcy Court a motion (a "***Rule 3018(a) Motion***") for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***") temporarily allowing your Claim in a different amount or in a different Class for purposes of voting to accept or reject the Plan. All Rule 3018(a) Motions must be filed on or before **January 26, 2018 at 4:00 p.m.** (the "***Rule 3018(a) Motion Deadline***"). Rule 3018(a) Motions that are not timely filed and served in the manner set forth above shall not be considered. As to any claimant filing a Rule 3018(a) Motion, such claimant will be provided with a Ballot and such Ballot will be counted in accordance with the above-designated guidelines, unless temporarily allowed in a different amount by an order of the Court entered prior to or concurrent with entry of an order confirming the Plan. Claimants may contact Prime Clerk in writing at TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850

Third Avenue, Suite 412, Brooklyn, NY 11232, or by telephone at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the US or Canada) to receive an appropriate Ballot for any Claim for which a proof of claim has been timely filed and a Rule 3018(a) Motion has filed.

6. **Objections to Confirmation.** The deadline to object or respond to confirmation of the Plan is **February 6, 2018 at 4:00 p.m.** (the “**Plan Objection Deadline**”).

7. Objections and responses, if any, to confirmation of the Plan, must: (a) be in writing; (b) conform to the Bankruptcy Rules and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”); (c) set forth the name of the objecting party and the nature and amount of Claims or Interests held or asserted by the objecting party against the Debtors’ Estates or property; and (d) provide the basis for the objection and the specific grounds thereof.

8. Registered users of the Bankruptcy Court’s case filing system must electronically file their objections and responses. All other parties in interest must file their objections and responses in writing with the United States Bankruptcy Court Clerk’s Office, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 to the attention of the chambers of the Honorable Brendan L. Shannon, United States Bankruptcy Judge.

9. Any objections or responses must be served so that they are **actually received** by electronic or regular mail by the following parties (collectively, the “**Notice Parties**”) no later than the Plan Objection Deadline:

<p>Debtors TK Holdings Inc. 2500 Takata Drive Auburn Hills, Michigan 48326 Attn: Keith Teel, Esq. (Keith.Teel@Takata.com)</p>	<p>Office of the U.S. Trustee Office of the U.S. Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35 Wilmington, Delaware 19899 Attn: David Buchbinder, Esq. (David.I.Buchbinder@usdoj.gov) Jane Leamy, Esq. (Jane.M.Leamy@usdoj.gov)</p>
<p>Counsel to the Debtors Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, New York 10153 Attn: Marcia L. Goldstein, Esq. (Marcia.Goldstein@weil.com) Ronit J. Berkovich, Esq. (Ronit.Berkovich@weil.com) Matthew P. Goren, Esq. (Matthew.Goren@weil.com)</p>	<p>Counsel to the Creditors’ Committee Milbank, Tweed, Hadley & McCloy LLP 28 Liberty Street New York, New York 10005 Attn: Dennis F. Dunne, Esq. (DDunne@milbank.com) Abhilash M. Raval, Esq. (ARaval@milbank.com) Tyson Lomazow, Esq. (TLomazow@milbank.com) Mary Reidy Doheny, Esq. (MDoheny@milbank.com)</p>

<p><i>Co-Counsel to the Debtors</i> Richards, Layton & Finger, P.A. 920 N. King Street Wilmington, Delaware 19801 Attn: Mark D. Collins, Esq. (Collins@RLF.com) Michael J. Merchant, Esq. (Merchant@RLF.com)</p>	<p><i>Counsel to the Tort Claimants' Committee</i> Pachulski Stang Ziehl & Jones LLP 919 North Market Street, 17th Floor P.O. Box 8705 Wilmington, Delaware 19899 Attn: Laura Davis Jones, Esq. (LJones@pszjlaw.com) James I. Stang, Esq. (JStang@pszjlaw.com)</p>
<p><i>Counsel to the Plan Sponsor</i> Skadden, Arps, Slate, Meagher & Flom LLP 155 N. Wacker Drive Chicago, IL 60606-1720 Attn: Ron E. Meisler, Esq. (Ron.Meisler@skadden.com) Felicia Gerber Perlman, Esq. (Felicia.Perlman@skadden.com)</p>	<p><i>Counsel to the Future Claimants' Representative</i> Frankel Wyron LLP 2101 L Street, NW Suite 800 Washington, DC 20037 Attn: Richard H. Wyron, Esq. (RWyron@frankelwyron.com)</p>
<p><i>Counsel to the Consenting OEMs</i> Morris, Nichols, Arsht & Tunnell LLP 1201 N. Market Street Wilmington, DE 19899-1347 Attn: Derek C. Abbott, Esq. (DAbbott@mnat.com)</p>	<p>Ashby & Geddes, P.A. 500 Delaware Avenue, 8th Floor P.O. Box 1150 Wilmington, DE 19899-1150 Attn: Karen B. Owens, Esq. (kowens@ashbygeddes.com) William P. Bowden, Esq. (wbowden@ashbygeddes.com)</p>

10. **IF ANY OBJECTION TO CONFIRMATION OF THE PLAN IS NOT FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE NOTICE PARTIES STRICTLY AS PRESCRIBED HEREIN, THE OBJECTING PARTY WILL BE BARRED FROM OBJECTING TO CONFIRMATION OF THE PLAN AND WILL NOT BE HEARD AT THE CONFIRMATION HEARING.**

11. ***Parties That Will Not Be Entitled to Vote or Receive Any Distribution.*** Except as otherwise provided in the Bar Date Order, any holder of (a) a Claim that is scheduled in the Debtors' Schedules at \$0, or in an unknown amount, or as disputed, contingent, or unliquidated, and for which a proof of claim has not been timely filed, or (b) a Claim that the Debtors have already paid or otherwise satisfied in full, shall not be treated as a creditor with respect to such Claim for purposes of receiving distributions under the Plan. Parties in interest that are not entitled to vote may still object to confirmation of the Plan. **PLEASE NOTE THAT, NOTWITHSTANDING YOUR FAILURE TO FILE A PROOF OF CLAIM OR BE SCHEDULED, YOUR RIGHTS MAY NEVERTHELESS BE IMPAIRED BY THE PLAN.**

12. ***Additional Information.*** Any party in interest wishing to obtain information about the Solicitation and Voting Procedures or copies of the Disclosure Statement

or the Plan should contact the Debtors' voting and tabulation agent, Prime Clerk LLC, in writing at TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232, or by telephone at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the US or Canada). Interested parties may also review the Disclosure Statement and the Plan free of charge at [<http://TKRestructuring.com>] [<http://TKRestructuring.com/PPIC>]. In addition, the Disclosure Statement and Plan are on file with the Bankruptcy Court and may be reviewed for a fee by accessing the Bankruptcy Court's website: www.deb.uscourts.gov. Note that a PACER password and login are needed to access documents on the Bankruptcy Court's website. A PACER password can be obtained at: www.pacer.psc.uscourts.gov. Copies of the Disclosure Statement and Plan may also be examined by interested parties during normal business hours at the office of the Clerk of the Bankruptcy Court.

13. ***Executory contracts and unexpired leases.*** All executory contracts and unexpired leases to which any of the Debtors are party will be deemed assumed by, and assigned to, the Plan Sponsor unless specifically assumed by either Reorganized Takata or the Warehousing Trust or rejected by the Debtors on or before the Plan Objection Deadline. The Debtors reserve the right to modify the treatment of any particular executory contract or unexpired lease pursuant to the Plan.

14. ***Professionals.*** Except as otherwise expressly set forth on the Cure Amount Notice, any contracts, engagement letters, retention agreements, and similar arrangements, in each case between the Debtors and any attorneys, accountants, financial advisors, investment bankers, or similar professionals, representatives, or advisors will not be included on the Cure Amount Notice and shall not be treated under the Plan as executory contracts subject to assumption, assumption and assignment, or rejection. Counterparties to any such contracts, engagement letters, retention agreements and similar arrangements were required to file proofs of claim by the General Bar Date (as defined in the Bar Date Order) and any Allowed Claims relating thereto shall be treated as Other General Unsecured Claims against the applicable Debtor.

15. ***Binding Effect and Releases.*** **If the Plan is confirmed by the Bankruptcy Court, the Plan, including Sections 5.2(c), 5.4, 10.5, 10.6, and 10.8 thereof, will be binding on you, regardless of whether you are Impaired under the Plan and whether you have accepted the Plan. Accordingly, if the Plan is confirmed by the Bankruptcy Court, on the Effective Date, the Purchased Assets will, 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 and the terms of such sale will be binding and enforceable against all Persons as a permanent injunction pursuant to Section 10.5(b) of the Plan. Additionally, if the Plan is confirmed by the Bankruptcy Court, on the Effective Date: (a) all PSAN Assets will 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 in the Plan; and (b) all Warehoused PSAN Assets will vest in the Warehousing Trust free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind. Further, if the Plan is confirmed by the Bankruptcy Court, as of the Effective Date, the Released Parties⁴ 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 (a) the holders of all Claims, other than the Consenting OEMs, who vote to accept the Plan; (b) the holders of all Claims, other than the Consenting OEMs, that are Unimpaired under the Plan; (c) 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; (d) 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 therein; (e) the holders of all Claims, other than the Consenting OEMs, and Interests who are given notice of the opportunity to opt out of granting such releases but who do not opt out of granting the releases; (f) 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

⁴ "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.

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.

(a) Except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Plan Documents the injunction provisions set forth in Section 10.5 of the Plan will be binding on all Entities. Accordingly, if the Plan is confirmed by the Bankruptcy Court, on the Effective Date, 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 the 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 the Plan.

PLEASE BE ADVISED THAT IF YOUR CLAIM IS UNIMPAIRED UNDER THE PLAN, YOU WILL BE DEEMED TO HAVE GRANTED THE RELEASES CONTAINED IN SECTION 10.6(B) OF THE PLAN.

Dated: _____, 2018
Wilmington, Delaware

Marcia L. Goldstein (admitted *pro hac vice*)
Ronit J. Berkovich (admitted *pro hac vice*)
Matthew P. Goren (admitted *pro hac vice*)

Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
Amanda R. Steele (No. 5530)
Brett M. Haywood (No. 6166)

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
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Facsimile: (212) 310-8007

RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

Counsel to the Debtors and Debtors in Possession

Co-Counsel to the Debtors and Debtors in Possession

Exhibit 2-1

Form of Cover Letter

[Debtors' Letterhead]

[_____, 2018]

To Whom It May Concern:

On January [___], 2018, the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") held a hearing (the "**Disclosure Statement Hearing**") at which it approved the *Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [___], 2018 [Docket No. [___]] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the "**Disclosure Statement**") of TK Holdings Inc. ("**TKH**") and certain of its affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), in the above-captioned chapter 11 cases (the "**Chapter 11 Cases**"), and thereafter entered an order (the "**Disclosure Statement Order**") with respect thereto. The Disclosure Statement Order, among other things, authorizes the Debtors to solicit votes to accept or reject the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [___], 2018 [Docket No. [___]] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the "**Plan**").¹

You have received this letter and the enclosed materials because you are entitled to vote on the Plan. The enclosed materials constitute the "**Solicitation Package**," which, in addition to this letter, is comprised of:

- (a) The Disclosure Statement (and the Plan as an exhibit thereto);
- (b) The Plan;
- (c) The Disclosure Statement Order, as entered by the Court and without attachments;
- (d) The Confirmation Hearing Notice;
- (e) An appropriate Ballot (customized as appropriate and together with detailed voting instructions (including instructions for voting online) and a postage-prepaid, pre-addressed return envelope); and
- (f) Any supplemental documents that the Debtors filed with the Court or any documents that the Court ordered must be included in the Solicitation Package.

¹ Capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Disclosure Statement, the Disclosure Statement Order, or the Plan, as applicable. Copies of the Disclosure Statement, the Disclosure Statement Order, and the Plan may be obtained at no charge by (i) visiting <http://TKRestructuring.com>, (ii) writing Prime Clerk LLC at TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232, (iii) emailing takataballots@primeclerk.com, or (iv) calling Prime Clerk LLC at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the U.S. or Canada).

The enclosed Plan is the product of nearly two (2) years of intensive marketing, diligence, and negotiations between and among Takata, Joyson KSS Auto Safety S.A. (“**KSS**” and, collectively with one or more of its current or future subsidiaries or affiliates, the “**Plan Sponsor**”), and a group of fifteen (15) of Takata’s original equipment manufacturer customers who collectively account for a substantial portion of the PSAN Inflators sold by Takata as of March 2017 and hold a substantial majority of the total unsecured Claims against the Debtors’ Estates (collectively, the “**Support Parties**”). Pursuant to the Plan and the other transaction documents, the Plan Sponsor will purchase substantially all of Takata’s worldwide assets, other than certain excluded assets, which are primarily those assets dedicated to the manufacture of PSAN Inflators (collectively, the “**PSAN Excluded Assets**” and together with certain other excluded assets, the “**Excluded Assets**”), 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, for the aggregate purchase price of One Billion Five Hundred Eighty-Eight Million Dollars (\$1.588 billion) (the “**Global Transaction**” and the agreements, documents, and instruments executed and delivered in connection with the Global Transaction, as hereafter amended, supplemented, or otherwise modified, the “**Global Transaction Documents**”). The PSAN Excluded Assets will be carved out of the sale and vest in, as applicable, TKH and certain of its subsidiaries upon TKH’s emergence from chapter 11 (TKH, as reorganized, “**Reorganized TK Holdings**” and, collectively with its subsidiaries, “**Reorganized Takata**” and with respect to the carve out structure, the “**PSAN Carve Out**”) 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 in the Plan. The primary purpose of Reorganized Takata will be to ensure the continued production of PSAN Inflators to those original equipment manufacturer customers that need such inflators, including to fulfill recalls.

Please read the Plan carefully. In particular, please review the injunction, release, and exculpation provisions provided in Sections 5.2(c), 5.4, 10.5, 10.6, 10.7, and 10.8 of the Plan. Please be advised that if you do not wish to provide the releases set forth in Section 10.6(b) of the Plan, you may decline to do so by checking the appropriate box on your Ballot. Please note, however, that only persons who vote to reject the Plan may opt out of providing these releases.

The Debtors and the other Support Parties believe that the acceptance of the Plan is in the best interests of the holders of Claims against, and Interests in, the Debtors. Moreover, the Debtors believe that any alternative other than confirmation of the Plan could result in, among other risks, extensive delays and increased administrative expenses, thereby resulting in smaller distributions or no distributions on account of Allowed Claims.

The Debtors and the other Support Parties, therefore, recommend that all entities entitled to vote on the Plan submit a timely Ballot voting to accept the Plan. You may vote either **by mail** by completing and returning the Ballot included in this package or **online** by visiting .

If you have any questions please feel free to contact Prime Clerk LLC (the “**Solicitation Agent**”), by writing to Prime Clerk LLC, TK Holdings Inc. Ballot Processing,

c/o Prime Clerk LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232, emailing takataballots@primeclerk.com, or calling the Solicitation Agent at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the U.S. or Canada). Please note that the Solicitation Agent cannot give you legal advice or advise you on how the Plan affects you or what actions you should take with respect to the Plan. Any questions regarding those matters should be referred to your own counsel. You may also obtain copies of any pleadings filed in the chapter 11 case at no charge by accessing the Debtors' restructuring website at <http://TKRestructuring.com>, or for a fee via PACER at <http://www.deb.uscourts.gov>.

Regards,

TK Holdings Inc. and its affiliated debtors

Exhibit 2-2

Form of PPIC Solicitation Email

To: [Registered PPIC Claimant]
From: [Prime Clerk]
Subject: [Link to Ballot and Solicitation Materials]

E-Ballot Identification Number: [_____]

On [January __, 2018], the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) held a hearing (the “**Disclosure Statement Hearing**”) at which it approved the *Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [__], 2018 [Docket No. [____]] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “**Disclosure Statement**”) of TK Holdings Inc. (“**TKH**”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”), in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), and thereafter entered an order (the “**Disclosure Statement Order**”) with respect thereto. The Disclosure Statement Order, among other things, authorizes the Debtors to solicit votes to accept or reject the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [__], 2018 [Docket No. [____]] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “**Plan**”).

You are receiving this email because you filed a proof of claim in these Chapter 11 Cases and are entitled to vote to accept or reject the Plan. The following materials constitute the “**Solicitation Package**,” which, in addition to this email, is comprised of:

- (a) The Disclosure Statement (and the Plan as an exhibit thereto);
- (b) The Plan;
- (c) The Disclosure Statement Order;
- (d) The Confirmation Hearing Notice;
- (e) A Ballot (customized as appropriate and together with detailed online, phone, and facsimile voting instructions); and
- (f) Any supplemental documents that the Debtors filed with the Court or any documents that the Court ordered must be included in the Solicitation Package.

Please click on the following link to access the Solicitation Package <hyperlink>.

The Plan is the product of nearly two (2) years of intensive marketing, diligence, and negotiations between and among Takata, Joyson KSS Auto Safety S.A. (“**KSS**” and, collectively with one or more of its current or future subsidiaries or affiliates, the “**Plan Sponsor**”), and a group of fifteen (15) of Takata’s original equipment manufacturer customers who collectively account for a substantial portion of the PSAN Inflators sold by Takata as of March 2017 and hold a substantial majority of the total unsecured Claims against the Debtors’ Estates (collectively, the “**Support Parties**”). Pursuant to the Plan and the other transaction

documents, the Plan Sponsor will purchase substantially all of Takata's worldwide assets, other than certain excluded assets, which are primarily those assets dedicated to the manufacture of PSAN Inflators (collectively, the "**PSAN Excluded Assets**") and together with certain other excluded assets, the "**Excluded Assets**"), 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, for the aggregate purchase price of One Billion Five Hundred Eighty-Eight Million Dollars (\$1.588 billion) (the "**Global Transaction**" and the agreements, documents, and instruments executed and delivered in connection with the Global Transaction, as hereafter amended, supplemented, or otherwise modified, the "**Global Transaction Documents**"). The PSAN Excluded Assets will be carved out of the sale and vest in, as applicable, TKH and certain of its subsidiaries upon TKH's emergence from chapter 11 (TKH, as reorganized, "**Reorganized TK Holdings**" and, collectively with its subsidiaries, "**Reorganized Takata**" and with respect to the carve out structure, the "**PSAN Carve Out**") 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 in the Plan. The primary purpose of Reorganized Takata will be to ensure the continued production of PSAN Inflators to those original equipment manufacturer customers that need such inflators, including to fulfill recalls.

Please read the Plan carefully. In particular, please review the injunction, release, and exculpation provisions provided in Sections 5.2(c), 5.4, 10.5, 10.6, 10.7, and 10.8 of the Plan. Please be advised that if you do not wish to provide the releases set forth in Section 10.6(b) of the Plan, you may decline to do so by checking the appropriate box on your Ballot. Please note, however, that only persons who vote to reject the Plan may opt out of providing these releases.

The Debtors and the other Support Parties believe that the acceptance of the Plan is in the best interests of the holders of Claims against, and Interests in, the Debtors. Moreover, the Debtors believe that any alternative other than confirmation of the Plan could result in, among other risks, extensive delays and increased administrative expenses, thereby resulting in smaller distributions or no distributions on account of Allowed Claims.

The Debtors and the other Support Parties, therefore, recommend that all entities entitled to vote on the Plan submit a timely Ballot voting to accept the Plan.

If you have any questions please feel free to contract Prime Clerk LLC (the "**Solicitation Agent**"), by writing to Prime Clerk LLC, TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232, emailing takataballots@primeclerk.com, or calling the Solicitation Agent at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the U.S. or Canada). Please note that the Solicitation Agent cannot give you legal advice or advise you on how the Plan affects you or what actions you should take with respect to the Plan. Any questions regarding those matters should be referred to your own counsel. You may also obtain copies of any pleadings filed in the chapter 11 case at no charge by accessing the Debtors' restructuring website at <http://TKRestructuring.com/PPIC>, or for a fee via PACER at <http://www.deb.uscourts.gov>.

You will need to reference the E-Ballot Identification Number noted at the top of this email in order to vote.

Exhibit 3

Form of Ballot

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
TK HOLDINGS INC., et al.,	:		Case No. 17-11375 (BLS)
	:		
Debtors.¹	:		Jointly Administered
	:		
	:		
	X		

**PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR
COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT**

**THIS BALLOT MUST BE ACTUALLY RECEIVED
BY FEBRUARY 6, 2018 AT 4:00 P.M. (THE “VOTING DEADLINE”)²**

TK Holdings Inc. (“*TKH*”) and its affiliated debtors in the above-captioned chapter 11 cases (collectively, the “*Debtors*”) have sent this Ballot to you because, as of January 3, 2018 (the “*Record Date*”), you are the holder a Class [3 / 4 / 5 / 6] [Mexico Class Action / OEM Unsecured / PSAN PI/WD / Other General Unsecured] Claim and you have the right to vote to accept or reject the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] [Docket No. 1108] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Plan*”).³

Your rights are described in the *Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Disclosure Statement*”) and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order, and certain other materials contained in the Solicitation Package are included in the

¹ 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.

² Unless otherwise stated, all times referenced in this Ballot are to prevailing Eastern Time.

³ Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such term in the Plan, the Disclosure Statement (as defined herein), or in the order approving the Disclosure Statement, entered on [January [], 2018] [Docket No. []] (the “*Disclosure Statement Order*”), as applicable.

packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may contact Prime Clerk LLC (the "**Solicitation Agent**") by (i) visiting the Debtors' restructuring website at <http://tkrestructuring.com>; (ii) writing Prime Clerk LLC TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232; (iii) emailing takataballots@primeclerk.com, or (iv) calling the Solicitation Agent at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the U.S. or Canada). You may also access these materials free of charge on the Debtors' restructuring website at [<http://TKRestructuring.com>] [<http://TKRestructuring.com/PPIC>] or for a fee via PACER at <http://www.deb.uscourts.gov>. The United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Bankruptcy Court approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court. This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. If you believe that you have received this Ballot in error, please contact the Solicitation Agent at the address or telephone numbers set forth above.

If you have any questions on how to properly complete this Ballot, please contact the Solicitation Agent via one of the methods provided above. Please be advised that the Solicitation Agent cannot provide legal advice.

IMPORTANT

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class [___] under the Plan. If you hold Claims in more than one (1) Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Solicitation Agent does not actually receive your Ballot on or before the Voting Deadline, which is February 6, 2018 at 4:00 p.m., and if the Voting Deadline is not extended, then your vote will not count. If the Bankruptcy Court confirms the Plan, it will bind you regardless of whether you vote. Delivery of a Ballot to the Solicitation Agent by facsimile, email, or other electronic means (other than via the Solicitation Agent's online balloting portal) will not be valid. Please mail or deliver your Ballot to:

**TK Holdings Inc. Ballot Processing
c/o Prime Clerk LLC
850 Third Avenue, Suite 412
Brooklyn, NY 11232**

Alternatively, to submit your Ballot via the Solicitation Agent's online balloting portal, visit [_____]. Click on the "Submit E-Ballot" section of the website and follow the instructions to submit your Ballot.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot Identification Number: _____

The Solicitation Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email or other means of electronic transmission will not be counted.

Each E-Ballot Identification Number is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot Identification Number you receive, as applicable. Claimants who cast a Ballot using the Solicitation Agent's online portal should NOT also submit a paper Ballot.

"Free and Clear" Transfer of Assets.

If the Plan is confirmed by the Bankruptcy Court, the Plan, including Sections 5.2(c), 5.4, 10.5, 10.6, and 10.8 thereof, will be binding on you, regardless of whether you are Impaired under the Plan and whether you have accepted the Plan. **ACCORDINGLY, IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, ON THE EFFECTIVE DATE, THE PURCHASED ASSETS WILL, 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 AND THE TERMS OF SUCH SALE WILL BE BINDING AND ENFORCEABLE AGAINST ALL PERSONS AS A PERMANENT INJUNCTION PURSUANT TO SECTION 10.5(B) OF THE PLAN.**

Additionally, if the Plan is confirmed by the Bankruptcy Court, on the Effective Date: (a) all PSAN Assets will 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 in the Plan; and (b) all Warehoused PSAN Assets will vest in the Warehousing Trust free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind.

Release.

Further, if the Plan is confirmed by the Bankruptcy Court, as of the Effective Date, the Released Parties⁴ shall be deemed conclusively, absolutely, unconditionally, irrevocably

⁴ "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

and forever released and discharged, to the maximum extent permitted by law, as such law may be extended subsequent to the Effective Date by (a) the holders of all Claims, other than the Consenting OEMs, who vote to accept the Plan; (b) the holders of all Claims, other than the Consenting OEMs, that are Unimpaired under the Plan; (c) 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; (d) 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 therein; (e) the holders of all Claims, other than the Consenting OEMs, and Interests who are given notice of the opportunity to opt out of granting such releases but who do not opt out of granting the releases; (f) 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

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.

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.

Injunction.

Except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Plan Documents the injunction provisions set forth in Section 10.5 of the Plan will be binding on all Entities. Accordingly, if the Plan is confirmed by the Bankruptcy Court, on the Effective Date, 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 the 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 the Plan.

[Release and Channeling Injunction for PSAN PI/WD Claims.]

You have alleged that you have a PSAN PI/WD Claim arising from an incident involving a vehicle manufactured by either (i) American Honda Motor Co., Inc., including its subsidiaries and affiliates (the Initial Participating OEM) or (ii) a Potential Participating OEM.⁵ The Initial Participating OEM is a Protected Party under the Plan, and each Potential Participating OEM will have the opportunity to elect to become a Participating OEM and a Protected Party in accordance with section 5.10(s) of the Plan, both of which are subject to the terms and conditions of the Plan and other applicable documents relating to the PSAN PI/WD Trust. Each Protected Party will be entitled to the benefit of the Channeling Injunction and related release provisions set forth in sections 10.7 and 10.6(c), respectively, of the Plan. The effectiveness of the Channeling Injunction (section 10.7 of the Plan) and Releases by holders of PSAN PI/WD Claims (section 10.6(c) of the Plan) for the benefit of a Participating OEM shall be subject to (x) the consent of the Future Claims Representative and (y) the Bankruptcy Court or the District Court (as applicable) having determined that holders of PSAN PI/WD Claims in each applicable Class voting on the Plan in accordance with ARTICLE IV of the Plan have indicated their acceptance of the Channeling Injunction in a sufficient number within each such Class to support issuance of the Channeling Injunction for the benefit of the applicable Participating OEM. If the Channeling Injunction is approved, each Protected Party will be entitled to the benefit of the Channeling Injunction and related release provisions, and each Participating OEM will insure that holders of PSAN PI/WD Claims related to vehicles sold by such Participating OEM receive the payments as described in section 5.10(g)(iv) of the Plan.

Release of PSAN PI/WD Claims against Protected Parties:⁶ As a holder of a Class 5 (PSAN PI/WD Claims) Claim, if the Plan is confirmed by the Bankruptcy Court, 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, you will 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

⁵ American Honda Motor Co., Inc., including its subsidiaries and affiliates, is the sole Initial Participating OEM. Any other Consenting OEM may elect to become a Participating OEM in accordance with the terms of the Plan's Channeling Injunction provisions. The potential Participating OEMs are any vehicle manufacturer that becomes a Consenting OEM at a later date and the following Initial Consenting OEMs (including their subsidiaries and affiliates): (i) BMW Manufacturing Co., LLC, (ii) FCA US LLC, (iii) Ford Motor Company, (iv) General Motors Holdings LLC, (v) Mazda Motor Corporation, (vi) Mitsubishi Motors Corporation, (vii) Nissan North America, Inc., (viii) Subaru Corporation, (ix) Toyota Motor Corporation, and (x) Volkswagen Group of America, Inc. (collectively, the "*Potential Participating OEMs*"). By appearing on the foregoing list, the OEMs listed make no commitment or representation regarding their willingness to participate in the Channeling Injunction and expressly reserve the right to decline to participate in the Channeling Injunction.

⁶ *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, subject to the terms of section 5.10(s) of the Plan, (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, current and former officers, directors, principals, equity holders, members, partners, managers, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, and such Persons' respective heirs, executors, estates, and nominees, as applicable.

whatsoever, whether known or unknown, asserted or unasserted, derivative or direct, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, fraud, contract, 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 will release any OEM that is not a Participating OEM from liability for a PSAN PI/WD Claim.

Channeling Injunction for PSAN PI/WD Claims against Protected Parties: In addition to 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 3016 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 the 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 a Participating OEM shall be subject to (x) the consent of the Future Claims Representative and (y) the Bankruptcy Court or the District Court (as applicable) having determined that holders of PSAN PI/WD Claims in each applicable Class voting on the Plan in accordance with ARTICLE IV of the Plan have indicated their acceptance of the Channeling Injunction in a sufficient number within each such Class to support issuance of the Channeling Injunction for the benefit of the applicable Participating OEM. For the avoidance of doubt, the effectiveness of the Channeling Injunction and Releases by Holders of PSAN PI/WD Claims for the benefit of any Protected Party is not a condition to the Effective Date. In the event the Channeling Injunction and related provisions with respect to any Protected Party have not received requisite court approval as of the Effective Date, the Channeling Injunction and such related provisions set forth in the Plan shall be of no force and effect solely with respect to such Protected Party unless and until requisite court approval is obtained. The notice of the occurrence of the Effective Date shall indicate whether and to what extent the Channeling Injunction is in effect as of the date thereof.

(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.]

Your receipt of this Ballot does not signify that your Claim(s) has/have been or will be Allowed. The Debtors or the PSAN PI/WD Trust, as applicable, reserve all rights to dispute any Claim.

Instructions for Completing Ballots

1. This Ballot is submitted to you to solicit your vote to accept or reject the Plan. **Please read the Plan and the Disclosure Statement carefully before completing this Ballot.**
2. The Plan will be accepted by a Class if it is accepted by the holders of two-thirds in amount and more than one-half in number of Claims in that Class that actually vote on the Plan. In the event that a Class rejects the Plan, the Bankruptcy Court may nevertheless confirm the Plan and thereby make it binding on you if the Bankruptcy Court finds that the Plan (a) does not unfairly discriminate against and accords fair and equitable treatment to the holders of Claims all Classes of Claims or Interests rejecting the Plan and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. If the Plan is confirmed by the Bankruptcy Court, all holders of Claims against and Interests in the Debtors (including those holders who abstain from voting or reject the Plan, and those holders who are not entitled to vote on the Plan) will be bound by the confirmed Plan and the transactions contemplated thereby.
3. **Use of Hard Copy Ballot. Complete, sign, and return this Ballot to the Solicitation Agent so that it is actually received by the Solicitation Agent by no later than February 6, 2018 at 4:00 p.m. (Prevailing Eastern Time), the Voting Deadline, unless such time is extended in writing by the Debtors.** Ballots must be delivered either by first class mail (in the enclosed envelope or otherwise), by overnight courier, or by hand delivery to the Solicitation Agent at the following address:

**TK Holdings Inc. Ballot Processing
c/o Prime Clerk LLC
850 Third Avenue, Suite 412
Brooklyn, NY 11232**

Ballots will not be accepted by telecopy, facsimile, e-mail, or other electronic means of transmission (except the Solicitation Agent's online balloting portal).

4. **Use of Online Ballot Portal.** To ensure that your electronic Ballot is counted, please follow the instructions of the Debtors' case administration website at [] (click "Submit E-Ballot" link). You will need to enter your unique E-Ballot Identification Number indicated above. The online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots will not be accepted by facsimile or electronic means (other than the online balloting portal).
5. To properly complete the Ballot, you must follow the procedures described below:
 - (a) cast one vote to accept or reject the Plan by checking the appropriate box in Item 3;
 - (b) if you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing and be prepared to submit satisfactory evidence of your authority to so act (e.g., a power

of attorney or a certified copy of board resolutions authorizing you to so act) upon request of the Debtors;

- (c) if you also hold other Claims, you may receive more than one Ballot, labeled for a different Class of Claims and you should separately complete and submit a Ballot for each Class of Claims in which you hold Claims. Your vote will be counted in determining acceptance or rejection of the Plan by each particular Class of Claims only if you complete, sign, and return the Ballot labeled for that Class of Claims in accordance with the instructions on such Ballot;
- (d) if you believe that you have received the wrong Ballot, please contact the Solicitation Agent immediately;
- (e) provide your name and mailing address on your Ballot;
- (f) sign and date your Ballot and provide the remaining information requested; and
- (g) return your Ballot via an approved method of return detailed above.

IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT, DID NOT RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, DID NOT RECEIVE A COPY OF THE DISCLOSURE STATEMENT OR PLAN, OR NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE DEBTORS' SOLICITATION AGENT, PRIME CLERK LLC, BY (I) WRITING TO PRIME CLERK LLC TK HOLDINGS INC. BALLOT PROCESSING, C/O PRIME CLERK LLC, 850 THIRD AVENUE, SUITE 412, BROOKLYN, NY 11232; (II) EMAILING TAKATABALLOTS@PRIMECLERK.COM, OR (III) CALLING (844) 822-9229 (TOLL-FREE) OR (347) 338-6502 (IF CALLING FROM OUTSIDE THE U.S. OR CANADA).

COPIES OF THE PLAN AND DISCLOSURE STATEMENT MAY ALSO BE ACCESSED ON THE SOLICITATION AGENT'S WEBSITE AT [HTTP://WWW.TKRESTRUCTURING.COM](http://www.tkrestructuring.com). PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

How to Vote:

1. Complete Item 1.
2. Complete Item 2.
3. Complete Item 3.
4. Review the third-party releases set forth in Item 4 and, if applicable, elect whether to Opt Out. [If you are a Consenting OEM, review the proposed release set forth in Item 4(a) and elect whether to opt into such release.] [If you are a holder of a PSAN PI/WD Claim, review the Channeling Injunction provisions set forth in Items 4(a) and 4(b) and indicate whether you support or do not support such provisions.]
5. Review the certifications contained in Item 5 and complete Item 5.
6. **Sign the Ballot.**
7. Return the original signed Ballot in the enclosed pre-addressed postage-paid envelope, by hand delivery, or by overnight courier so that it is actually received by the Solicitation Agent before the Voting Deadline.
8. You must vote the full amount of the Claim covered by this Ballot either to accept or to reject the Plan. You may not split your vote. Any executed Ballot received that partially accepts and partially rejects the Plan will not be counted.
9. Any executed Ballot received that (a) does not indicate either an acceptance or rejection of the Plan or (b) indicates both an acceptance and a rejection of the Plan will not be counted.
10. Any executed Ballot received that is illegible or incomplete will not be counted.

Item 1. Treatment of Your Class [_____] [_____] Claim.

Subject to the terms and conditions of the Plan, you will receive the following treatment on account of your Class [_____] [_____] Claim if it is Allowed and the Plan is consummated:

[INSERT APPLICABLE PLAN TREATMENT]

For additional discussion of your treatment and rights under the Plan, please read the Disclosure Statement and the Plan.

Item 2. Amount of Claim.

The undersigned hereby certifies that as of the Record Date, the undersigned was the holder of a Class [] [] Claim against the Debtor indicated below in the following aggregate unpaid amount for voting purposes only:

Amount of Claim: \$ _____ Debtor: _____
--

Item 3. Vote on Plan.

The holder of a Class [] [] Claim against the Debtor set forth in Item 2 votes to (please check one):

<u>ACCEPT THE PLAN</u> <input type="checkbox"/>	<u>REJECT THE PLAN</u> <input type="checkbox"/>
--	--

Any Ballot that is executed by the holder of a Claim, but that indicates both an acceptance and a rejection of the Plan or that does not indicate either an acceptance or a rejection of the Plan, will not be counted.

If no holders of Class [] [] Claims eligible to vote to accept or reject the Plan vote on the Plan, then the Plan will be deemed accepted by Class [].

Item 4. Third-Party Releases.

Section 10.6(b) of the Plan contains the following release provision:

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.

AS A HOLDER OF AN IMPAIRED CLAIM UNDER THE PLAN, YOU ARE DEEMED TO PROVIDE THE RELEASES CONTAINED IN SECTION 10.6(B) OF THE PLAN, AS SET FORTH ABOVE. YOU MAY CHECK THE BOX BELOW TO OPT OUT OF THE RELEASE **ONLY IF** YOU VOTE TO **REJECT** THE PLAN. IF YOU (I) VOTE TO ACCEPT THE PLAN, (II) DO NOT SUBMIT A BALLOT TO ACCEPT OR REJECT THE PLAN, OR (III) REJECT THE PLAN BUT DO NOT OPT OUT OF THE RELEASE PROVISIONS OF THE PLAN, YOU WILL BE DEEMED TO HAVE GRANTED THE RELEASES IN SECTION 10.6(B) OF THE PLAN.

The undersigned holder of the Class [] [] Claims hereby elects to:

Opt Out of the releases in Section 10.6(b) of the Plan.

If you check the box, you will be deemed to opt out of the releases in Section 10.6(b) of the Plan.

Item 4(a). Opt-In Release (for Consenting OEMs Only).

AS A CONSENTING OEM, YOU (AND PARTIES RELATED TO YOU THAT ARE IDENTIFIED IN CLAUSE (VIII) OF THE DEFINITION OF “RELEASED PARTIES” IN THE PLAN) WILL BE DEEMED “RELEASED PARTIES” AS DEFINED IN THE PLAN SOLELY FOR THE PURPOSES OF SECTION 10.6(A) OF THE PLAN AND RECEIVE THE DEBTOR RELEASE SET FORTH IN SECTION 10.6(A) OF THE PLAN **ONLY IF** YOU ELECT TO OPT IN AND PROVIDE THE RELEASE (the “*Release by Consenting OEMs*”) SET FORTH IMMEDIATELY BELOW THIS PARAGRAPH:

Release by Consenting OEMs.

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, each Consenting OEM that elects to opt-in to the Release by Consenting OEMs hereby conclusively, absolutely, unconditionally, irrevocably, and forever releases and discharges, to the maximum extent permitted by law, the direct and indirect subsidiaries of TK Holdings Inc. (the “*TKH Subsidiaries*”) and the Debtors’ and TKH Subsidiaries’ current officers, directors, managers, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, and the respective successors and assigns thereof, in each case, in their respective capacity as such (collectively, the “*Debtor-Related Released Parties*”), 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, 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 Consenting OEMs, their affiliates, heirs, executors, administrators, successors, assigns, employees, managers, accountants, attorneys, representatives, consultants, agents, and any other persons or parties claiming under or through them, in each case in their capacity as such, would have been legally entitled to assert in their own right (whether individually, collectively, or derivatively), based on the Debtors or the TKH Subsidiaries, the Reorganized Debtors (as defined in the Plan), or their Estates (as defined in the Plan), the Chapter 11 Cases, the subject matter of, or the transactions or events giving rise to, any Claim or Interest (each as defined in the Plan) that is treated in the Plan, the Restructuring Transaction, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the Disclosure Statement, the Acquisition Agreements, 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 Debtor-Related Released Party that constitutes criminal conduct, fraud, gross negligence or willful misconduct.

The undersigned Consenting OEM hereby elects to:

Opt In to and Provide the release set forth above in this Item 4(a).]

Item 4(a). Channeling Injunction in Favor of Your Vehicle Manufacturer

Sections 10.6(c) and 10.7 of the Plan contain the Channeling Injunction and release provisions as described in this Ballot.

AS A HOLDER OF A CLASS 5 CLAIM (PSAN PI/WD CLAIM) UNDER THE PLAN, YOU MAY INDICATE WHETHER YOU SUPPORT OR DO NOT SUPPORT THE CHANNELING INJUNCTION WITH RESPECT TO YOUR VEHICLE MANUFACTURER. IF EITHER (I) THE FUTURE CLAIMS REPRESENTATIVE DOES NOT CONSENT TO THE ISSUANCE OF THE CHANNELING INJUNCTION OR (II) THE BANKRUPTCY COURT OR DISTRICT COURT, AS APPLICABLE,

DETERMINES THAT HOLDERS OF PSAN PI/WD CLAIMS IN ANY APPLICABLE CLASS VOTING ON THE PLAN IN ACCORDANCE WITH ARTICLE IV OF THE PLAN HAS NOT SUPPORTED THE CHANNELING INJUNCTION IN A SUFFICIENT NUMBER WITHIN SUCH CLASS TO SUPPORT ISSUANCE OF THE CHANNELING INJUNCTION FOR THE BENEFIT OF THE APPLICABLE PARTICIPATING OEM, THE CHANNELING INJUNCTION WILL NOT APPLY TO YOUR VEHICLE MANUFACTURER. HOWEVER, IF THE DEBTORS DO RECEIVE THE CONSENT OF THE FUTURE CLAIMS REPRESENTATIVE AND SUFFICIENT SUPPORT FROM THE APPLICABLE CLASS VOTING ON THE PLAN OF THE CHANNELING INJUNCTION, IT WILL BECOME EFFECTIVE AS TO SUCH PARTICIPATING OEM AND YOU WILL BE BOUND BY THE CHANNELING INJUNCTION REGARDLESS OF WHETHER YOU SUPPORT OR DO NOT SUPPORT SUCH PROVISIONS.

The holder of a Class 5 Claim (PSAN PI/WD Claim) elects to (please check one):

<u>SUPPORT THE CHANNELING INJUNCTION WITH RESPECT TO YOUR VEHICLE MANUFACTURER</u> <input type="checkbox"/>	<u>DO NOT SUPPORT THE CHANNELING INJUNCTION WITH RESPECT TO YOUR VEHICLE MANUFACTURER</u> <input type="checkbox"/>
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Item 4(b). Channeling Injunction – Vehicle Information

Please provide information regarding the vehicle(s) associated with your PSAN PI/WD Claim. If you do not provide the information requested below (and you have not already provided the information requested below on your proof of claim(s)), your election in Item 4(a) to support or not support the Channeling Injunction may not be counted. You may attach additional sheets if necessary.

Model Year: _____

Make/Manufacturer: _____

Model: _____

Claimant Owns(ed) or Lease(d) Vehicle (check one)

Is Claimant the Original Owner or Lessee of Vehicle? Yes or No (check one)

Is Claimant the Current Owner or Lessee? Yes or No (check one)]

Item 5. Certifications.

By signing this Ballot, the undersigned certifies to the Bankruptcy Court and the Debtors:

1. That either: (a) the Entity is the holder of the Class [] [] Claim(s) being voted; or (b) the Entity is an authorized signatory for an Entity that is a holder of the Class [] [] Claim(s) being voted;
2. That the Entity has received a copy of the Disclosure Statement, the Plan, and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
3. That the Entity has cast the same vote with respect to all Class [] [] Claims;
4. That no other Ballots with respect to the amount of the Class [] [] Claim(s) identified in Item 2 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;
5. That the Entity acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such Entity's Class [] [] Claim(s);
6. That the Entity understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;
7. That the Entity acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, then the Plan shall be deemed accepted by the holders of such Claims in such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim temporarily allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code; and
8. That the Entity acknowledges and agrees that the Debtor may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided, that the Debtor will not re-solicit acceptances or rejections of the Plan in the event of any such conforming changes.

Print or Type Name of Claimant: _____

Last Four (4) Digits of Social Security
or Federal Tax I.D. No. of Claimant: _____

Signature: _____

Name of Signatory
(if different than Claimant): _____

Relationship to Claimant: _____

Street Address: _____

City, State, and Zip Code: _____

Telephone Number: _____

E-mail Address: _____

Date Completed: _____

This Ballot shall not constitute or be deemed a proof of Claim or Interest, an assertion of a Claim or Interest, or the allowance of a Claim or Interest.

**PLEASE COMPLETE, SIGN, AND DATE
THE BALLOT AND RETURN IT PROMPTLY
IN ACCORDANCE WITH THE INSTRUCTIONS PROVIDED ABOVE:**

**YOUR BALLOT MUST BE ACTUALLY RECEIVED
BY THE SOLICITATION AGENT ON OR BEFORE THE VOTING DEADLINE,
WHICH IS 4:00 P.M. (EASTERN TIME) ON FEBRUARY 6, 2018.**

Exhibit 4-1

Form of Notice of Non-Voting Status – Unimpaired Classes

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
TK HOLDINGS INC., et al.,	:		Case No. 17-11375 (BLS)
	:		
Debtors.¹	:		Jointly Administered
	:		
	X		

**NOTICE OF NON-VOTING STATUS
WITH RESPECT TO UNIMPAIRED CLASSES PRESUMED TO ACCEPT THE PLAN**

PLEASE TAKE NOTICE THAT on January [], 2018, the United States Bankruptcy Court for the District of Delaware (the “*Bankruptcy Court*”) held a hearing (the “*Disclosure Statement Hearing*”) at which it approved the *Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Disclosure Statement*”) of TK Holdings Inc. (“*TKH*”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”), in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”), and thereafter entered an order (the “*Disclosure Statement Order*”) with respect thereto. The Disclosure Statement Order, among other things, authorizes the Debtors to solicit votes to accept or reject the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Plan*”),² from holders of Claims who are (or may be) entitled to vote under the Plan.

PLEASE TAKE FURTHER NOTICE THAT the Disclosure Statement, the Disclosure Statement Order, the Plan, and any other pleadings filed in these Chapter 11 Cases, may be obtained from Prime Clerk LLC (the “*Solicitation Agent*”) at no charge by (i) visiting the Debtors’ restructuring website at <http://TKRestructuring.com>, (ii) writing Prime Clerk LLC,

¹ 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.

² Capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Disclosure Statement or the Plan, as applicable.

at TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232, or (iii) contacting Prime Clerk by telephone at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the US or Canada). You may also obtain copies for a fee via PACER at <http://www.deb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice because, pursuant to the terms of ARTICLE IV of the Plan and the applicable provisions of the Bankruptcy Code, you have asserted a Claim(s) against the Debtor that is (are) Unimpaired under the Plan. Accordingly, pursuant to section 1126(f) of the Bankruptcy Code, **you are conclusively presumed to have accepted the Plan and are not entitled to vote on the Plan.** Accordingly, this notice and the *Notice of (I) Approval of Disclosure Statement, (II) Establishment of the Record Date, (III) Hearing on Confirmation of the Plan, (IV) Procedures for Objecting to the Confirmation of the Plan, and (V) Procedures and Deadlines for Voting on the Plan* (the “**Confirmation Hearing Notice**”) are being sent you for informational purposes only.

PLEASE TAKE FURTHER NOTICE THAT if the Plan is confirmed by the Bankruptcy Court, the Plan, including Sections 5.2(c), 5.4, 10.5, 10.6, and 10.8 thereof, will be binding on you. Accordingly, if the Plan is confirmed by the Bankruptcy Court, on the Effective Date, the Purchased Assets will, 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 and the terms of such sale will be binding and enforceable against you as a permanent injunction pursuant to Section 10.5(b) of the Plan. Additionally, if the Plan is confirmed by the Bankruptcy Court, on the Effective Date: (a) all PSAN Assets will 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 in the Plan; and (b) all Warehoused PSAN Assets will vest in the Warehousing Trust free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind.

PLEASE TAKE FURTHER NOTICE THAT as the holder of a Claim that is a member of a Class that is presumed to accept the Plan, upon confirmation of the Plan you will be deemed to have granted the release of the Released Parties set forth in Section 10.6(b) of the Plan.

PLEASE TAKE FURTHER NOTICE THAT the Bankruptcy Court has established **February 6, 2018 at 4:00 p.m.**³ as the deadline for filing and serving objections or responses to confirmation of the Plan (the “**Plan Objection Deadline**”). Any objections or responses to confirmation of the Plan, must: (a) be in writing; (b) conform to the Federal Rules

³ Unless otherwise stated, all times referenced in this Ballot are to prevailing Eastern Time.

of Bankruptcy Procedure (the “*Bankruptcy Rules*”) and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “*Local Rules*”); (c) set forth the name of the objecting party and the nature and amount of Claims or Interests held or asserted by the objecting party against the Debtors’ Estates or property; and (d) provide the basis for the objection and the specific grounds thereof.

PLEASE TAKE FURTHER NOTICE THAT registered users of the Bankruptcy Court’s case filing system must electronically file their objections and responses. All other parties in interest must file their objections and responses in writing with the United States Bankruptcy Court Clerk’s Office, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 to the attention of the chambers of the Honorable Brendan L. Shannon, United States Bankruptcy Judge.

PLEASE TAKE FURTHER NOTICE THAT any objections or responses must be served so that they are **actually received** by electronic or regular mail by the following parties (collectively, the “*Notice Parties*”) no later than the Plan Objection Deadline:

<p><i>Debtors</i> TK Holdings Inc. 2500 Takata Drive Auburn Hills, Michigan 48326 Attn: Keith Teel, Esq. (Keith.Teel@Takata.com)</p>	<p><i>Office of the U.S. Trustee</i> Office of the U.S. Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35 Wilmington, Delaware 19899 Attn: David Buchbinder, Esq. (David.l.Buchbinder@usdoj.gov) Jane Leamy, Esq. (Jane.M.Leamy@usdoj.gov)</p>
<p><i>Counsel to the Debtors</i> Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, New York 10153 Attn: Marcia L. Goldstein, Esq. (Marcia.Goldstein@weil.com) Ronit J. Berkovich, Esq. (Ronit.Berkovich@weil.com) Matthew P. Goren, Esq. (Matthew.Goren@weil.com)</p>	<p><i>Counsel to the Creditors’ Committee</i> Milbank, Tweed, Hadley & McCloy LLP 28 Liberty Street New York, New York 10005 Attn: Dennis F. Dunne, Esq. (DDunne@milbank.com) Abhilash M. Raval, Esq. (ARaval@milbank.com) Tyson Lomazow, Esq. (TLomazow@milbank.com) Mary Reidy Doheny, Esq. (MDoheny@milbank.com)</p>

<p><i>Co-Counsel to the Debtors</i> Richards, Layton & Finger, P.A. 920 N. King Street Wilmington, Delaware 19801 Attn: Mark D. Collins, Esq. (Collins@RLF.com) Michael J. Merchant, Esq. (Merchant@RLF.com)</p>	<p><i>Counsel to the Tort Claimants' Committee</i> Pachulski Stang Ziehl & Jones LLP 919 North Market Street, 17th Floor P.O. Box 8705 Wilmington, Delaware 19899 Attn: Laura Davis Jones, Esq. (LJones@pszjlaw.com) James I. Stang, Esq. (JStang@pszjlaw.com)</p>
<p><i>Counsel to the Plan Sponsor</i> Skadden, Arps, Slate, Meagher & Flom LLP 155 N. Wacker Drive Chicago, IL 60606-1720 Attn: Ron E. Meisler, Esq. (Ron.Meisler@skadden.com) Felicia Gerber Perlman, Esq. (Felicia.Perlman@skadden.com)</p>	<p><i>Counsel to the Future Claimants' Representative</i> Frankel Wyron LLP 2101 L Street, NW Suite 800 Washington, DC 20037 Attn: Richard H. Wyron, Esq. (RWyron@frankelwyron.com)</p> <p>Ashby & Geddes, P.A. 500 Delaware Avenue, 8th Floor P.O. Box 1150 Wilmington, DE 19899-1150 Attn: Karen B. Owens, Esq. (kowens@ashbygeddes.com) William P. Bowden, Esq. (wbowden@ashbygeddes.com)</p>
<p><i>Counsel to the Consenting OEMs</i> Morris, Nichols, Arsht & Tunnell LLP 1201 N. Market Street Wilmington, DE 19899-1347 Attn: Derek C. Abbott, Esq. (DAbbott@mnat.com)</p>	

PLEASE TAKE FURTHER NOTICE THAT if any objection or response to confirmation of the Plan is not filed with the Bankruptcy Court and served on the Notice Parties strictly as prescribed herein, the objecting party will be barred from objecting to confirmation of the Plan and will not be heard at the Confirmation Hearing (as defined herein).

PLEASE TAKE FURTHER NOTICE THAT a hearing to confirm the Plan (the "***Confirmation Hearing***") will commence on **February 13, 2018 at 10:00 a.m.** before the Honorable Brendan L. Shannon, United States Bankruptcy Judge. Please be advised that the Confirmation Hearing may be adjourned or continued from time to time by the Bankruptcy Court or the Debtor without further notice other than by such adjournment being announced in open court or by a notice of adjournment being filed with the Bankruptcy Court and served on parties entitled to notice under Bankruptcy Rule 2002 and the Local Rules, or otherwise. In accordance with the Plan, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing without further action by the Debtors and without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

PLEASE TAKE FURTHER NOTICE THAT if you have any questions about the status of any of your Claims, you should contact the Solicitation Agent in accordance with the instructions provided above. Please note that the Solicitation Agent cannot give you legal

advice or advise you on how the Plan affects you or what actions you should take with respect to the Plan. Any questions regarding those matters should be referred to your own counsel.

Dated: _____, 2018
Wilmington, Delaware

Marcia L. Goldstein (admitted *pro hac vice*)
Ronit J. Berkovich (admitted *pro hac vice*)
Matthew P. Goren (admitted *pro hac vice*)

Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
Amanda R. Steele (No. 5530)
Brett M. Haywood (No. 6166)

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

Counsel to the Debtors and Debtors in Possession

Co-Counsel to the Debtors and Debtors in Possession

Exhibit 4-2

Form of Notice of Non-Voting Status – Impaired Classes

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
TK HOLDINGS INC., et al.,	:		Case No. 17-11375 (BLS)
	:		
Debtors.¹	:		Jointly Administered
	:		
	:		
	X		

**NOTICE OF (A) NON-VOTING STATUS WITH
RESPECT TO IMPAIRED CLASSES DEEMED TO REJECT THE PLAN
AND (B) ELECTION TO OPT OUT OF VOLUNTARY RELEASE OF CLAIMS**

PLEASE TAKE NOTICE THAT on January [], 2018, the United States Bankruptcy Court for the District of Delaware (the “*Bankruptcy Court*”) held a hearing (the “*Disclosure Statement Hearing*”) at which it approved the *Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Disclosure Statement*”) of TK Holdings Inc. (“*TKH*”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”), in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”), and thereafter entered an order (the “*Disclosure Statement Order*”) with respect thereto. The Disclosure Statement Order, among other things, authorizes the Debtors to solicit votes to accept or reject the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Plan*”),² from holders of Claims who are (or may be) entitled to vote under the Plan.

PLEASE TAKE FURTHER NOTICE THAT the Disclosure Statement, the Disclosure Statement Order, the Plan, and any other pleadings filed in these Chapter 11 Cases, may be obtained from Prime Clerk LLC (the “*Solicitation Agent*”) at no charge by (i) visiting

¹ 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.

² Capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Disclosure Statement or the Plan, as applicable.

the Debtors' restructuring website at <http://TKRestructuring.com>, (ii) writing Prime Clerk LLC, at TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232, or (iii) contacting Prime Clerk by telephone at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the US or Canada). You may also obtain copies for a fee via PACER at <http://www.deb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice because, pursuant to the terms of ARTICLE IV of the Plan and the applicable provisions of the Bankruptcy Code, your Claim(s) against or Interest(s) in the Debtor are Impaired and you will receive no distribution on account of such Claim(s) or Interest(s). Accordingly, pursuant to section 1126(g) of the Bankruptcy Code, **you are deemed to have rejected the Plan and are not entitled to vote on the Plan.** Accordingly, this notice and the *Notice of (I) Approval of Disclosure Statement, (II) Establishment of the Record Date, (III) Hearing on Confirmation of the Plan, (IV) Procedures for Objecting to the Confirmation of the Plan, and (V) Procedures and Deadlines for Voting on the Plan* (the "**Confirmation Hearing Notice**") are being sent you for informational purposes only.

PLEASE TAKE FURTHER NOTICE THAT if the Plan is confirmed by the Bankruptcy Court, the Plan, including Sections 5.2(c), 5.4, 10.5, 10.6, and 10.8 thereof, will be binding on you. Accordingly, if the Plan is confirmed by the Bankruptcy Court, on the Effective Date, the Purchased Assets will, 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 and the terms of such sale will be binding and enforceable against you as a permanent injunction pursuant to Section 10.5(b) of the Plan. Additionally, if the Plan is confirmed by the Bankruptcy Court, on the Effective Date: (a) all PSAN Assets will 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 in the Plan; and (b) all Warehoused PSAN Assets will vest in the Warehousing Trust free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind.

PLEASE TAKE FURTHER NOTICE THAT while you are not entitled to vote to accept or reject the Plan, the opt out election attached hereto as **Exhibit A** (the "**Opt Out Election Form**") provides you with the separate option to not grant the voluntary release of the Released Parties contained in Section 10.6(b) of the Plan.

PLEASE TAKE FURTHER NOTICE THAT the Opt Out Election Form must be completed and returned to the Solicitation Agent in accordance with the instructions set forth thereon by **February 6, 2018 at 4:00 p.m.**³ (the "**Opt Out Deadline**") for your opt out to be

³ Unless otherwise stated, all times referenced in this Ballot are to prevailing Eastern Time.

valid. If you fail to properly complete and submit the Opt Out Election Form prior to the Opt Out Deadline, you will be deemed to have consented to the release provisions in Section 10.6(b) of the Plan.

PLEASE TAKE FURTHER NOTICE THAT the Bankruptcy Court has established **February 6, 2018 at 4:00 p.m.** as the deadline for filing and serving objections or responses to confirmation of the Plan (the "**Plan Objection Deadline**"). Any objections or responses to confirmation of the Plan, must: (a) be in writing; (b) conform to the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"); (c) set forth the name of the objecting party and the nature and amount of Claims or Interests held or asserted by the objecting party against the Debtors' Estates or property; and (d) provide the basis for the objection and the specific grounds thereof.

PLEASE TAKE FURTHER NOTICE THAT registered users of the Bankruptcy Court's case filing system must electronically file their objections and responses. All other parties in interest must file their objections and responses in writing with the United States Bankruptcy Court Clerk's Office, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 to the attention of the chambers of the Honorable Brendan L. Shannon, United States Bankruptcy Judge.

PLEASE TAKE FURTHER NOTICE THAT any objections or responses must be served so that they are **actually received** by electronic or regular mail by the following parties (collectively, the "**Notice Parties**") no later than the Plan Objection Deadline:

<p>Debtors TK Holdings Inc. 2500 Takata Drive Auburn Hills, Michigan 48326 Attn: Keith Teel, Esq. (Keith.Teel@Takata.com)</p>	<p>Office of the U.S. Trustee Office of the U.S. Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35 Wilmington, Delaware 19899 Attn: David Buchbinder, Esq. (David.l.Buchbinder@usdoj.gov) Jane Leamy, Esq. (Jane.M.Leamy@usdoj.gov)</p>
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<p><i>Counsel to the Debtors</i> Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, New York 10153 Attn: Marcia L. Goldstein, Esq. (Marcia.Goldstein@weil.com) Ronit J. Berkovich, Esq. (Ronit.Berkovich@weil.com) Matthew P. Goren, Esq. (Matthew.Goren@weil.com)</p>	<p><i>Counsel to the Creditors' Committee</i> Milbank, Tweed, Hadley & McCloy LLP 28 Liberty Street New York, New York 10005 Attn: Dennis F. Dunne, Esq. (DDunne@milbank.com) Abhilash M. Raval, Esq. (ARaval@milbank.com) Tyson Lomazow, Esq. (TLomazow@milbank.com) Mary Reidy Doheny, Esq. (MDoheny@milbank.com)</p>
<p><i>Co-Counsel to the Debtors</i> Richards, Layton & Finger, P.A. 920 N. King Street Wilmington, Delaware 19801 Attn: Mark D. Collins, Esq. (Collins@RLF.com) Michael J. Merchant, Esq. (Merchant@RLF.com)</p>	<p><i>Counsel to the Tort Claimants' Committee</i> Pachulski Stang Ziehl & Jones LLP 919 North Market Street, 17th Floor P.O. Box 8705 Wilmington, Delaware 19899 Attn: Laura Davis Jones, Esq. (LJones@pszjlaw.com) James I. Stang, Esq. (JStang@pszjlaw.com)</p>
<p><i>Counsel to the Plan Sponsor</i> Skadden, Arps, Slate, Meagher & Flom LLP 155 N. Wacker Drive Chicago, IL 60606-1720 Attn: Ron E. Meisler, Esq. (Ron.Meisler@skadden.com) Felicia Gerber Perlman, Esq. (Felicia.Perlman@skadden.com)</p>	<p><i>Counsel to the Future Claimants' Representative</i> Frankel Wyron LLP 2101 L Street, NW Suite 800 Washington, DC 20037 Attn: Richard H. Wyron, Esq. (RWyron@frankelwyron.com)</p>
<p><i>Counsel to the Consenting OEMs</i> Morris, Nichols, Arsht & Tunnell LLP 1201 N. Market Street Wilmington, DE 19899-1347 Attn: Derek C. Abbott, Esq. (DAbbott@mnat.com)</p>	<p>Ashby & Geddes, P.A. 500 Delaware Avenue, 8th Floor P.O. Box 1150 Wilmington, DE 19899-1150 Attn: Karen B. Owens, Esq. (kowens@ashbygeddes.com) William P. Bowden, Esq. (wbowden@ashbygeddes.com)</p>

PLEASE TAKE FURTHER NOTICE THAT if any objection or response to confirmation of the Plan is not filed with the Bankruptcy Court and served on the Notice Parties strictly as prescribed herein, the objecting party will be barred from objecting to confirmation of the Plan and will not be heard at the Confirmation Hearing (defined below).

PLEASE TAKE FURTHER NOTICE THAT a hearing to confirm the Plan (the “*Confirmation Hearing*”) will commence on **February 13, 2018 at 10:00 a.m.** before the Honorable Brendan L. Shannon, United States Bankruptcy Judge. Please be advised that the Confirmation Hearing may be adjourned or continued from time to time by the Bankruptcy Court or the Debtor without further notice other than by such adjournment being announced in open court or by a notice of adjournment being filed with the Bankruptcy Court and served on parties entitled to notice under Bankruptcy Rule 2002 and the Local Rules, or otherwise. In accordance with the Plan, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing without further action by the Debtors and without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

PLEASE TAKE FURTHER NOTICE THAT if you have any questions about the status of any of your Claims, you should contact the Solicitation Agent in accordance with the instructions provided above. Please note that the Solicitation Agent cannot give you legal advice or advise you on how the Plan affects you or what actions you should take with respect to the Plan. Any questions regarding those matters should be referred to your own counsel.

Dated: _____, 2018
Wilmington, Delaware

Marcia L. Goldstein (admitted *pro hac vice*)
Ronit J. Berkovich (admitted *pro hac vice*)
Matthew P. Goren (admitted *pro hac vice*)

Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
Amanda R. Steele (No. 5530)
Brett M. Haywood (No. 6166)

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Telephone: (212) 310-8000
Facsimile: (212) 310-8007

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One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

Counsel to the Debtors and Debtors in Possession

Co-Counsel to the Debtors and Debtors in Possession

Exhibit A

Opt Out Election Form

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
TK HOLDINGS INC., et al.,	:		Case No. 17-11375 (BLS)
	:		
Debtors.¹	:		Jointly Administered
	:		
	:		
	X		

OPT OUT ELECTION FORM

Section 10.6(b) of the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Plan*”),² contains the following provision:

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 Parties³ shall be deemed

¹ 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.

² Capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Plan.

³ “***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

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

professionals, and such Persons' respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such.

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.

Binding Effect and Releases.

If the Plan is confirmed by the Bankruptcy Court, the Plan, including Section 10.6(b) thereof, will be binding on you, regardless of whether you are Impaired under the Plan and whether you have accepted the Plan. Additionally, if the Plan is confirmed by the Bankruptcy Court, the releases set forth above will be binding on you and your estates, affiliates, heirs, executors, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons or parties claiming under or through you to have been legally entitled to assert in their own right (whether individually or collectively) or on your behalf, unless you complete and return this Opt Out Election Form to the Solicitation Agent by February 6, 2018 at 4:00 p.m.⁴ (the “*Opt Out Deadline*”) at the following address:

TK Holdings Inc. Ballot Processing
c/o Prime Clerk LLC
850 Third Avenue, Suite 412
Brooklyn, NY 11232

Alternatively, to submit your Opt Out Election Form via the Solicitation Agent’s online balloting portal, visit [_____]. Click on the “Submit E-Ballot” section of the website and follow the instructions to submit your Opt Out Election Form.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Opt Out Election Form:

Unique E-Ballot Identification Number: _____

The Solicitation Agent’s online balloting portal is the sole manner in which Opt Out Election Forms will be accepted via electronic or online transmission. Opt Out Election Forms submitted by facsimile, email or other means of electronic transmission will not be valid and you will be bound by the releases set forth above.

⁴ Unless otherwise stated, all times referenced in this Ballot are to prevailing Eastern Time.

Claimants who file a Opt Out Election Form using the Solicitation Agent’s online portal should NOT also submit a paper Opt Out Election Form.

Except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Plan Documents the injunction provisions set forth in Section 10.5 of the Plan will be binding on all Entities.

Release Opt Out Election.

The undersigned, a holder of an Impaired Claim or Interest that (a) will not receive any distribution under the Plan, or (b) is Disputed by the Debtors:

<input type="checkbox"/> Elects to Opt Out of the releases in Section 10.6(b) of the Plan.

Print or Type Name of Claimant: _____

Last Four (4) Digits of Social Security
or Federal Tax I.D. No. of Claimant: _____

Signature: _____

Name of Signatory
(if different than Claimant): _____

Relationship to Claimant: _____

Street Address: _____

City, State, and Zip Code: _____

Telephone Number: _____

E-mail Address: _____

Date Completed: _____

Exhibit 4-3

Form of Notice of Non-Voting Status – Disputed Claim

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
TK HOLDINGS INC., et al.,	:		Case No. 17-11375 (BLS)
	:		
Debtors.¹	:		Jointly Administered
	:		
	:		
	X		

**NOTICE OF (A) NON-VOTING STATUS WITH
RESPECT TO IMPAIRED CLAIMS DISPUTED BY THE DEBTORS
AND (B) ELECTION TO OPT OUT OF VOLUNTARY RELEASE OF CLAIMS**

PLEASE TAKE NOTICE THAT on January [], 2018, the United States Bankruptcy Court for the District of Delaware (the “*Bankruptcy Court*”) held a hearing (the “*Disclosure Statement Hearing*”) at which it approved the *Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Disclosure Statement*”) of TK Holdings Inc. (“*TKH*”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”), in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”), and thereafter entered an order (the “*Disclosure Statement Order*”) with respect thereto. The Disclosure Statement Order, among other things, authorizes the Debtors to solicit votes to accept or reject the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Plan*”),² from holders of Claims who are (or may be) entitled to vote under the Plan.

PLEASE TAKE FURTHER NOTICE THAT the Disclosure Statement, the Disclosure Statement Order, the Plan, and any other pleadings filed in these Chapter 11 Cases, may be obtained from Prime Clerk LLC (the “*Solicitation Agent*”) at no charge by (i) visiting

¹ 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.

² Capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Disclosure Statement or the Plan, as applicable.

the Debtors' restructuring website at <http://TKRestructuring.com>, (ii) writing Prime Clerk LLC, at TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232, or (iii) contacting Prime Clerk by telephone at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the US or Canada). You may also obtain copies for a fee via PACER at <http://www.deb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice because, your Claim(s) against the Debtors are subject to a pending objection by the Debtors and therefore, pursuant to the Disclosure Statement Order and sections 502(a) and 1126(a) of the Bankruptcy Code, **you are not entitled to vote on the Plan**. Accordingly, this notice and the *Notice of (I) Approval of Disclosure Statement, (II) Establishment of the Record Date, (III) Hearing on Confirmation of the Plan, (IV) Procedures for Objecting to the Confirmation of the Plan, and (V) Procedures and Deadlines for Voting on the Plan* (the "**Confirmation Hearing Notice**") are being sent you for informational purposes only.

PLEASE TAKE FURTHER NOTICE THAT if the Plan is confirmed by the Bankruptcy Court, the Plan, including Sections 5.2(c), 5.4, 10.5, 10.6, and 10.8 thereof, will be binding on you. Accordingly, if the Plan is confirmed by the Bankruptcy Court, on the Effective Date, the Purchased Assets will, 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 and the terms of such sale will be binding and enforceable against you as a permanent injunction pursuant to Section 10.5(b) of the Plan. Additionally, if the Plan is confirmed by the Bankruptcy Court, on the Effective Date: (a) all PSAN Assets will 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 in the Plan; and (b) all Warehoused PSAN Assets will vest in the Warehousing Trust free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind.

PLEASE TAKE FURTHER NOTICE THAT while you are not entitled to vote to accept or reject the Plan, the opt out election attached hereto as **Exhibit A** (the "**Opt Out Election Form**") provides you with the separate option to not grant the voluntary release of the Released Parties contained in Section 10.6(b) of the Plan.

PLEASE TAKE FURTHER NOTICE THAT the Opt Out Election Form must be completed and returned to the Solicitation Agent in accordance with the instructions set forth thereon by **February 6, 2018 at 4:00 p.m.**³ (the "**Opt Out Deadline**") for your opt out to be valid. If you fail to properly complete and submit the Opt Out Election Form prior to the Opt

³ Unless otherwise stated, all times referenced in this Ballot are to prevailing Eastern Time.

Out Deadline, you will be deemed to have consented to the release provisions in Section 10.6(b) of the Plan.

PLEASE TAKE FURTHER NOTICE THAT if you disagree with the Debtors' objection to your Claim and believe that you should be entitled to vote on the Plan, then you must serve on the Notice Parties (defined and identified below) and file with the Bankruptcy Court a motion (a "**Rule 3018(a) Motion**") for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") temporarily allowing your Claim in a different amount or in a different Class for purposes of voting to accept or reject the Plan. All Rule 3018(a) Motions must be filed on or before **January 26, 2018 at 4:00 p.m.** Rule 3018(a) Motions that are not timely filed and served in the manner set forth above shall not be considered.

PLEASE TAKE FURTHER NOTICE THAT the Bankruptcy Court has established **February 6, 2018 at 4:00 p.m.** as the deadline for filing and serving objections or responses to confirmation of the Plan (the "**Plan Objection Deadline**"). Any objections or responses to confirmation of the Plan, must: (a) be in writing; (b) conform to the Bankruptcy Rules and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"); (c) set forth the name of the objecting party and the nature and amount of Claims or Interests held or asserted by the objecting party against the Debtors' Estates or property; and (d) provide the basis for the objection and the specific grounds thereof.

PLEASE TAKE FURTHER NOTICE THAT registered users of the Bankruptcy Court's case filing system must electronically file their objections and responses. All other parties in interest must file their objections and responses in writing with the United States Bankruptcy Court Clerk's Office, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 to the attention of the chambers of the Honorable Brendan L. Shannon, United States Bankruptcy Judge.

PLEASE TAKE FURTHER NOTICE THAT any objections or responses must be served so that they are **actually received** electronic or regular mail by the following parties (collectively, the "**Notice Parties**") no later than the Plan Objection Deadline:

<p>Debtors TK Holdings Inc. 2500 Takata Drive Auburn Hills, Michigan 48326 Attn: Keith Teel, Esq. (Keith.Teel@Takata.com)</p>	<p>Office of the U.S. Trustee Office of the U.S. Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35 Wilmington, Delaware 19899 Attn: David Buchbinder, Esq. (David.I.Buchbinder@usdoj.gov) Jane Leamy, Esq. (Jane.M.Leamy@usdoj.gov)</p>
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<p><i>Counsel to the Debtors</i> Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, New York 10153 Attn: Marcia L. Goldstein, Esq. (Marcia.Goldstein@weil.com) Ronit J. Berkovich, Esq. (Ronit.Berkovich@weil.com) Matthew P. Goren, Esq. (Matthew.Goren@weil.com)</p>	<p><i>Counsel to the Creditors' Committee</i> Milbank, Tweed, Hadley & McCloy LLP 28 Liberty Street New York, New York 10005 Attn: Dennis F. Dunne, Esq. (DDunne@milbank.com) Abhilash M. Raval, Esq. (ARaval@milbank.com) Tyson Lomazow, Esq. (TLomazow@milbank.com) Mary Reidy Doheny, Esq. (MDoheny@milbank.com)</p>
<p><i>Co-Counsel to the Debtors</i> Richards, Layton & Finger, P.A. 920 N. King Street Wilmington, Delaware 19801 Attn: Mark D. Collins, Esq. (Collins@RLF.com) Michael J. Merchant, Esq. (Merchant@RLF.com)</p>	<p><i>Counsel to the Tort Claimants' Committee</i> Pachulski Stang Ziehl & Jones LLP 919 North Market Street, 17th Floor P.O. Box 8705 Wilmington, Delaware 19899 Attn: Laura Davis Jones, Esq. (LJones@pszjlaw.com) James I. Stang, Esq. (JStang@pszjlaw.com)</p>
<p><i>Counsel to the Plan Sponsor</i> Skadden, Arps, Slate, Meagher & Flom LLP 155 N. Wacker Drive Chicago, IL 60606-1720 Attn: Ron E. Meisler, Esq. (Ron.Meisler@skadden.com) Felicia Gerber Perlman, Esq. (Felicia.Perlman@skadden.com)</p>	<p><i>Counsel to the Future Claimants' Representative</i> Frankel Wyron LLP 2101 L Street, NW Suite 800 Washington, DC 20037 Attn: Richard H. Wyron, Esq. (RWyron@frankelwyron.com)</p>
<p><i>Counsel to the Consenting OEMs</i> Morris, Nichols, Arsht & Tunnell LLP 1201 N. Market Street Wilmington, DE 19899-1347 Attn: Derek C. Abbott, Esq. (DAbbott@mnat.com)</p>	<p>Ashby & Geddes, P.A. 500 Delaware Avenue, 8th Floor P.O. Box 1150 Wilmington, DE 19899-1150 Attn: Karen B. Owens, Esq. (kowens@ashbygeddes.com) William P. Bowden, Esq. (wbowden@ashbygeddes.com)</p>

PLEASE TAKE FURTHER NOTICE THAT if any objection or response to confirmation of the Plan is not filed with the Bankruptcy Court and served on the Notice Parties strictly as prescribed herein, the objecting party will be barred from objecting to confirmation of the Plan and will not be heard at the Confirmation Hearing (defined below).

PLEASE TAKE FURTHER NOTICE THAT a hearing to confirm the Plan (the “*Confirmation Hearing*”) will commence on **February 13, 2018 at 10:00 a.m.** before the Honorable Brendan L. Shannon, United States Bankruptcy Judge. Please be advised that the Confirmation Hearing may be adjourned or continued from time to time by the Bankruptcy Court or the Debtor without further notice other than by such adjournment being announced in open court or by a notice of adjournment being filed with the Bankruptcy Court and served on parties entitled to notice under Bankruptcy Rule 2002 and the Local Rules, or otherwise. In accordance with the Plan, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing without further action by the Debtors and without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

PLEASE TAKE FURTHER NOTICE THAT if you have any questions about the status of any of your Claims, you should contact the Solicitation Agent in accordance with the instructions provided above. Please note that the Solicitation Agent cannot give you legal advice or advise you on how the Plan affects you or what actions you should take with respect to the Plan. Any questions regarding those matters should be referred to your own counsel.

Dated: _____, 2018
Wilmington, Delaware

Marcia L. Goldstein (admitted *pro hac vice*)
Ronit J. Berkovich (admitted *pro hac vice*)
Matthew P. Goren (admitted *pro hac vice*)

Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
Amanda R. Steele (No. 5530)
Brett M. Haywood (No. 6166)

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

Counsel to the Debtors and Debtors in Possession

Co-Counsel to the Debtors and Debtors in Possession

Exhibit A

Opt Out Election Form

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

professionals, and such Persons' respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such.

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.

Binding Effect and Releases.

If the Plan is confirmed by the Bankruptcy Court, the Plan, including Section 10.6(b) thereof, will be binding on you, regardless of whether you are Impaired under the Plan and whether you have accepted the Plan. Additionally, if the Plan is confirmed by the Bankruptcy Court, the releases set forth above will be binding on you and your estates, affiliates, heirs, executors, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons or parties claiming under or through you to have been legally entitled to assert in their own right (whether individually or collectively) or on your behalf, unless you complete and return this Opt Out Election Form to the Solicitation Agent by February 6, 2018 at 4:00 p.m.⁴ (the “*Opt Out Deadline*”) at the following address:

TK Holdings Inc. Ballot Processing
c/o Prime Clerk LLC
850 Third Avenue, Suite 412
Brooklyn, NY 11232

Alternatively, to submit your Opt Out Election Form via the Solicitation Agent’s online balloting portal, visit [_____]. Click on the “Submit E-Ballot” section of the website and follow the instructions to submit your Opt Out Election Form.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Opt Out Election Form:

Unique E-Ballot Identification Number: _____

The Solicitation Agent’s online balloting portal is the sole manner in which Opt Out Election Forms will be accepted via electronic or online transmission. Opt Out Election

⁴ Unless otherwise stated, all times referenced in this Ballot are to prevailing Eastern Time.

Forms submitted by facsimile, email or other means of electronic transmission will not be valid and you will be bound by the releases set forth above.

Claimants who file a Opt Out Election Form using the Solicitation Agent’s online portal should NOT also submit a paper Opt Out Election Form.

Except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Plan Documents the injunction provisions set forth in Section 10.5 of the Plan will be binding on all Entities.

Release Opt Out Election.

The undersigned, a holder of an Impaired Claim or Interest that (a) will not receive any distribution under the Plan, or (b) is Disputed by the Debtors:

<input type="checkbox"/> Elects to Opt Out of the releases in Section 10.6(b) of the Plan.

Print or Type Name of Claimant: _____

Last Four (4) Digits of Social Security
or Federal Tax I.D. No. of Claimant: _____

Signature: _____

Name of Signatory
(if different than Claimant): _____

Relationship to Claimant: _____

Street Address: _____

City, State, and Zip Code: _____

Telephone Number: _____

E-mail Address: _____

Date Completed: _____

Exhibit 5-1

Form of Notice of Cure Amount

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X	
	:	
In re	:	Chapter 11
	:	
TK HOLDINGS INC., et al.,	:	Case No. 17-11375 (BLS)
	:	
Debtors.¹	:	Jointly Administered
	:	
	:	
	X	

**NOTICE OF FILING OF PROPOSED CURE COSTS
FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

PLEASE TAKE NOTICE THAT on January [], 2018, the United States Bankruptcy Court for the District of Delaware (the “*Bankruptcy Court*”) held a hearing (the “*Disclosure Statement Hearing*”) at which it approved the *Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Disclosure Statement*”) of TK Holdings Inc. (“*TKH*”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”), in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”), and thereafter entered an order (the “*Disclosure Statement Order*”) with respect thereto. The Disclosure Statement Order, among other things, authorizes the Debtors to solicit votes to accept or reject the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Plan*”),² from holders of Claims who are (or may be) entitled to vote under the Plan.

PLEASE TAKE FURTHER NOTICE THAT the Disclosure Statement, the Disclosure Statement Order, the Plan, and any other pleadings filed in these Chapter 11 Cases, may be obtained from Prime Clerk LLC (the “*Prime Clerk*”) at no charge by (i) visiting the Debtors’ restructuring website at <http://TKRestructuring.com>, (ii) writing Prime Clerk LLC, at TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850 Third Avenue, Suite 412,

¹ 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.

² Capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Plan.

Brooklyn, NY 11232, or (iii) contacting Prime Clerk by telephone at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the US or Canada). You may also obtain copies for a fee via PACER at <http://www.deb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE THAT Section 8.1 of the Plan, provides that, as of and subject to the occurrence of the Effective Date, each of the Debtors' executory contracts and unexpired leases will be deemed assumed by, and assigned to, Joyson KSS Auto Safety S.A. ("**KSS**" and, collectively with one or more of its current or future subsidiaries or affiliates, the "**Plan Sponsor**"), except for an executory contract or unexpired lease that:

- (a) Has previously been assumed or rejected pursuant to a Final Order of the Bankruptcy Court;
- (b) Is specifically designated on (i) 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 of the Plan) or assumed by the applicable Debtor and assigned to the Warehousing Trust (the "**Schedule of Assumed Contracts**"), or (ii) the schedule of executory contracts and unexpired leases to be rejected by the applicable Debtor (the "**Schedule of Rejected Contracts**");
- (c) Is being assumed, assumed and assigned, or otherwise assigned pursuant to Section 8.4 of the Plan;
- (d) 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
- (e) Is the subject of a pending Cure Dispute.

PLEASE TAKE FURTHER NOTICE THAT any executory contract or unexpired lease that is not to be assumed and assigned to the Plan Sponsor (or that is not rejected, assumed, assumed and assigned, or otherwise assigned pursuant to Section 8.4 of the Plan) will be designated on either the Schedule of Assumed Contracts or the Schedule of Rejected Contracts and the counterparty to any such executory contract or unexpired lease will receive a further notice informing such party of either the assumption by Reorganized Takata or the Warehousing Trust or of the rejection by the Debtors of its executory contract or unexpired lease under the Plan.

PLEASE TAKE FURTHER NOTICE THAT a schedule of proposed cure amounts (the "**Cure Amounts**") in connection with the potential assumption or assumption and assignment of executory contracts and unexpired leases by the above-captioned Debtors is attached hereto as **Exhibit A** (the "**Cure Amount Notice**").

PLEASE TAKE FURTHER NOTICE THAT, except as otherwise expressly set forth on the Cure Amount Notice, any contracts, engagement letters, retention agreements, and similar arrangements, in each case between the Debtors and any attorneys, accountants,

financial advisors, investment bankers, or similar professionals, representatives, or advisors have not been included on the Cure Amount Notice and shall not be treated under the Plan as executory contracts subject to assumption, assumption and assignment, or rejection. Counterparties to any such contracts, engagement letters, retention agreements and similar arrangements were required to file proofs of claim by the General Bar Date (as defined in the Bar Date Order) and any Allowed Claims relating thereto shall be treated as Other General Unsecured Claims against the applicable Debtor.

PLEASE TAKE FURTHER NOTICE THAT any objection to a proposed Cure Amount or to the Debtors' ability to assume and/or assume and assign your executory contract or unexpired lease to the Plan Sponsor (including, without limitation, to the Plan Sponsor's, Reorganized Takata's, or the Warehousing Trust's ability to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code) must be filed with the Bankruptcy Court and served by electronic or regular mail on the following parties (collectively, the "*Notice Parties*") no later than **February 6, 2018 at 4:00 p.m.**³ (the "*Cure Amount Objection Deadline*"):

<p><i>Debtors</i> TK Holdings Inc. 2500 Takata Drive Auburn Hills, Michigan 48326 Attn: Keith Teel, Esq. (Keith.Teel@Takata.com)</p>	<p><i>Office of the U.S. Trustee</i> Office of the U.S. Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35 Wilmington, Delaware 19899 Attn: David Buchbinder, Esq. (David.l.Buchbinder@usdoj.gov) Jane Leamy, Esq. (Jane.M.Leamy@usdoj.gov)</p>
<p><i>Counsel to the Debtors</i> Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, New York 10153 Attn: Marcia L. Goldstein, Esq. (Marcia.Goldstein@weil.com) Ronit J. Berkovich, Esq. (Ronit.Berkovich@weil.com) Matthew P. Goren, Esq. (Matthew.Goren@weil.com)</p>	<p><i>Counsel to the Creditors' Committee</i> Milbank, Tweed, Hadley & McCloy LLP 28 Liberty Street New York, New York 10005 Attn: Dennis F. Dunne, Esq. (DDunne@milbank.com) Abhilash M. Raval, Esq. (ARaval@milbank.com) Tyson Lomazow, Esq. (TLomazow@milbank.com) Mary Reidy Doheny, Esq. (MDoheny@milbank.com)</p>

³ Unless otherwise stated, all times referenced in this notice are to prevailing Eastern Time.

<p><i>Co-Counsel to the Debtors</i> Richards, Layton & Finger, P.A. 920 N. King Street Wilmington, Delaware 19801 Attn: Mark D. Collins, Esq. (Collins@RLF.com) Michael J. Merchant, Esq. (Merchant@RLF.com)</p>	<p><i>Counsel to the Tort Claimants' Committee</i> Pachulski Stang Ziehl & Jones LLP 919 North Market Street, 17th Floor P.O. Box 8705 Wilmington, Delaware 19899 Attn: Laura Davis Jones, Esq. (LJones@pszjlaw.com) James I. Stang, Esq. (JStang@pszjlaw.com)</p>
<p><i>Counsel to the Plan Sponsor</i> Skadden, Arps, Slate, Meagher & Flom LLP 155 N. Wacker Drive Chicago, IL 60606-1720 Attn: Ron E. Meisler, Esq. (Ron.Meisler@skadden.com) Felicia Gerber Perlman, Esq. (Felicia.Perlman@skadden.com)</p>	<p><i>Counsel to the Future Claimants' Representative</i> Frankel Wyron LLP 2101 L Street, NW Suite 800 Washington, DC 20037 Attn: Richard H. Wyron, Esq. (RWyron@frankelwyron.com)</p> <p>Ashby & Geddes, P.A. 500 Delaware Avenue, 8th Floor P.O. Box 1150 Wilmington, DE 19899-1150 Attn: Karen B. Owens, Esq. (kowens@ashbygeddes.com) William P. Bowden, Esq. (wbowden@ashbygeddes.com)</p>
<p><i>Counsel to the Consenting OEMs</i> Morris, Nichols, Arsht & Tunnell LLP 1201 N. Market Street Wilmington, DE 19899-1347 Attn: Derek C. Abbott, Esq. (DAbbott@mnat.com)</p>	

PLEASE TAKE FURTHER NOTICE THAT if no objection to the Cure Amounts is timely filed with the Bankruptcy Court and served on the Notice Parties by the Cure Amount Objection Deadline, counterparties will be deemed to have consented to the Cure Amounts listed on **Exhibit A**. **Please note that even if your executory contract or unexpired lease is subsequently identified on the Schedule of Assumed Contracts or the Schedule of Rejected Contracts, any objection to the Cure Amounts listed on Exhibit A must be filed and served by the Cure Amount Objection Deadline. No additional or further deadline for objecting to the proposed Cure Amounts will be set.**

PLEASE TAKE FURTHER NOTICE THAT if no objection to the Debtors' ability to assume and/or assume and assign your executory contract or unexpired lease to the Plan Sponsor (including, without limitation, to either the Plan Sponsor's, Reorganized Takata's, or the Warehousing Trust's ability to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code) is timely filed with the Bankruptcy Court and served on the Notice Parties, counterparties will be deemed to have consented to such an assumption or assumption and assignment in the event that the Debtors or the Plan Sponsor designates such treatment of their executory contract or unexpired lease in accordance with the Plan.

PLEASE TAKE FURTHER NOTICE THAT assumption or assumption and assignment of any executory contract of unexpired lease pursuant to the Plan or otherwise will result in the full release and satisfaction of any Cure Amounts, Claims, or defaults, whether monetary or nonmonetary, including defaults of provision restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed or assumed and assigned executory contract or unexpired lease at any time prior to the date of assumption. Any and all proofs of claim based on executory contracts and unexpired leases that have been assumed or assumed and assigned in these Chapter 11 Cases, including pursuant to the Confirmation Order, shall be deemed disallowed and expunged as of the Effective Date of the Plan without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE THAT the inclusion of a Cure Amount on Exhibit A is not an indication by the Debtors or the Plan Sponsor that your executory contract or unexpired lease will be either assumed or assumed and assigned under the Plan. Additionally, the listing of an executory contract or unexpired lease on Exhibit A, in the Schedule of Assumed Contracts, or the Schedule of Rejected Contracts shall not constitute an admission by the Debtors or the Plan Sponsor that such document is an executory contract or an unexpired lease or that the Debtors have any liability thereunder, with the exception of the proposed Cure Amount.

PLEASE TAKE FURTHER NOTICE THAT your status as a counterparty to an executory contract or an unexpired lease does not, without more, entitle you to vote on the Plan.

PLEASE TAKE FURTHER NOTICE THAT if your executory contract or unexpired lease is subsequently designated as a contract to be rejected in the Schedule of Rejected Contracts or otherwise, a deadline will be set at a later time to file a claim for damages, if any, arising out of or relating to the rejection of your executory contract or unexpired lease.

PLEASE TAKE FURTHER NOTICE THAT if you have any questions about this notice you should contact Prime Clerk in accordance with the instructions provided above. Please note that Prime Clerk cannot give you legal advice or advise you on how the Plan affects you or what actions you should take with respect to the Plan. Any questions regarding those matters should be referred to your own counsel.

PLEASE TAKE FURTHER NOTICE THAT the Debtors, subject to the terms of the Plan, reserve the right to alter, amend, modify, or supplement any information set forth herein, including to add or delete any executory contract or unexpired lease, at any time up to and including the Effective Date of the Plan.

Dated: _____, 2018
Wilmington, Delaware

Marcia L. Goldstein (admitted *pro hac vice*)
Ronit J. Berkovich (admitted *pro hac vice*)
Matthew P. Goren (admitted *pro hac vice*)

Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
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WEIL, GOTSHAL & MANGES LLP
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920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

Counsel to the Debtors and Debtors in Possession

Co-Counsel to the Debtors and Debtors in Possession

Exhibit A

Schedule of Cure Amounts

Exhibit 5-2

Form of Reorganized Takata Assumption Notice

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
TK HOLDINGS INC., et al.,	:		Case No. 17-11375 (BLS)
	:		
Debtors.¹	:		Jointly Administered
	:		
	:		
	X		

**NOTICE OF ASSUMPTION OF
EXECUTORY CONTRACTS AND UNEXPIRED
LEASES BY REORGANIZED TAKATA OR THE WAREHOUSING TRUST**

PLEASE TAKE NOTICE THAT on January [], 2018, the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) held a hearing (the “**Disclosure Statement Hearing**”) at which it approved the *Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “**Disclosure Statement**”) of TK Holdings Inc. (“**TKH**”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”), in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), and thereafter entered an order (the “**Disclosure Statement Order**”) with respect thereto. The Disclosure Statement Order, among other things, authorizes the Debtors to solicit votes to accept or reject the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “**Plan**”),² from holders of Claims who are (or may be) entitled to vote under the Plan.

PLEASE TAKE FURTHER NOTICE THAT the Disclosure Statement, the Disclosure Statement Order, the Plan, and any other pleadings filed in these Chapter 11 Cases, may be obtained from Prime Clerk LLC (the “**Prime Clerk**”) at no charge by (i) visiting the Debtors’ restructuring website at <http://TKRestructuring.com>, (ii) writing Prime Clerk LLC, at

¹ 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.

² Capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Plan.

TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232, or (iii) contacting Prime Clerk by telephone at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the US or Canada). You may also obtain copies for a fee via PACER at <http://www.deb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE THAT Section 8.1 of the Plan, provides that, as of and subject to the occurrence of the Effective Date, each of the Debtors' executory contracts and unexpired leases will be deemed assumed by, and assigned to, Joyson KSS Auto Safety S.A. ("**KSS**" and, collectively with one or more of its current or future subsidiaries or affiliates, the "**Plan Sponsor**"), except for an executory contract or unexpired lease that:

- (a) Has previously been assumed or rejected pursuant to a Final Order of the Bankruptcy Court;
- (b) Is **specifically designated** on (i) 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 of the Plan) or assumed by the applicable Debtor and assigned to the Warehousing Trust (the "**Schedule of Assumed Contracts**"), or (ii) the schedule of executory contracts and unexpired leases to be rejected by the applicable Debtor (the "**Schedule of Rejected Contracts**");
- (c) Is being assumed, assumed and assigned, or otherwise assigned pursuant to Section 8.4 of the Plan;
- (d) 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
- (e) Is the subject of a pending Cure Dispute.

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice because you are a counterparty to an executory contract or unexpired lease that, as of and subject to the occurrence of the Effective Date, will be [assumed by Reorganized Takata] [assumed by Reorganized Takata and assigned to the Warehousing Trust] and that, accordingly, has been specifically designated on the Schedule of Assumed Contracts, attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE THAT on January [], 2018 the Debtors sent you notice entitled *Notice of Filing of Cure Costs Associated with Executory Contracts and Unexpired Leases* (the "**Notice of Cure Amount**") which contained a schedule of cure amounts (the "**Cure Amounts**") in connection with the potential assumption and/or assumption and assignment of executory contracts and unexpired leases by the above-captioned Debtors.

PLEASE TAKE FURTHER NOTICE THAT the Notice of Cure Amount noted that any objection to a proposed Cure Amount or to the proposed assumption of your executory contract or unexpired lease by Reorganized Takata or assumption by Reorganized

Takata and assignment to the Warehousing Trust (as applicable), including without limitation, to Reorganized Takata's or the Warehousing Trust's (as applicable) ability to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code) must be filed with the Bankruptcy Court and served by electronic or regular mail on the following parties (collectively, the "*Notice Parties*") no later than **February 6, 2018 at 4:00 p.m.**³ (the "*Cure Amount Objection Deadline*"):

<p><i>Debtors</i> TK Holdings Inc. 2500 Takata Drive Auburn Hills, Michigan 48326 Attn: Keith Teel, Esq. (Keith.Teel@Takata.com)</p>	<p><i>Office of the U.S. Trustee</i> Office of the U.S. Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35 Wilmington, Delaware 19899 Attn: David Buchbinder, Esq. (David.I.Buchbinder@usdoj.gov) Jane Leamy, Esq. (Jane.M.Leamy@usdoj.gov)</p>
<p><i>Counsel to the Debtors</i> Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, New York 10153 Attn: Marcia L. Goldstein, Esq. (Marcia.Goldstein@weil.com) Ronit J. Berkovich, Esq. (Ronit.Berkovich@weil.com) Matthew P. Goren, Esq. (Matthew.Goren@weil.com)</p>	<p><i>Counsel to the Creditors' Committee</i> Milbank, Tweed, Hadley & McCloy LLP 28 Liberty Street New York, New York 10005 Attn: Dennis F. Dunne, Esq. (DDunne@milbank.com) Abhilash M. Raval, Esq. (ARaval@milbank.com) Tyson Lomazow, Esq. (TLomazow@milbank.com) Mary Reidy Doheny, Esq. (MDoheny@milbank.com)</p>
<p><i>Co-Counsel to the Debtors</i> Richards, Layton & Finger, P.A. 920 N. King Street Wilmington, Delaware 19801 Attn: Mark D. Collins, Esq. (Collins@RLF.com) Michael J. Merchant, Esq. (Merchant@RLF.com)</p>	<p><i>Counsel to the Tort Claimants' Committee</i> Pachulski Stang Ziehl & Jones LLP 919 North Market Street, 17th Floor P.O. Box 8705 Wilmington, Delaware 19899 Attn: Laura Davis Jones, Esq. (LJones@pszjlaw.com) James I. Stang, Esq. (JStang@pszjlaw.com)</p>

³ Unless otherwise stated, all times referenced in this notice are to prevailing Eastern Time.

<p><i>Counsel to the Plan Sponsor</i> Skadden, Arps, Slate, Meagher & Flom LLP 155 N. Wacker Drive Chicago, IL 60606-1720 Attn: Ron E. Meisler, Esq. (Ron.Meisler@skadden.com) Felicia Gerber Perlman, Esq. (Felicia.Perlman@skadden.com)</p>	<p><i>Counsel to the Future Claimants' Representative</i> Frankel Wyron LLP 2101 L Street, NW Suite 800 Washington, DC 20037 Attn: Richard H. Wyron, Esq. (RWyron@frankelwyron.com)</p> <p>Ashby & Geddes, P.A. 500 Delaware Avenue, 8th Floor P.O. Box 1150 Wilmington, DE 19899-1150 Attn: Karen B. Owens, Esq. (kowens@ashbygeddes.com) William P. Bowden, Esq. (wbowden@ashbygeddes.com)</p>
<p><i>Counsel to the Consenting OEMs</i> Morris, Nichols, Arsht & Tunnell LLP 1201 N. Market Street Wilmington, DE 19899-1347 Attn: Derek C. Abbott, Esq. (DAbbott@mnat.com)</p>	

PLEASE TAKE FURTHER NOTICE THAT if no objection to the Cure Amounts is timely filed with the Bankruptcy Court and served on the Notice Parties by the Cure Amount Objection Deadline, counterparties will be deemed to have consented to the Cure Amounts.

PLEASE TAKE FURTHER NOTICE THAT assumption of any executory contract or unexpired lease pursuant to the Plan or otherwise will result in the full release and satisfaction of any Cure Amounts, Claims, or defaults, whether monetary or nonmonetary, including defaults of provision 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 prior to the date of assumption. Any and all proofs of claim based on executory contracts and unexpired leases that have been assumed in these Chapter 11 Cases, including pursuant to the Confirmation Order, shall be deemed disallowed and expunged as of the Effective Date of the Plan without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE THAT your status as a counterparty to an executory contract or an unexpired lease does not, without more, entitle you to vote on the Plan.

PLEASE TAKE FURTHER NOTICE THAT the listing of an executory contract or unexpired lease on **Exhibit A** shall not constitute an admission by the Debtors or the Plan Sponsor that such document is an executory contract or an unexpired lease or that the Debtors have any liability thereunder, with the exception of the proposed Cure Amount.

PLEASE TAKE FURTHER NOTICE THAT the Debtors, subject to the terms of the Plan, reserve the right to alter, amend, modify, or supplement any information set forth herein, including to add or delete any executory contract or unexpired lease, at any time up to and including the Effective Date of the Plan.

PLEASE TAKE FURTHER NOTICE THAT if you have any questions about this notice you should contract Prime Clerk in accordance with the instructions provided above. Please note that Prime Clerk cannot give you legal advice or advise you on how the Plan affects you or what actions you should take with respect to the Plan. Any questions regarding those matters should be referred to your own counsel.

Dated: _____, 2018
Wilmington, Delaware

Marcia L. Goldstein (admitted *pro hac vice*)
Ronit J. Berkovich (admitted *pro hac vice*)
Matthew P. Goren (admitted *pro hac vice*)

Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
Amanda R. Steele (No. 5530)
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One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

Counsel to the Debtors and Debtors in Possession

Co-Counsel to the Debtors and Debtors in Possession

Exhibit A

Schedule of Assumed Contracts

Exhibit 5-3

Form of Rejection Notice

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
TK HOLDINGS INC., et al.,	:		Case No. 17-11375 (BLS)
	:		
Debtors.¹	:		Jointly Administered
	:		
	:		
	X		

**NOTICE OF REJECTION OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

PLEASE TAKE NOTICE THAT on January [], 2018, the United States Bankruptcy Court for the District of Delaware (the “*Bankruptcy Court*”) held a hearing (the “*Disclosure Statement Hearing*”) at which it approved the *Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Disclosure Statement*”) of TK Holdings Inc. (“*TKH*”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”), in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”), and thereafter entered an order (the “*Disclosure Statement Order*”) with respect thereto. The Disclosure Statement Order, among other things, authorizes the Debtors to solicit votes to accept or reject the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, filed January [], 2018 [Docket No. []] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Plan*”),² from holders of Claims who are (or may be) entitled to vote under the Plan.

PLEASE TAKE FURTHER NOTICE THAT the Disclosure Statement, the Disclosure Statement Order, the Plan, and any other pleadings filed in these Chapter 11 Cases, may be obtained from Prime Clerk LLC (the “*Prime Clerk*”) at no charge by (i) visiting the Debtors’ restructuring website at <http://TKRestructuring.com>, (ii) writing Prime Clerk LLC, at TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850 Third Avenue, Suite 412,

¹ 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.

² Capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Plan.

Brooklyn, NY 11232, or (iii) contacting Prime Clerk by telephone at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the US or Canada). You may also obtain copies for a fee via PACER at <http://www.deb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE THAT Section 8.1 of the Plan, provides that, as of and subject to the occurrence of the Effective Date, each of the Debtors' executory contracts and unexpired leases will be deemed assumed by, and assigned to, Joyson KSS Auto Safety S.A. ("**KSS**" and, collectively with one or more of its current or future subsidiaries or affiliates, the "**Plan Sponsor**"), except for an executory contract or unexpired lease that:

- (a) Has previously been assumed or rejected pursuant to a Final Order of the Bankruptcy Court;
- (b) Is **specifically designated** on (i) 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 of the Plan) or assumed by the applicable Debtor and assigned to the Warehousing Trust (the "**Schedule of Assumed Contracts**"), or (ii) the schedule of executory contracts and unexpired leases to be rejected by the applicable Debtor (the "**Schedule of Rejected Contracts**");
- (c) Is being assumed, assumed and assigned, or otherwise assigned pursuant to Section 8.4 of the Plan;
- (d) 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
- (e) Is the subject of a pending Cure Dispute.

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice because you are a counterparty to an executory contract or unexpired lease that, as of and subject to the occurrence of the Effective Date, will be rejected by the Debtors and that, accordingly, has been specifically designated on the Schedule of Rejected Contracts, attached hereto as **Exhibit A**, or is otherwise deemed rejected pursuant to Section 8.4(i) of the Plan.

PLEASE TAKE FURTHER NOTICE THAT if you object to the proposed rejection of your executory contract or unexpired lease, you must file an objection with the Bankruptcy Court and serve it by electronic or regular mail on the following parties (collectively, the "*Notice Parties*") no later than [_____ at ____ p.m.³]:

<p><i>Debtors</i> TK Holdings Inc. 2500 Takata Drive Auburn Hills, Michigan 48326 Attn: Keith Teel, Esq. (Keith.Teel@Takata.com)</p>	<p><i>Office of the U.S. Trustee</i> Office of the U.S. Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35 Wilmington, Delaware 19899 Attn: David Buchbinder, Esq. (David.l.Buchbinder@usdoj.gov) Jane Leamy, Esq. (Jane.M.Leamy@usdoj.gov)</p>
<p><i>Counsel to the Debtors</i> Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, New York 10153 Attn: Marcia L. Goldstein, Esq. (Marcia.Goldstein@weil.com) Ronit J. Berkovich, Esq. (Ronit.Berkovich@weil.com) Matthew P. Goren, Esq. (Matthew.Goren@weil.com)</p>	<p><i>Counsel to the Creditors' Committee</i> Milbank, Tweed, Hadley & McCloy LLP 28 Liberty Street New York, New York 10005 Attn: Dennis F. Dunne, Esq. (DDunne@milbank.com) Abhilash M. Raval, Esq. (ARaval@milbank.com) Tyson Lomazow, Esq. (TLomazow@milbank.com) Mary Reidy Doheny, Esq. (MDoheny@milbank.com)</p>
<p><i>Co-Counsel to the Debtors</i> Richards, Layton & Finger, P.A. 920 N. King Street Wilmington, Delaware 19801 Attn: Mark D. Collins, Esq. (Collins@RLF.com) Michael J. Merchant, Esq. (Merchant@RLF.com)</p>	<p><i>Counsel to the Tort Claimants' Committee</i> Pachulski Stang Ziehl & Jones LLP 919 North Market Street, 17th Floor P.O. Box 8705 Wilmington, Delaware 19899 Attn: Laura Davis Jones, Esq. (LJones@pszjlaw.com) James I. Stang, Esq. (JStang@pszjlaw.com)</p>

³ Unless otherwise stated, all times referenced in this notice are to prevailing Eastern Time.

<p><i>Counsel to the Plan Sponsor</i> Skadden, Arps, Slate, Meagher & Flom LLP 155 N. Wacker Drive Chicago, IL 60606-1720 Attn: Ron E. Meisler, Esq. (Ron.Meisler@skadden.com) Felicia Gerber Perlman, Esq. (Felicia.Perlman@skadden.com)</p>	<p><i>Counsel to the Future Claimants' Representative</i> Frankel Wyron LLP 2101 L Street, NW Suite 800 Washington, DC 20037 Attn: Richard H. Wyron, Esq. (RWyron@frankelwyron.com)</p> <p>Ashby & Geddes, P.A. 500 Delaware Avenue, 8th Floor P.O. Box 1150 Wilmington, DE 19899-1150 Attn: Karen B. Owens, Esq. (kowens@ashbygeddes.com) William P. Bowden, Esq. (wbowden@ashbygeddes.com)</p>
<p><i>Counsel to the Consenting OEMs</i> Morris, Nichols, Arsht & Tunnell LLP 1201 N. Market Street Wilmington, DE 19899-1347 Attn: Derek C. Abbott, Esq. (DAbbott@mnat.com)</p>	

PLEASE TAKE FURTHER NOTICE THAT if you fail to object in a timely manner, you will be deemed to have assented to such rejection.

PLEASE TAKE FURTHER NOTICE THAT as a result of the rejection of an executory contract or unexpired lease to which you are a counterparty, you may be entitled to an unsecured Claim for which a proof of claim must be filed. Pursuant to Section 8.5 of the Plan, if the rejection of an executory contract or unexpired lease gives rise to a Claim, such Claim will be forever barred and be unenforceable against the Debtors **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 or (ii) the effective date of the rejection of such executory contract or unexpired lease. Any such Claims, to the extent Allowed, will be classified as Class 6 (Other General Unsecured Claims) Claims.

PLEASE TAKE FURTHER NOTICE THAT the listing of an executory contract or unexpired lease on **Exhibit A** shall not constitute an admission by the Debtors or the Plan Sponsor that such document is an executory contract or an unexpired lease or that the Debtors have any liability thereunder, with the exception of the proposed Cure Amount.

PLEASE TAKE FURTHER NOTICE THAT the Debtors, subject to the terms of the Plan, reserve the right to alter, amend, modify, or supplement any information set forth herein, including to add or delete any executory contract or unexpired lease, at any time up to and including the Effective Date of the Plan.

PLEASE TAKE FURTHER NOTICE THAT if you have any questions about this notice you should contact Prime Clerk in accordance with the instructions provided above. Please note that Prime Clerk cannot give you legal advice or advise you on how the Plan affects you or what actions you should take with respect to the Plan. Any questions regarding those matters should be referred to your own counsel.

Dated: _____, 2018
Wilmington, Delaware

Marcia L. Goldstein (admitted *pro hac vice*)
Ronit J. Berkovich (admitted *pro hac vice*)
Matthew P. Goren (admitted *pro hac vice*)

Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
Amanda R. Steele (No. 5530)
Brett M. Haywood (No. 6166)

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
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RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

Counsel to the Debtors and Debtors in Possession

Co-Counsel to the Debtors and Debtors in Possession

Exhibit A

Schedule of Rejected Contracts

Exhibit B

Form of Disclosure Statement Hearing Notice

Para acceder a una versión de este aviso en español, por favor visite
[<http://tkrestructuring.com>] [<http://tkrestructuring.com/PPIC>].

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

-----X
 In re : **Chapter 11**
 TK HOLDINGS INC., *et al.*, : **Case No. 17-11375 (BLS)**
 Debtors.¹ : **Jointly Administered**
 : **Hearing Date: January 3, 2018 at 10:00 a.m. (ET)**
 : **Objection Deadline: December 27, 2017 at 4:00 p.m. (ET)**
 -----X

**NOTICE OF HEARING TO
CONSIDER APPROVAL OF THE PROPOSED
DISCLOSURE STATEMENT FOR THE JOINT CHAPTER 11 PLAN OF
REORGANIZATION OF TK HOLDINGS INC. AND ITS AFFILIATED DEBTORS**

TO PARTIES IN INTEREST IN THE CHAPTER 11 CASES OF:

Takata Americas	Case No. 17-11372
TK Finance, LLC	Case No. 17-11373
TK China, LLC	Case No. 17-11374
TK Holdings Inc.	Case No. 17-11375
Takata Protection Systems Inc.	Case No. 17-11376
Interiors in Flight Inc.	Case No. 17-11377
TK Mexico Inc.	Case No. 17-11378
TK Mexico LLC	Case No. 17-11379
TK Holdings de Mexico, S. de R.L. de C.V.	Case No. 17-11380
Industrias Irvin de Mexico, S.A. de C.V.	Case No. 17-11381
Takata de Mexico, S.A. de C.V.	Case No. 17-11382
Strosshe-Mex S. de R.L. de C.V.	Case No. 17-11383

¹ 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.

PLEASE TAKE NOTICE THAT TK Holdings Inc. (“*TKH*”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”) in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”), filed the *Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors* on November 3, 2017 [Docket No. 1108] (as may be further amended, modified or supplemented, the “*Plan*”) and the proposed *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors* on November 15, 2017 [Docket No. 1164] (together with all schedules and exhibits thereto, and as may be modified, amended or supplemented from time to time, the “*Proposed Disclosure Statement*”), pursuant to section 1125 of title 11 of the United States Code (the “*Bankruptcy Code*”).

PLEASE TAKE NOTICE THAT:

1. A hearing (the “*Disclosure Statement Hearing*”) will be held before the Honorable Brendan L. Shannon, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware (the “*Bankruptcy Court*”), 824 North Market Street, 5th Floor, Wilmington, Delaware 19801, on **January 3, 2018 at 10:00 a.m.**,² to consider entry of an order determining, among other things, that the Proposed Disclosure Statement contains “adequate information” within the meaning ascribed to such term in section 1125 of the Bankruptcy Code and approving the Proposed Disclosure Statement.

2. Any party in interest wishing to obtain a copy of the Proposed Disclosure Statement and the Plan should contact Prime Clerk LLC in writing at TK Holdings Inc. Ballot Processing, c/o Prime Clerk LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232, or by telephone at (844) 822-9229 (Toll-Free) or (347) 338-6502 (if calling from outside the U.S. or Canada). Interested parties may also review the Proposed Disclosure Statement and the Plan free of charge at [<http://TKRestructuring.com>] [<http://TKRestructuring.com/PPIC>]. In addition, the Proposed Disclosure Statement and Plan are on file with the Bankruptcy Court and may be reviewed by accessing the Bankruptcy Court’s website: www.deb.uscourts.gov. Note that a PACER password and login are needed to access documents on the Bankruptcy Court’s website. A PACER password can be obtained at: www.pacer.psc.uscourts.gov. Copies of the Disclosure Statement and Plan may also be examined by interested parties during normal business hours at the office of the Clerk of the Bankruptcy Court.

3. Objections and responses, if any, to approval of the Disclosure Statement, must: (a) be in writing; (b) conform to the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”) and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “*Local Rules*”); (c) set forth the name of the objecting party and the nature and amount of Claims or Interests held or asserted by the objecting party against the Debtors’ Estates or property; and (d) provide the basis for the objection and the specific grounds thereof.

4. The deadline to object or respond to the Proposed Disclosure Statement is **December 27, 2017 at 4:00 p.m.** (the “*Disclosure Statement Objection Deadline*”).

² Unless otherwise stated, all times referenced in this notice are to prevailing Eastern Time.

5. Registered users of the Bankruptcy Court's case filing system must electronically file their objections and responses. All other parties in interest must file their objections and responses in writing with the United States Bankruptcy Court Clerk's Office, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 to the attention of the chambers of the Honorable Brendan L. Shannon, United States Bankruptcy Judge.

6. Any objections or responses must be served so that they are **actually received** by the following parties (collectively, the "**Notice Parties**") no later than the Disclosure Statement Objection Deadline:

<p><i>Debtors</i> TK Holdings Inc. 2500 Takata Drive Auburn Hills, Michigan 48326 Attn: Scott E. Caudill Keith Teel, Esq.</p>	<p><i>Office of the U.S. Trustee</i> Office of the U.S. Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35 Wilmington, Delaware 19899 Attn: David Buchbinder, Esq. Jane Leamy, Esq.</p>
<p><i>Counsel to the Debtors</i> Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, New York 10153 Attn: Marcia L. Goldstein, Esq. Ronit J. Berkovich, Esq. Matthew P. Goren, Esq.</p>	<p><i>Counsel to the Creditors' Committee</i> Milbank, Tweed, Hadley & McCloy LLP 28 Liberty Street New York, New York 10005 Attn: Dennis F. Dunne, Esq. Abhilash M. Raval, Esq. Tyson Lomazow, Esq. Mary Reidy Doheny, Esq.</p>
<p><i>Co-Counsel to the Debtors</i> Richards, Layton & Finger, P.A. 920 N. King Street Wilmington, Delaware 19801 Attn: Mark D. Collins, Esq. Michael J. Merchant, Esq.</p>	<p><i>Counsel to the Tort Claimants' Committee</i> Pachulski Stang Ziehl & Jones LLP 919 North Market Street, 17th Floor P.O. Box 8705 Wilmington, Delaware 19899 Attn: Laura Davis Jones, Esq. James I. Stang, Esq.</p>
<p><i>Counsel to the Plan Sponsor</i> Skadden, Arps, Slate, Meagher & Flom LLP 155 N. Wacker Drive Chicago, IL 60606-1720 Attn: Ron E. Meisler, Esq. Felicia Gerber Perlman, Esq.</p>	<p><i>Counsel to the Future Claimants' Representative</i> Frankel Wyron LLP 2101 L Street, NW Suite 800 Washington, DC 20037 Attn: Richard H. Wyron, Esq.</p>

<p><i>Counsel to the Consenting OEMs</i> Morris, Nichols, Arsht & Tunnell LLP 1201 N. Market Street Wilmington, DE 19899-1347 Attn: Derek C. Abbott, Esq.</p>	
--	--

7. **IF AN OBJECTION TO THE PROPOSED DISCLOSURE STATEMENT IS NOT FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE NOTICE PARTIES STRICTLY AS PRESCRIBED HEREIN, THE OBJECTING PARTY MAY BE BARRED FROM OBJECTING TO THE PROPOSED DISCLOSURE STATEMENT OR THE ADEQUACY THEREOF AND MAY NOT BE HEARD AT THE DISCLOSURE STATEMENT HEARING.**

8. Upon approval of the Proposed Disclosure Statement by the Bankruptcy Court (as approved, the “*Disclosure Statement*”), any party in interest that is entitled to vote on the Plan, will receive a paper or an electronic copy of the Disclosure Statement, the Plan and various documents related thereto, except as otherwise ordered by the Bankruptcy Court.

9. The Disclosure Statement Hearing may be adjourned from time to time without further notice to parties in interest other than by an announcement in Bankruptcy Court of such adjournment on the date scheduled for the Disclosure Statement Hearing or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtors with the Bankruptcy Court.

Dated: November 16, 2017
Wilmington, Delaware

Marcia L. Goldstein (admitted *pro hac vice*)
Ronit J. Berkovich (admitted *pro hac vice*)
Matthew P. Goren (admitted *pro hac vice*)

Mark D. Collins (No. 2981)
Michael J. Merchant (No. 3854)
Amanda R. Steele (No. 5530)
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Wilmington, Delaware 19801
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Facsimile: (302) 651-7701

Counsel to the Debtors and Debtors in Possession

Co-Counsel to the Debtors and Debtors in Possession

This is **Exhibit "M"** referred to in the
affidavit of **KENNETH BOWLING**
sworn before me this
6th day of March, 2018


A Commissioner for taking affidavits

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X	
In re	:	Chapter 11
TK HOLDINGS INC., <i>et al.</i> ,	:	Case No. 17-11375 (BLS)
Debtors. ¹	:	(Jointly Administered)
	X	Re: Docket No. 1600

**ORDER SUSTAINING DEBTORS' THIRD NON-SUBSTANTIVE
OMNIBUS OBJECTION TO CLAIMS**

(Incorrect Debtor Claims)

Upon the objection, dated January 3, 2018 (the "*Objection*"),² of TK Holdings Inc. and its affiliated debtors, as debtors and debtors in possession (collectively, the "*Debtors*"), pursuant to section 502 of title 11 of the United States Code (the "*Bankruptcy Code*"), Rule 3007 of the Federal Rules of Bankruptcy Procedure (the "*Bankruptcy Rules*"), and Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "*Local Rules*"), for entry of an order disallowing and expunging certain proofs of claim, all as more fully set forth in the Objection; and upon consideration of the Caudill Declaration and the Koluch Declaration; and this Court having jurisdiction to consider the Objection and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of

¹ 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.

² Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms in the Objection.

Delaware dated February 29, 2012; and consideration of the Objection and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Objection having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and this Court having reviewed the Objection; and this Court having held a hearing (if any) on the Objection; and this Court having determined that the legal and factual bases set forth in the Objection establish just cause for the relief granted herein; and it appearing that the relief requested in the Objection is in the best interests of the Debtors, their estates, creditors, and all parties in interests; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:


1. The Objection is granted as provided herein.
2. Pursuant to section 502 of the Bankruptcy Code, Bankruptcy Rule 3007, and Local Rule 3007-1, each proof of claim listed on Exhibit 1 annexed hereto under the heading "*Incorrect Debtor Claims*" is reclassified as a claim against the Debtors listed under the heading "*Reclassified Claims*."
3. This Order has no res judicata, estoppel, or other effect on the validity, allowance, or disallowance of any claim referenced and/or identified in the Objection that is not listed on Exhibit 1 annexed hereto, and all rights to object to or defend against such claims on any basis are expressly reserved.
4. Should one or more of the grounds of objection stated in the Objection be dismissed, the Debtors' rights to object on any other grounds that the Debtors discover during the pendency of these Chapter 11 Cases are preserved.

5. Each Incorrect Debtor Claim and the objections by the Debtors to such claims, as set forth on Exhibit 1 hereto, constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014 and Local Rule 3007-1. This Order shall be deemed a separate Order with respect to each such Incorrect Debtor Claim. Any stay of this Order pending appeal by any claimants whose claims are subject to this Order shall only apply to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters listed in the Objection or this Order.

6. The Debtors, the Debtors' claims and noticing agent, Prime Clerk, LLC, and the Clerk of this Court are authorized to take all steps necessary or appropriate to carry out this Order.

7. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: February 2, 2018
Wilmington, Delaware



THE HONORABLE BRENDAN L. SHANNON
CHIEF UNITED STATES BANKRUPTCY JUDGE

Exhibit 1


Schedule of Affected Claims

AT&T Corp	2554	\$1,108 (U) \$0 (P) \$0 (S) \$0 (A) \$1,108 (T)	Tekata Protection Systems Inc	AT&T Corp	2554	\$1,108 (U) \$0 (P) \$0 (S) \$0 (A) \$1,108 (T)	TK Holdings Inc	Based on a review of the claim documentation, this claim relates to TK Holdings Inc.
G/O AT&T Services Inc., Karen A. Cavagnaro- Lead, Paralegal, One AT&T Way, Room 3A104, Bedminster NJ, 07921	3063	\$26,632 (U) \$0 (P) \$0 (S) \$0 (A) \$26,632 (T)	TK Holdings de Mexico S. de R.L. de C.V.	Bryan, Gonzales Vargas y Gonzales BAZ, S.C.	3063	\$26,632 (U) \$0 (P) \$0 (S) \$0 (A) \$26,632 (T)	TK Holdings Inc.	Based on a review of the Debtors' books and records, this claim relates to TK Holdings Inc.
Fastenal Company, 2001 Theurer Blvd., Winona MN, 55987	287	\$2,580 (U) \$0 (P) \$0 (S) \$0 (A) \$2,580 (T)	Takata Americas	Fastenal Company	287	\$2,580 (U) \$0 (P) \$0 (S) \$0 (A) \$2,580 (T)	TK Holdings Inc.	Based on a review of the Debtors' books and records, this claim relates to TK Holdings Inc.
Garcia, Rodolfo, 400 W. Broadway, San Antonio TX, 78228	2424	\$35,000 (U) \$0 (P) \$0 (S) \$0 (A) \$35,000 (T)	Takata Americas	Garcia, Rodolfo	2424	\$35,000 (U) \$0 (P) \$0 (S) \$0 (A) \$35,000 (T)	TK Holdings Inc.	Based on a review of the claim documentation, this claim relates to TK Holdings Inc.
Geocorp, Inc., Attn: Joseph R. Finn, 2600 Centerpoint Parkway, Pontiac MI, 48341	163	Unliquidated \$8,857 (A) \$0 (T)	Takata Americas	Geocorp, Inc.	163	Unliquidated \$8,857 (S) \$0 (A) \$519 (T)	TK Holdings Inc.	Based on a review of scheduled claim, this claim relates to TK Holdings Inc.
Kobelco Advanced Coating (America) Inc., Vicky Wang, 1007 Commerce Ct., Buffalo Grove IL, 60089	462	\$3,323 (U) \$0 (P) \$0 (S) \$0 (A) \$3,323 (T)	Takata Americas	Kobelco Advanced Coating (America) Inc.	462	\$3,323 (U) \$0 (P) \$0 (S) \$0 (A) \$3,323 (T)	TK Holdings Inc.	Based on a review of the Debtors' books and records, this claim relates to TK Holdings Inc.
Livingston International, P.O. Box 5640, Terminal A, Toronto ON, M5W 1P1 Canada	2213	\$871 (U) \$0 (P) \$0 (S) \$0 (A) \$871 (T)	Takata Protection Systems Inc.	Livingston International	2213	\$871 (U) \$0 (P) \$0 (S) \$0 (A) \$871 (T)	TK Holdings Inc.	Based on a review of the claim documentation, this claim relates to TK Holdings Inc.
Metron Powdercoating Inc., 2000 E. Wheeler Rd., Moses Lake WA, 98837	467	\$256 (U) \$0 (P) \$0 (S) \$0 (A) \$256 (T)	Takata Americas	Metron Powdercoating Inc.	467	\$256 (U) \$0 (P) \$0 (S) \$0 (A) \$256 (T)	TK Holdings Inc.	Based on a review of the Debtors' books and records, this claim relates to TK Holdings Inc.

Mettler Toledo LLC, Attn: Heidi Cole, 1900 Polaris Pkwy, Columbus OH, 43214	67	Takata Americas	\$4,179 (U) \$0 (P) \$0 (S) \$0 (A) \$4,179 (T)	Mettler Toledo LLC	67	TK Holdings Inc.	\$4,179 (U) \$0 (P) \$0 (S) \$0 (A) \$4,179 (T)	Based on a review of the Debtors' books and records, this claim relates to TK Holdings Inc.
MSC Industrial Supply Co., 75 Maxess Road, Melville NY, 11747	268	Takata Protection Systems Inc.	\$13,449 (U) \$0 (P) \$0 (S) \$26,249 (A) \$39,698 (T)	MSC Industrial Supply Co.	268	TK Holdings Inc.	\$13,449 (U) \$0 (P) \$0 (S) \$26,249 (A) \$39,698 (T)	Based on a review of the claim documentation, this claim relates to TK Holdings Inc.
SAT Radios Communications Ltd dba Industrial Communications, 1019 E. Euclid Ave, San Antonio TX, 78212	132	Takata Americas	\$4,039 (U) \$0 (P) \$0 (S) \$0 (A) \$4,039 (T)	SAT Radios Communications Ltd dba Industrial Communications	132	TK Holdings Inc.	\$4,039 (U) \$0 (P) \$0 (S) \$0 (A) \$4,039 (T)	Based on a review of the Debtors' books and records, this claim relates to TK Holdings Inc.
Schroth Safety Products LLC, C/O Brian Cooper, 1371 SW 8th Street, #3, Pompano Beach FL, 33069	3533	Takata Protection Systems Inc.	\$8,252 (U) \$0 (P) \$0 (S) \$61,398 (A) \$69,650 (T)	Schroth Safety Products LLC	3533	TK Holdings Inc.	\$8,252 (U) \$0 (P) \$0 (S) \$61,398 (A) \$69,650 (T)	Based on a review of the Transition Service Agreement of the sale of Takata Protection Systems Inc. to Schroth Safety Products LLC, TK Holdings Inc. is the primary obligor.
Southwestern Bell Telephone Company, C/O AT&T Services, Inc., Karen A. Cavagnaro- Lead, Paralegal, One AT&T Way, Room 3A104, Bedminster NJ, 07921	2508	Takata Protection Systems Inc.	\$1,589 (U) \$0 (P) \$0 (S) \$0 (A) \$1,589 (T)	Southwestern Bell Telephone Company	2508	TK Holdings Inc.	\$1,589 (U) \$0 (P) \$0 (S) \$0 (A) \$1,589 (T)	Based on a review of the claim documentation, this claim relates to TK Holdings Inc.
Uline Shipping Supplies, 12575 Uline Drive, Pleasant Prairie WI, 53158	2145	Takata Americas	\$18,057 (U) \$0 (P) \$0 (S) \$10,543 (A) \$28,600 (T)	Uline Shipping Supplies	2145	TK Holdings Inc.	\$18,057 (U) \$0 (P) \$0 (S) \$10,543 (A) \$28,600 (T)	Based on a review of the Debtors' books and records, this claim relates to TK Holdings Inc.

(U) - Unsecured (P) - Priority (S) - Secured (A) - Administrative (T) - Total

This is **Exhibit "N"** referred to in the
affidavit of **KENNETH BOWLING**
sworn before me this
6th day of March, 2018


A Commissioner for taking affidavits

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

ORIGINAL

-----X
 :
In re : **Chapter 11**
 :
TK HOLDINGS INC., et al., : **Case No. 17-11375 (BLS)**
 :
Debtors.¹ : **(Jointly Administered)**
 :
 -----X **Re: Docket No. 1978**

**ORDER PURSUANT TO 11 U.S.C. §§ 502(c) AND 105(a)
ESTIMATING THE MAXIMUM AMOUNT OF CERTAIN
CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS
FOR PURPOSES OF ESTABLISHING DISPUTED CLAIMS
RESERVES UNDER DEBTORS' PROPOSED JOINT
CHAPTER 11 PLAN OF REORGANIZATION**

Upon the motion, dated February 7, 2018 (the "*Motion*"),² of TK Holdings Inc. and its affiliated debtors, as debtors and debtors in possession (collectively, the "*Debtors*"), pursuant to sections 502(c) and 105(a) of title 11 of the United States Code (the "*Bankruptcy Code*"), for entry of an order estimating the maximum amount of certain contingent, unliquidated, and disputed general unsecured claims (collectively, the "*Disputed Claims*" and each such holder of a Disputed Claims, a "*Claimant*") solely for purposes of establishing the Disputed Claims Reserves under the Debtors' *Fifth Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, dated February 20, 2018 [Docket No. 2116] (as it has and may be further modified or supplemented from time to time, the

¹ 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.

² Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms in the Motion.

“*Plan*”), all as more fully set forth in the Motion; and upon consideration of the Koluch Declaration and the Caudill Declaration; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and [this Court having held a hearing on the Motion OR no party having objected to the relief requested in the Motion;] and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interests; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as provided herein.
2. The Disputed Claims in Class 6 (Other General Unsecured Claims) and Class 7 (Other PI/WD Claims) are hereby estimated, pursuant to sections 502(c) and 105(a) of the Bankruptcy Code, in the total aggregate amount of \$1,532,200,000.00, solely for purposes of determining the Disputed Claims Reserves to be set for these Claims under the Plan and not for purposes of Allowance or any other purpose.
3. The Debtors are authorized, but not directed, to take any and all actions that are necessary or appropriate to establish and administer the Disputed Claims Reserves

consistent with the terms of the Plan and the Confirmation Order and to implement the terms of this Order.

4. Nothing herein or in the Motion, nor any action by the Debtors to implement this Order, shall constitute an admission of the validity, nature, amount or priority of any Disputed Claim.

5. The establishment of the Disputed Claims Reserves is without prejudice to the rights, defenses, and objections of the Debtors to the merits of the Disputed Claims. The Debtors and this Court are not making a determination that the Debtors are liable on account of the Disputed Claims in any amount. Nothing set forth in the Motion or this Order shall be admissible against the Debtors in any proceeding in connection with the litigation or liquidation of the Disputed Claims that have not yet been Allowed.

6. The rights of the Debtors to object to, and defend against, the Disputed Claims are fully preserved.

7. The establishment of the Disputed Claims Reserves is without prejudice to the ability of the Debtors to seek relief from the Court to Disallow any Disputed Claims or to fix the Allowed amount of any Disputed Claims in accordance with the Plan, the Bankruptcy Code, or the prior orders of this Court.

8. Notwithstanding anything herein to the contrary, nothing herein or in the Motion shall affect the priority of any Disputed Claim or the amount that any Claimant may recover on account of such Disputed Claim or otherwise.

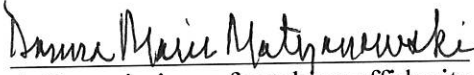
9. The Disputed Claims remain "Disputed" as defined in the Plan and shall remain so unless and until they are "Disallowed" or become "Allowed" as defined in the Plan.

10. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: Feb 26, 2018
Wilmington, Delaware


THE HONORABLE BRENDAN L. SHANNON
CHIEF UNITED STATES BANKRUPTCY JUDGE

This is **Exhibit "O"** referred to in the
affidavit of **KENNETH BOWLING**
sworn before me this
6th day of March, 2018


A Commissioner for taking affidavits

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
TK HOLDINGS INC., et al.,	:		Case No. 17-11375 (BLS)
	:		
Debtors.¹	:		Jointly Administered
	:		
	X		

**NOTICE OF FILING OF PLAN SUPPLEMENT PURSUANT TO THE THIRD
AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF
TK HOLDINGS INC. AND ITS AFFILIATED DEBTORS**

PLEASE TAKE NOTICE that on January 5, 2018, TK Holdings Inc. (“*TKH*”) and its affiliated debtors in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”), as debtors and debtors in possession (collectively, the “*Debtors*”), filed solicitation versions of the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and Its Affiliated Debtors* [Docket No. 1629] (the “*Plan*”) and the *Disclosure Statement for Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and Its Affiliated Debtors* [Docket No. 1630] (the “*Disclosure Statement*”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

PLEASE TAKE FURTHER NOTICE that the Plan and Disclosure Statement contemplate the submission of certain documents (or forms thereof), schedules, and exhibits (the “*Plan Supplement*”) in advance of the hearing on confirmation of the Plan (the “*Confirmation Hearing*”).

¹ 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.

PLEASE TAKE FURTHER NOTICE that the Debtors hereby file the following Plan

Supplement documents:

- **Exhibit A** Updated Post-Closing Date Structure for Reorganized Takata, Warehousing Entity, and TK Global LLC
- **Exhibit B** List of Material Definitive Documents Relating to Restructuring Transactions
- **Exhibit C** Schedule of Allowed OEM Claims of Consenting OEMs
- **Exhibit D** Indemnity Agreement
- **Exhibit E** TK Global Operating Agreement
- **Exhibit F** Plan Administrator Agreement
- **Exhibit G** Plan Administrator Qualifications
- **Exhibit H** Transition Services Agreement
- **Exhibit I** Shared Services Agreement
- **Exhibit J** Reorganized TK Holdings Organizational Documents
- **Exhibit K** Reorganized TK Holdings Trust Agreement
- **Exhibit L** Schedule of Causes of Action (Including Avoidance Actions) not Acquired by Plan Sponsor or Waived Pursuant to Section 10.11 of Plan
- **Exhibit M** PSAN PI/WD Trust Agreement
- **Exhibit N** PSAN PI/WD Trust Distribution Procedures
- **Exhibit O** Participating OEM Contribution Agreement
- **Exhibit P** Ankura PSAN PI/WD Claim Estimation Reports
- **Exhibit Q** Ankura Seat Belt PI/WD Claim Analysis
- **Exhibit R** Identity Disclosures

PLEASE TAKE FURTHER NOTICE that the forms of the documents contained in the Plan Supplement are integral to, and are considered part of, the Plan. If the Plan is confirmed,

the documents contained in the Plan Supplement will be approved by the Bankruptcy Court pursuant to the order confirming the Plan.

PLEASE TAKE FURTHER NOTICE that the Debtors reserve the right, subject to the terms and conditions set forth in the Plan, to alter, amend, modify, or supplement any document in the Plan Supplement; provided, if any document in the Plan Supplement is altered, amended, modified, or supplemented in any material respect prior to the hearing to confirm the Plan, the Debtors will file a blackline of such document with the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that the Plan Supplement, Plan, and Disclosure Statement may be viewed for free at the website of the Debtors' claims and noticing agent, Prime Clerk LLC ("**Prime Clerk**") at TKRestructuring.com or for a fee on the Bankruptcy Court's website at <http://www.deb.uscourts.gov>. To obtain hard copies of the Plan Supplement, Plan, or Disclosure Statement, please contact Prime Clerk at Prime Clerk LLC, 850 Third Avenue, Suite 412, Brooklyn, New York 11232 or by calling 844-822-9229 (U.S.) or 920-238-6810 (international).

PLEASE TAKE FURTHER NOTICE that the Confirmation Hearing will be held before the Honorable Brendan L. Shannon, Chief United States Bankruptcy Judge, in Courtroom 1 of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Wilmington, Delaware 19801, on **February 13, 2018, at 10:00 a.m. (ET)**. Please be advised that the Confirmation Hearing may be continued from time to time by the Bankruptcy Court without further notice.

Dated: January 23, 2018
Wilmington, Delaware

/s/ Mark D. Collins

RICHARDS, LAYTON & FINGER, P.A.

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*Attorneys for the Debtors and Debtors in
Possession*

EXHIBIT A

**Updated Post-Closing Date Structure for Reorganized Takata, Warehousing Entity, and
TK Global LLC**

Post-Closing Structure: Reorganized Takata – TKH, TKAM and subsidiaries

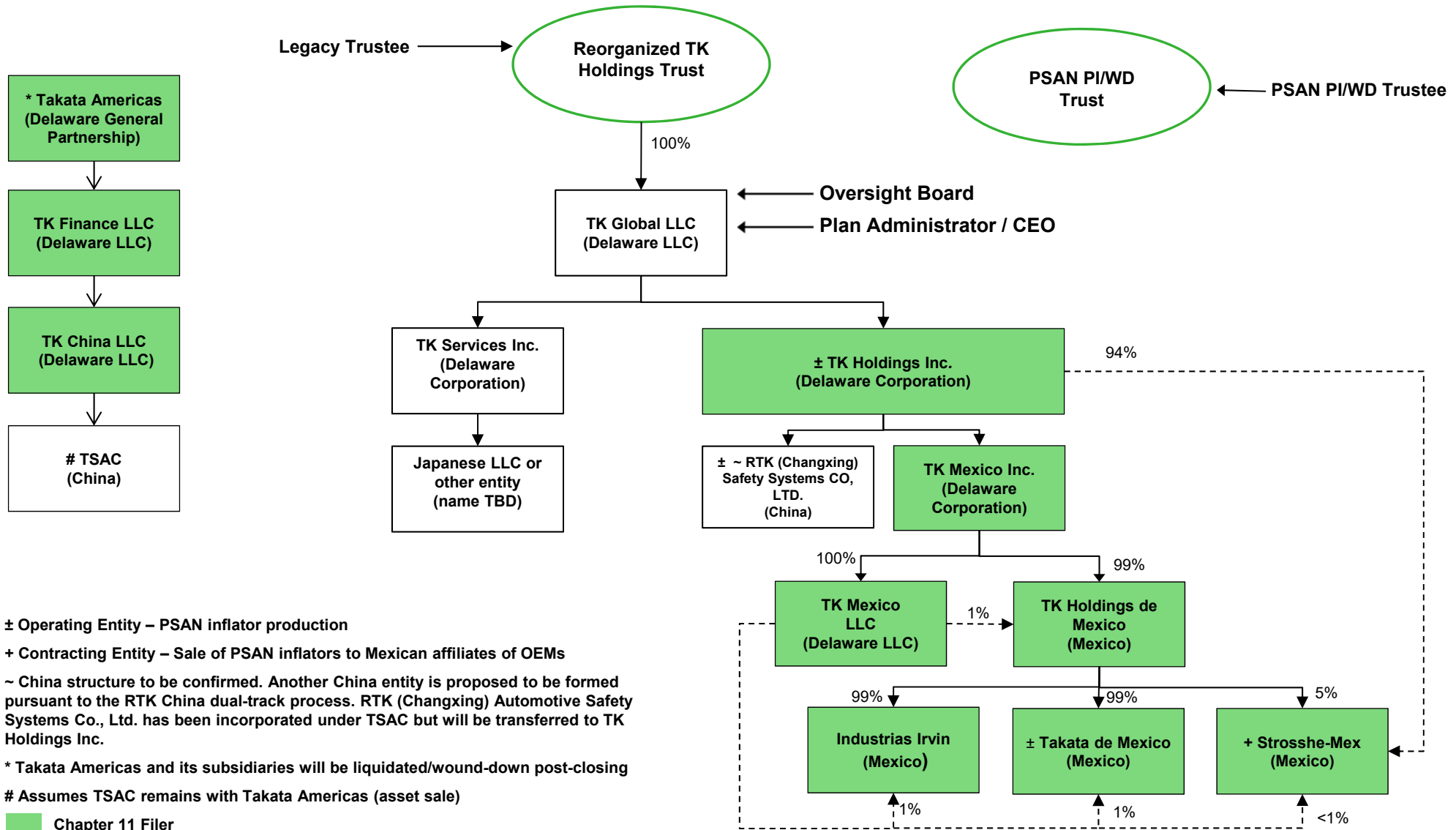


EXHIBIT B

List of Material Definitive Documents Relating to Restructuring Transactions

MATERIAL DEFINITIVE DOCUMENTS RELATING TO RESTRUCTURING TRANSACTIONS

<u>DOCUMENT</u>	<u>STATUS</u>	<u>FILED WITH BANKRUPTCY COURT (Y/N)</u>
1. Global Accommodation Agreement	Executed July 18, 2017	Yes – approved 9/26/17 [Docket No. 953]
2. Japan Restructuring Support Agreement	Executed October 30, 2017	No
3. U.S. Acquisition Agreement	Executed November 16, 2017	Yes – filed 11/3/17 [Docket No. 1110]
4. Japan Acquisition Agreement	Executed November 16, 2017	No
5. EMEA Acquisition Agreement	Executed November 16, 2017	No
6. U.S. Restructuring Support Agreement	Executed November 16, 2017	Yes – approved 12/13/17 [Docket No. 1359, Exhibit A]
7. Plan Sponsor Backstop Agreement	Executed November 16, 2017	Yes – filed 1/5/18 [Docket No. 1629, Exhibit 3]
8. Global Settlement Agreement	Executed November 16, 2017	Yes – filed 11/3/17 [Docket No. 1110, Exhibit G]
9. OEM Indemnity and Release Agreement	Executed November 16, 2017	Filed with the Plan Supplement
10. Transition Services Agreement	In process	Filed with the Plan Supplement
11. TSAC Purchase Agreement	In process	No

EXHIBIT C

Schedule of Allowed OEM Claims of Consenting OEMs

TK HOLDINGS INC., et al.**OEM Claims**

OEM	OEM Legal Entity (only one listed)	Debtor(s) (Note A)	Total Per OEM Filed Claim Amounts (Excl. Multidebtor) (Note B)
Audi	Audi México S.A. de C.V.	TKH, IIM, SMX, TDM	\$8,100,000
BMW	BMW of North America, LLC	TKH, IIM, SMX, TDM	\$3,868,932,224
Daihatsu	Daihatsu Motor Co., Ltd	TKH, TDM	\$320,782,251
Daimler	Mercedes-Benz U.S International Inc.	TKH	\$3,657,200,837
FCA	FCA US LLC	TKH, IIM, SMX, TDM, TA	\$2,844,142,119
Ford	Ford Motor Company	TKH, IIM, SMX, TDM	\$2,596,242,760
General Motors	General Motors LLC	TKH, IIM, SMX, TDM	\$6,501,000,000
Honda	Honda of North America, Inc.	TKH, IIM, SMX, TDM	\$6,365,365,555
Honda Motor Co	Honda Motor Co., Ltd., on behalf of itself and/or certain of its affiliates	TKH, TDM	\$3,712,975,810
Mazda	Mazda Motor of America, Inc	TKH, IIM, SMX, TDM	\$2,334,955,528
Mitsubishi	Mitsubishi Motors Corporation	TKH, TDM	\$634,931,506
Nissan	Nissan North America, Inc.	TKH, IIM, SMX, TDM, TA	\$2,119,687,316
Subaru	Subaru of America, Inc.	TKH, IIM, SMX, TDM	\$3,537,532,302
Tesla	Tesla, Inc.	TKH	\$35,664,421
Hino	Hino Motors, Ltd., for and on behalf of itself and Hino Manufacturing (Thailand) Co., Ltd.	TKH, TDM	\$18,438,001
Toyota NA	Toyota Motor Engineering & Manufacturing North America, Inc.	TKH, IIM, TDM	\$2,724,174,863
Toyota Motor Co	Toyota Motor Corporation	TKH, TDM	\$7,562,332,531
Volkswagen	Volkswagen Group of America, Inc.	TKH, IIM, SMX, TDM	\$499,100,000
Volvo	Volvo Group North America LLC	TKH	\$10,108,666
Estimated Total (Note C)			\$49,351,666,690

Notes: (A) TKH: TK Holdings Inc. , TDM: Takata de Mexico, S.A. de C.V. , IIM: Industrias Irvin de Mexico, S.A. de C.V , SMX: Strosshe-Mex, S. de R.L. de C.V., TA: Takata Americas.

(B) The Debtors and their advisors are still in the process of reconciling the proofs of claim filed by the Consenting OEMs to determine the full amount of the OEM Claims against each of IIM, SMX, TDM, and TKH. Accordingly, the estimate provided herein is subject to change.

(C) Includes amounts that may be attributable to Consenting OEMs' Adequate Protection Claims, Consenting OEM PSAN Cure Claims, and Consenting OEM PSAN Administrative Expense Claims.

EXHIBIT D

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”¹ 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

¹ 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.

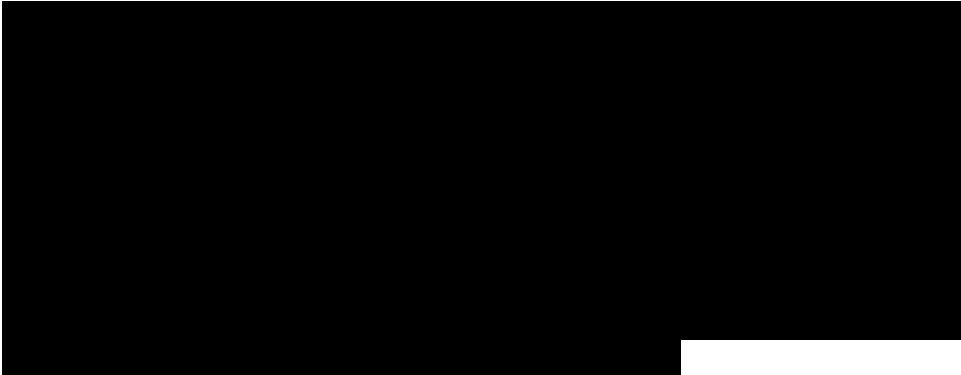
(20) “Claims” has meaning set forth in Section 8.a of this Agreement.

(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]

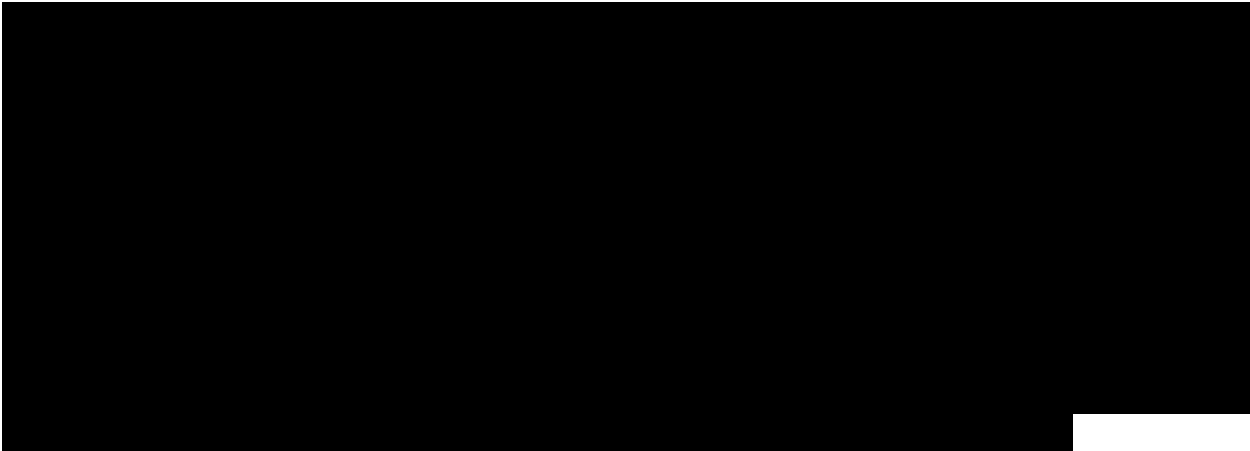
[REDACTED] (i) shall not exceed the Indemnity Cap in the aggregate, (ii) shall be subject to and shall be reduced to the extent of the applicable Indemnity Exclusion(s), and (iii) shall not include Antitrust Claims.

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]

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:

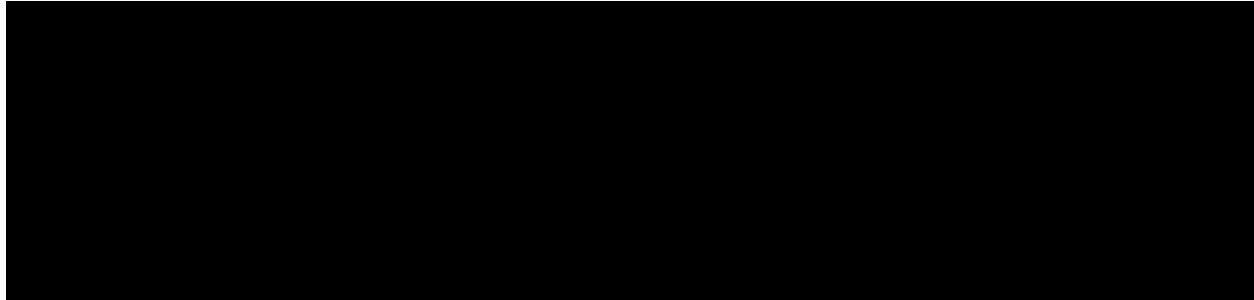
A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

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.



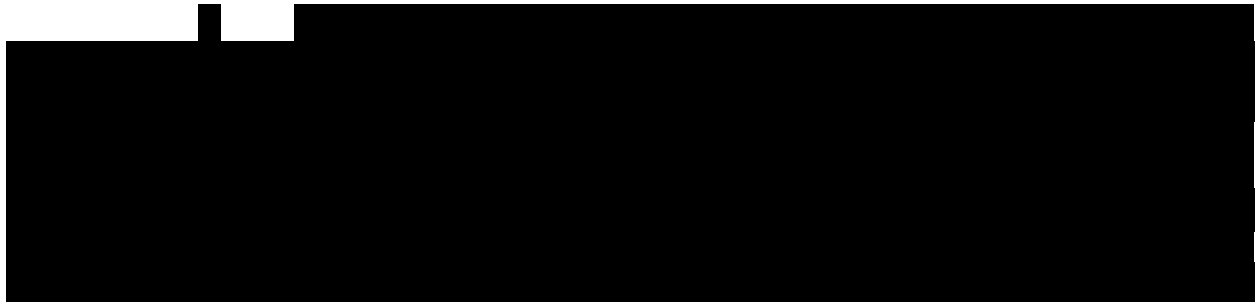


9. Resourcing.

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, Fuchū-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: arogoff@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

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 AT
DOCKET NO. 1110]**

EXHIBIT 7

JAPAN ACCOMMODATION AGREEMENT

EXHIBIT 8

LIQUIDATING ENTITY BUDGETS

EXHIBIT 9

PERFORMANCE GUARANTY

EXHIBIT E

TK Global Operating Agreement

**Preliminary Draft;
Subject to Material Change and Approval by Restructuring Support Parties
01.23.18**

LIMITED LIABILITY COMPANY AGREEMENT
OF
TK GLOBAL LLC
(a Delaware limited liability company)

LIMITED LIABILITY COMPANY AGREEMENT

This limited liability company agreement (this “Agreement”) of TK Global LLC is entered into this [●] day of [●], 2018 by Reorganized TK Holdings Trust, a statutory trust under Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. § 3801 et seq., as the sole member (the “Member”) pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del.C. § 18-101, et seq.), as amended from time to time (the “Act”). Capitalized terms used but not defined herein have the meanings assigned in the Plan (as defined below).

1. Name. The name of the limited liability company governed hereby is TK Global LLC (the “Company”).

2. Certificates. [●], as an “authorized person” within the meaning of the Act, has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, [his/her] powers as an “authorized person” ceased, and each Manager (as defined below) and each Officer (as defined below) of the Company each became a designated “authorized person” and shall continue as a designated “authorized person” within the meaning of the Act. A Manager (as defined below) or an Officer (as defined below) shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

3. Purpose. The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is to administer TK Holdings Inc. (“TKH”) and TK Services Inc. (the “Warehousing Entity”) and their respective subsidiaries in accordance with the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, as may be altered, amended or modified (the “Plan”), and to engage in any lawful act or activity that is reasonably necessary, appropriate, proper, advisable, incidental or convenient for the accomplishment of the above mentioned purpose.

4. Relationship to, and Incorporation of, the Plan and the Confirmation Order. This Agreement is to aid in the implementation of the Plan and the Confirmation Order. To that end, the Oversight Committee (as defined below) shall have full power and authority to take any action consistent with the purpose and provisions of the Plan as it relates to the Company and to seek any orders from the Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) in furtherance of implementation of the Plan as it relates to the Company, in each case solely to the extent such actions or orders are in furtherance of this Agreement, the Plan and the Confirmation Order, but in each case subject in all respects to and solely to the extent not inconsistent with the terms of the Plan. To the extent that there is a conflict between the provisions of this Agreement, and the provisions of the Plan, and/or the Confirmation Order, the terms of this Agreement shall govern.

5. Powers. In furtherance of its purposes, the Company shall have the power to do any and all acts reasonably necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purpose and business described herein and in the Plan and Confirmation Order and for the protection and benefit of the Company, and shall have, without limitation, any and all of the powers and rights conferred upon limited liability companies pursuant to the Act and all powers that may be exercised on behalf of the Company by the Oversight Committee (as defined below) pursuant to this Agreement, including Section 14.

6. Principal Business Office. The principal place of business and office of the Company shall be located at, and the Company's business shall be conducted from, 111 Peyer Court, Romeo, MI 48065 or such place or places as may hereafter be determined by the Oversight Committee.

7. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

8. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

9. Name and Mailing Address of the Member. The name and the mailing address of the Member are as follows:

<u>Name</u>	<u>Address</u>
Reorganized TK Holdings Trust	c/o [●] Address: [●] Email: [●]

10. Term. The term of the Company commenced on the date of filing of the Certificate of Formation of the Company in accordance with the Act and shall continue until dissolution of the Company in accordance with Section 27 of this Agreement.

11. Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and none of the Member, any Manager, Officer, employee or agent of the Company (including a person having more than one such capacity) shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of acting in such capacity.

12. Capital Contributions. The Member is hereby admitted as a member of the Company upon its execution and delivery of this Agreement. In accordance with Section 18-301 of the Act, the Member has been admitted to the Company as a member of the Company without making a capital contribution to the Company. The Member is authorized but not required to make capital contributions to the Company. Except as otherwise expressly provided in this Agreement (including in Section 31 of this Agreement), the provisions of this Agreement, including this Section 12, are intended solely to benefit the Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor of the Company shall be a third-party beneficiary of this Agreement) and no Member shall have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

13. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts set forth in the Plan. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be required to make a distribution to the Member on account of its interest in the Company if such distribution would violate the Act or any other applicable law.

14. Management.

(a) Powers. In accordance with Section 18-402 of the Act, the business and affairs of the Company shall be managed by, and vested in, the board of managers of the Company (the “Oversight Committee”, and each member of the Oversight Committee separately, a “Manager”). The Oversight Committee shall have complete and absolute control of the affairs and business of the Company and the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by managers of a limited liability company under the laws of the State of Delaware and including all things necessary to carry out the terms and provisions of the Plan and this Agreement. Subject to this Section 14(a), the Oversight Committee has the authority to bind the Company. Without limiting the foregoing, the following shall require approval of the Oversight Committee:

- i. the appointment of the directors and officers of TKH and the Warehousing Entity;
- ii. approval of annual operating budget and financial statements;
- iii. approval of material unbudgeted expenditures; and
- iv. the termination of the Plan Administrator if the Independent Consultant submits a report recommending such termination in accordance with Section 16(d).

(b) Oversight Committee. The Oversight Committee shall consist of three (3) Managers. Each Manager shall hold office until his or her successor is appointed, in accordance with this Section 14, or until such Manager’s earlier death, resignation or removal. Managers need not be Members.

i. Two (2) Managers shall be appointed by the Warehouse Consenting OEMs¹ and may include representatives of the Consenting OEMs (each an “OEM Manager”). An OEM Manager can be removed at any time, for any reason or no reason, by the Warehouse Consenting OEMs. Upon the death, resignation or removal of an OEM Manager, the Warehouse Consenting OEMs shall appoint a successor OEM Manager by an instrument in writing to the Member signed by the Warehouse Consenting OEMs. The initial OEM Managers shall be [●] and [●].

ii. One (1) Manager 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 “Independent Manager”). The Independent Manager can be removed at any time, for any reason or no reason, by the Debtors, subject to the reasonable consent of the Warehouse Consenting OEMs. Upon the death, resignation or removal of the Independent Manager, the Debtors, subject to the reasonable consent of the Warehouse Consenting OEMs, shall appoint a successor Independent Manager by an instrument in writing to the Member signed by TKH and the Warehouse Consenting OEMs. The initial Independent Manager shall be [●].

¹ **NTD:** Discuss percentage of Warehouse Consenting OEMs required for approval.

(c) Member Participation. The Member shall not, in its capacity as a Member, participate in the management or control of the business of, and shall not have any rights or powers with respect to the management of, the Company except those expressly granted to it by the terms of the Plan, this Agreement, or those conferred on it by law.

(d) Meeting of the Oversight Committee. The Oversight Committee may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Oversight Committee may be held without notice at such time and at such place as shall from time to time be determined by the Oversight Committee. Special meetings of the Oversight Committee may be called by the Chief Executive Officer or any Manager on not less than 24 hours' notice to each Manager by telephone, facsimile, mail, electronic mail or any other means of communication, and special meetings shall be called by the President or Secretary in like manner and with like notice upon the written request of any one or more of the Managers.

(e) Quorum: Acts of the Board. At all meetings of the Oversight Committee, a majority of the Managers shall constitute a quorum for the transaction of business and, except as otherwise provided in any other provision of this Agreement, the act of a majority of the Managers present at any meeting at which there is a quorum shall be the act of the Oversight Committee. If a quorum shall not be present at any meeting of the Oversight Committee, the Managers present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Oversight Committee may be taken without a meeting if all members of the Oversight Committee consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Oversight Committee.

(f) Electronic Communications. Members of the Oversight Committee may participate in meetings of the Oversight Committee by means of telephone conference or similar communications equipment that allows all persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in person at the meeting. If all the participants are participating by telephone conference or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

15. Officers. The Oversight Committee may, from time to time as it deems advisable, appoint officers of the Company (each, an "Officer") and assign in writing titles (including, without limitation, Chief Executive Officer, President, Vice President, Secretary and Treasurer) to any such person. Unless the Oversight Committee decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Delaware General Corporation Law, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office. Any delegation pursuant to this Section 15 may be revoked at any time by the Managers. The initial Officers are listed on Schedule B hereto.

16. Plan Administrator.

(a) The Company will retain a plan administrator in accordance with the Plan (the "Plan Administrator") pursuant to the Plan Administrator Agreement.

(b) The Company or the Oversight Committee may remove the Plan Administrator for cause. For purposes of this Agreement, the term "for cause" means:

i. the arrest or conviction (or plea of guilty or nolo contendere) of the Plan Administrator for any felony or other crime involving dishonesty or moral turpitude; or

ii. a finding by the Independent Consultant that the Plan Administrator is not operating TKH in a reasonable and prudent manner.

(c) In addition, the Plan Administrator may be replaced at the request of the PSAN Consenting OEMs (subject to the reasonable consent of the Warehouse Consenting OEMs) upon a finding by the Independent Consultant that TKH is not complying with DOJ, NHTSA, or other regulatory requirements, subject to Section 5.7(b)(ii) of the Plan.

(d) The Plan Administrator shall have thirty (30) days to cure any deficiencies referred to in Section 16(b)ii and Section 16(c) identified by the Independent Consultant if such deficiencies are capable of cure.

(e) The Plan Administrator may be terminated or removed, in accordance with the Plan Administrator Agreement. If the Plan Administrator resigns, is terminated or removed a successor shall be selected by the PSAN Consenting OEMs, as reasonably acceptable to TKH and the Consenting OEMs.

(f) The initial Plan Administrator shall be David Michael Rains.

17. Separateness. The Oversight Committee shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a separate legal entity. Except as otherwise provided in the Plan, the Oversight Committee also shall cause the Company to:

(a) maintain its own separate books and records and bank accounts;

(b) at all times hold itself out to the public and all other Persons as a legal entity separate from the Member and any other Person;

(c) as provided herein, file its own tax returns, if any, as may be required under applicable Law, to the extent (A) not part of a consolidated group filing a consolidated return or returns or (B) not treated as a division for tax purposes of another taxpayer, and pay any taxes so required to be paid under applicable Law;

(d) except as provided in the U.S. Acquisition Agreement, the Shared Services Agreement, the Transition Services Agreement, this Agreement and the Plan Administrator Agreement (together, the "Transaction Documents"),² not commingle its assets with assets of any other Person;

(e) except as provided in the Transaction Documents, conduct its business in its own name and comply with all organizational formalities to maintain its separate existence;

² **NTD**: Additional "Transaction Documents" under consideration.

(f) maintain separate financial statements; and, if consolidated with financial statements of affiliates, include footnotes to the effect that the Company is a separate legal entity and that its assets are not available to satisfy the claims of affiliates;

(g) except as provided in the Transaction Documents, pay its own liabilities only out of its own funds, provided that the foregoing shall not require the Member to make any capital contributions to the Company;

(h) maintain an arm's length relationship with its affiliates and the Member;

(i) not hold out its credit or assets as being available to satisfy the obligations of others;

(j) allocate fairly and reasonably any overhead for shared office space;

(k) use separate stationery, invoices and checks;

(l) not pledge its assets for the benefit of any other Person;

(m) correct any known misunderstanding regarding its separate identity;

(n) maintain capital as provided in the Plan, provided that the foregoing shall not require the Member to make any capital contributions to the Company;

(o) cause the Oversight Committee to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe all other Delaware limited liability company formalities;

(p) not acquire any securities of the Member; and

(q) advise its Managers, officers, agents and other representatives to act at all times, with respect to the Company, consistently and in furtherance of the foregoing.

Failure of the Company or Oversight Committee on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Member or the Oversight Committee.

18. Other Business. The Managers and Officers may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

19. Books and Records. The Company shall keep or cause to be kept complete and accurate books of account and records with respect to the Company business. The books of the Company shall at all times be maintained by the Oversight Committee. The Member and its duly authorized representatives shall have the right to examine the Company books, records and documents during normal business hours. The Company, and the Oversight Committee on behalf of the Company, shall not have the right to keep confidential from the Member any information that the Oversight Committee would otherwise be permitted to keep confidential from the Member pursuant to Section 18-305(c) of the Act.

20. Reporting.

(a) The Company will cause TKH to comply with all disclosure, reporting and warning obligations regarding the manufacture and sale of PSAN Inflatons by TKH 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.

(b) The Company will cause TKH to give the Plan Administrator and the Independent Manager an opportunity to participate in any meetings between TKH and applicable regulators.

21. Insurance. The Plan Administrator, subject to the reasonable consent of the Requisite PSAN Consenting OEMs, is authorized to renew and/or obtain all reasonably necessary insurance coverage for TKH and its subsidiaries, including coverage with respect to the liabilities, duties, and obligations of the Plan Administrator with respect to TKH, which may remain in effect for a reasonable period. The Plan Administrator, subject to the approval of the Oversight Committee, is authorized to obtain all reasonably necessary insurance coverage for Company, the Warehousing Entity and their respective subsidiaries, including coverage with respect to the liabilities, duties, and obligations of the Plan Administrator with respect to such entities, which may remain in effect for a reasonable period.

22. Independent Consultant.

(a) If determined by the Requisite PSAN Consenting OEMs, the Company shall cause TKH to engage an independent consultant (the "Independent Consultant") to conduct an assessment and make a report to the PSAN Consenting OEMs on a quarterly basis of TKH's operations, including quality control, safety, and manufacturing systems (including all systems from receiving to shipping). The Independent Consultant will also monitor TKH's financial and general business affairs.

(b) A copy of the reports produced by the Independent Consultant will be provided to the Oversight Committee.

(c) The Company shall cause TKH to pay for the fees and expenses associated with the Independent Consultant (the "Consultant Expenses") through the Post-Closing Reserve solely to the extent that the Plan Administrator believes that sufficient funds exist in the Post-Closing Reserve to pay the Consultant Expenses taking into account the expected costs to be paid out of the Post-Closing Reserve through the dissolution of TKH. If the Plan Administrator does not believe that sufficient funds exist in the Post-Closing Reserve to pay the Consultant Expenses, the PSAN Consenting OEMs shall pay all costs associated with the Independent Consultant.

(d) [To the extent TKH is responsible for the Consultant Expenses, the Company shall cause TKH to pay the Consultant Expenses up to a maximum amount of \$[●] (the "Consultant Expense Cap"). Any expenses associated with the Independent Consultant in excess of the Consultant Expense Cap will be paid for by the PSAN Consenting OEMs.]

23. Exculpation and Indemnification.

(a) None of the Member, any trustee or manager of the Member, the Managers, Officers, the Plan Administrator, employees or agents of the Company (each, an "Indemnified

Party”) shall be liable to the Company, the Member, any Manager or any other person or entity who is a party to or is otherwise bound by this Agreement for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Party on behalf of the Company, except that an Indemnified Party shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Party’s willful misconduct, bad faith, gross negligence or fraud. To the fullest extent permitted by applicable law, an Indemnified Party shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Indemnified Party by reason of any act or omission performed or omitted by such Indemnified Party, except that no Indemnified Party shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnified Party by reason of such Indemnified Party’s willful misconduct, bad faith, gross negligence or fraud with respect to such acts or omissions; provided, however, that the Member, Managers, Officers and other Indemnified Parties shall have no personal liability on account thereof.

(b) To the fullest extent permitted by law, notwithstanding any other provision of this Agreement or any duty otherwise existing at law or in equity, no Indemnified Party shall have (i) any fiduciary duties to the Company, the Member or any other person or entity who is a party to or is otherwise bound by this Agreement, or (ii) except as expressly set forth herein, any other duties to the Company, the Member or any other person or entity who is a party to or is otherwise bound by this Agreement; provided that nothing in this Section 23(b) shall eliminate the implied contractual covenant of good faith and fair dealing.

(c) To the fullest extent permitted by applicable law, expenses (including reasonable legal fees) incurred by an Indemnified Party defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of such Indemnified Party to repay such amount if it shall be determined that such Indemnified Party is not entitled to be indemnified as authorized in this Section 23.

(d) Notwithstanding the fact that the Member, or any of its affiliates, other than the Company (together, the “Sponsor Parties”), may have concurrent liability to an Indemnified Person with respect to indemnity and/or advancement obligations, the Company and its subsidiaries shall be the indemnitor of first resort (and the liability of any Sponsor Party for such indemnity and/or advancement shall be secondary) and the Company and its subsidiaries shall have no right or claim against any of the Sponsor Parties for contribution or have rights of subrogation against any Sponsor Parties through an Indemnified Person with respect to any indemnity or advancement obligation provided pursuant to this Section 23. In the event that any Sponsor Party pays or advances an Indemnified Person any amount with respect to an indemnity or advancement obligation, the Company will, or will cause its subsidiaries to, as applicable, promptly reimburse such Sponsor Party for such payment or advance upon request. For the avoidance of doubt, any insurance coverage for any indemnity or advancement obligation provided by, obtained by or paid for by the Company or any of its subsidiaries on the one hand and any Sponsor Party on the other hand shall be subject to the same primary and secondary liability hierarchy set forth in this Section 23(d).

(e) The Company shall purchase and maintain insurance on behalf of the Indemnified Parties against any liability which may be asserted against, or expense which may be incurred by, any such Person in connection with the business of the Company and the Company’s other activities.

24. Bankruptcy of Member. The bankruptcy (as defined in Section 18-101(1) and 18-304 of the Act) of the Member shall not cause the Member to cease to be a member of the Company, and upon the occurrence of such an event, the Company shall continue without dissolution.

25. Assignments. The Member, with the consent of the Oversight Committee, may transfer, assign, pledge or hypothecate, in whole or in part, its limited liability company interest, as determined in its sole discretion. The assignee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. If the Member transfers all of its limited liability company interest in the Company pursuant to this Section 25, such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Member shall cease to be a member of the Company.

26. Consent Rights.

(a) Notwithstanding any provision to the contrary contained in this Agreement, the Company may not undertake the following actions without the consent of the Warehouse Consenting OEMs, such consent not to be unreasonably withheld:

- i. amend the purpose of the Company or the Warehousing Entity (and its subsidiaries);
- ii. amend the number of members of the Oversight Committee;
- iii. incur any funded debt;
- iv. sell all or substantially all of the Company's assets or all or substantially all of the assets of the Warehousing Entity and its subsidiaries on a consolidated basis;
- v. merge or consolidate the Company or the Warehousing Entity (or its subsidiaries) with any other Person;
- vi. issue or redeem any additional equity interests in the Company or cause the Warehousing Entity (or its subsidiaries) to issue or redeem any additional equity interests; and
- vii. assign any interest in the Warehousing Entity.

(b) Notwithstanding any provision to the contrary contained in this Agreement, the Company may not, and may not cause TKH to, perform any of the following actions without the consent of the Requisite PSAN Consenting OEMs, such consent not to be unreasonably withheld:

- i. sell all or substantially all of TKH's assets;
- ii. merge or consolidate TKH with any other Person;
- iii. issue or redeem any additional equity interests in TKH;

- iv. make material amendments to the organizational documents of TKH;
and
- v. assign any interest in TKH.

27. Dissolution.

(a) The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of [both] the Non-PSAN PI/WD Claims Termination Date [and such time that the Company, the Warehousing Entity and TKH have completed the purposes for which they were established under the Plan], (ii) the date on which the United States Bankruptcy Court orders or authorizes the dissolution of the Company, (iii) at any time there are no members of the Company, unless the Company is continued without dissolution in accordance with this Agreement or the Act, or (iv) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

(b) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner) and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

28. Tax Treatment of Company. The Company is a Delaware limited liability company that the Member intends to be classified as an association taxable as a corporation for federal, state and local income tax purposes. The Member shall cause the Company to elect to be so treated by filing an election to that effect under Treasury Regulations Section 301.7701-3. Unless and until otherwise determined by the Member, the Company shall take no position, in a tax return or otherwise, inconsistent therewith.

29. Tax Accounting. The Oversight Committee shall determine the accounting methods and conventions under the tax laws of any and all applicable jurisdictions as to the treatment of income, gain, loss, deduction and credit of the Company or any other method or procedure related to the preparation of tax returns.

30. Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

31. Third-Party Beneficiaries.

(a) Except as set forth in Section 23 and this Section 31, this Agreement does not confer any rights or remedies upon any Person other than the Member and its successors and permitted assigns.

(b) The Member hereby designates the PSAN Consenting OEMs as third-party beneficiaries of Section 16 and Section 22 having the right to enforce Section 16 and Section 22.

(c) The Member hereby designates the Consenting OEMs as third-party beneficiaries of Section 16(e) having the right to enforce Section 16(e).

(d) The Member hereby designates the Warehouse Consenting OEMs as third-party beneficiaries of Section 14(b), Section 16(b) and Section 26(a) having the right to enforce Section 14(b), Section 16(b) and Section 26(a).

(e) The Member hereby designates the Requisite PSAN Consenting OEMs as third-party beneficiaries of Section 21, Section 22(a) and Section 26(b) having the right to enforce Section 21, Section 22(a) and Section 26(b).

32. No Recourse. No recourse hereunder or under any documents or instruments delivered in connection herewith shall be had against any former, current or future director, officer, trustee, employee, agent, limited partner, manager, member, stockholder, affiliate, beneficial owner or assignee of the undersigned or any former, current or future director, officer, trustee, employee, agent, limited partner, manager, member, stockholder, affiliate, beneficial owner or assignee of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by, any former, current or future director, officer, trustee, employee, agent, limited partner, manager, member, stockholder, affiliate, beneficial owner or assignee of the undersigned or any former, current or future director, officer, trustee, employee, agent, limited partner, manager, member, stockholder, affiliate, beneficial owner or assignee of any of the foregoing, as such, for any obligation of the undersigned under this Agreement or for any claim based on, in respect of or by reason of such obligation or its creation.

33. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement.

34. Entire Agreement. This Agreement and the Plan constitute the entire agreement of the Member with respect to the subject matter hereof and there are no representations, warranties, covenants or obligations except as set forth herein or therein.

35. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Delaware (without regard to conflict of laws principles thereof), and all rights and remedies shall be governed by such laws.

36. Jurisdiction. The Bankruptcy Court and the courts of the State of Delaware shall have the exclusive jurisdiction with respect to any action relating to or arising from this Agreement.

37. Amendments. This Agreement may not be modified, altered, supplemented or amended except pursuant to a written agreement executed and delivered by the Member and the Oversight Committee.

38. Rules of Interpretation. For purposes of this Agreement, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) the words "herein," "hereof," "hereto," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, subsection or clause contained in this Agreement; and (c) the term "including" shall be construed to mean "including, but not limited to," "including, without limitation," or words of similar import.

39. Headings. The section headings contained in this Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or of any term or provision hereof.

40. Notices. Any notices required to be delivered hereunder shall be in writing and personally delivered, mailed or sent by telecopy, electronic mail, or other similar form of rapid transmission, and shall be deemed to have been duly given upon receipt (a) in the case of the Company, to the Company at its address in Section 7 with a copy to Weil, Gotshal & Manges LLP, c/o Gavin Westerman and Ronit J. Berkovich, 767 Fifth Ave, New York NY 10153, gavin.westerman@weil.com, ronit.berkovich@weil.com, (b) in the case of the Member, to such Member at its address as listed in Section 9 and (c) in the case of either of the foregoing, at such other address as may be designated by written notice to the other party.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement as of the date first written above.

REORGANIZED TK HOLDINGS TRUST

By: _____, as Trustee

[By: _____, as Delaware Trustee]

Schedule A

Member	Distribution Percentage (%)
Reorganized TK Holdings Trust	100%
Total	100%

Schedule B

Title	Officer
Chief Executive Officer	David Michael Rains
President	[•]
Vice President	[•]
Secretary	[•]
Treasurer	[•]

EXHIBIT F

Plan Administrator Agreement

PLAN ADMINISTRATOR AGREEMENT

This Plan Administrator Agreement (the “*Agreement*”) is made this [] day of [], 2018, by and among TK Global LLC and David Michael Rains (the “*Plan Administrator*”). This Agreement sets forth, among other things, the scope of the services to be provided by the Plan Administrator (the “*Services*”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan (as defined below).

RECITALS:

A. WHEREAS, on June 25, 2017, TK Holdings Inc., a corporation organized under the laws of the State of Delaware (“*TKH*”), and its affiliated debtors (collectively, the “*Debtors*”)¹ commenced with the United States Bankruptcy Court for the District of Delaware (the “*Bankruptcy Court*”) voluntary cases pursuant to chapter 11 of title 11 of the United States Code (the “*Bankruptcy Code*”);

B. WHEREAS, on January 5, 2018, the Debtors filed the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors* [Docket No. 1629] (as may be altered, amended, or modified from time to time, the “*Plan*”);

C. WHEREAS, on February [], 2018, the Bankruptcy Court entered an order confirming the Plan [Docket No.] (the “*Confirmation Order*”);

D. WHEREAS, pursuant to the Plan, as of the Effective Date, TK Global LLC, a limited liability company organized under the laws of the State of Delaware (“*TK Global*”), will hold all of the outstanding equity in TKH and TK Services Inc., a corporation organized under the laws of the State of Delaware (the “*Warehousing Entity*”);

E. WHEREAS, pursuant to the Plan, TK Global will provide certain support services to each of TKH and the Warehousing Entity and their respective subsidiaries in accordance with the Plan and the Shared Services Agreement;

F. WHEREAS, pursuant to the Plan, following the Closing Date, TKH will produce PSAN propellant and PSAN Inflators for the PSAN Consenting OEMs;

G. WHEREAS, pursuant to the Plan, following the Closing Date, the Warehousing Entity will administer, acquire, own, maintain, operate, and control the Warehoused PSAN Assets and comply with Takata’s obligations under the Preservation Order and any other obligations related to the Warehoused PSAN Assets or arising under any contracts for the warehousing, shipping, and disposal of PSAN Inflators returned to the Warehousing Entity by the Warehouse Consenting OEMs after the Effective Date with such related costs to be the sole responsibility of the Warehouse Consenting OEMs;

¹ The Debtors in these chapter 11 cases are: 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.

H. WHEREAS, the Plan provides for the appointment of a Plan Administrator to perform duties in accordance with the Plan and this Agreement; and

I. WHEREAS, the Plan Administrator will be appointed as the Chief Executive Officer of TK Global in accordance with the Limited Liability Company Agreement of TK Global LLC (“*LLC Agreement*”).

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth herein, the sufficiency of which is hereby acknowledged by the parties, the parties hereto agree as follows:

1. *Acceptance.* The Plan Administrator hereby accepts his employment as the Plan Administrator and Chief Executive Officer of TK Global. Notwithstanding the date of execution, this Agreement shall only become effective on the Effective Date.

2. *Duties, Powers, and Rights of Plan Administrator.* From and after the Effective Date, the Plan Administrator shall have all duties, powers, and rights set forth herein, in the Plan, and in the Confirmation Order, including the following:

- (a) overseeing and managing the day-to-day operations of TKH and the Warehousing Entity and their respective subsidiaries;
- (b) overseeing, along with the Oversight Committee, the management of TK Global LLC;
- (c) establishing and administering the Post-Closing Reserve and the Warehousing Entity Reserve pursuant to the Plan;
- (d) supervising 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;
- (e) developing budgets, forecasts, and cash flow projections and reporting against budgets for TK Global and its subsidiaries, each subject to review and approval by the Oversight Committee;
- (f) determining, in consultation with the Legacy Trustee, on each six-month anniversary of the Effective Date, whether the amounts available in the Post-Closing Reserve are less than, equal to, or in excess of amounts necessary to satisfy the purpose for which such reserve was established and allocating any surplus in accordance with the Plan;
- (g) determining, in consultation with the Legacy Trustee, on each six-month anniversary of the Effective Date, whether the amounts available in the Warehousing Entity Reserve are less than, equal to, or in excess of the

amounts necessary to satisfy the purpose for which such reserve was established and allocating any surplus in accordance with the Plan;

- (h) allocating Reorganized Takata Post-Closing Cash and Warehousing Entity Post-Closing Cash in accordance with the Plan;
- (i) allocating Dissolution Date Cash and Residual Value in TKH and the Warehousing Entity in accordance with the Plan;
- (j) consulting with the Legacy Trustee concerning allocation of Surplus Reserved Cash and Dissolution Date Cash in the Claims Reserves and/or the Reorganized TK Holdings Trust Reserve, as applicable, and Reorganized TK Holdings Trust Post-Closing Cash;
- (k) authorizing and overseeing the liquidation of the PSAN Assets upon expiration of the Operating Term or as any such assets are no longer needed to support production of PSAN Inflators by TKH;
- (l) supporting each of TKH's, the Warehousing Entity's, and TK Global's fulfillment of obligations under the Transition Services Agreement and the Shared Services Agreement;
- (m) causing each of Reorganized Takata and the Warehousing Entity to become parties to the Plan Sponsor Backstop Funding Agreement;
- (n) performing each of Reorganized Takata's and the Warehousing Entity's obligations under the Plan Sponsor Backstop Funding Agreement;
- (o) utilizing the Post-Closing Reserve to pay the costs and fees of the Special Master, the DOJ Monitor, and the NHTSA Monitor in accordance with the Plan;
- (p) taking control of, preserving, and converting to Cash any other assets to be administered by the Plan Administrator, subject to the terms of the Plan;
- (q) managing and arranging for the payment of any expenses incurred in carrying out the powers and duties of the Plan Administrator, subject to the terms of the Plan and Section 4 of this Agreement;
- (r) executing all documents appropriate to carry out his powers and duties enumerated in the Plan, Confirmation Order, and this Agreement;
- (s) making and filing tax returns for TK Global, TKH, and the Warehousing Entity and responding to or taking any and all actions as are necessary and appropriate in order to comply with any tax audit for such entities, including with respect to the filings of such tax returns and the conduct of audits;

- (t) requesting expedited determinations of taxes of TKH and the Warehousing Entity under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, TKH and the Warehousing Entity for all taxable periods through the dissolution of TKH and the Warehousing Entity;
- (u) exercising all power and rights, and taking all actions, contemplated by or provided for in this Agreement; and
- (v) taking such further actions as the Plan Administrator reasonably deems necessary to effect the provisions of the Plan.

3. *No Other Duties.* Other than the duties and obligations of the Plan Administrator specifically set forth in this Agreement, the Plan (including any provisions thereof regarding the Plan Sponsor Backstop Funding Agreement), or the Confirmation Order, the Plan Administrator shall have no duties or obligations of any kind or nature with respect to his employment or position as such.

4. *Fees.* The fees and expenses of the Plan Administrator shall be paid from (i) the Post-Closing Reserve, subject to the Reorganized Takata Business Model, as such fees and expenses relate to the Plan Administrator's oversight and administration of TKH and its subsidiaries and (ii) the Warehousing Entity Reserve, as such fees and expenses relate to all other services provided by the Plan Administrator, including in connection with the oversight and administration of the Warehousing Entity and its subsidiaries. The Plan Administrator's fees and expenses arising from the warehousing, shipping, and disposal of PSAN Inflators returned after the Effective Date shall be funded solely by the applicable Warehouse Consenting OEM in accordance with the Plan.

5. *Service of Plan Administrator.* The Plan Administrator shall serve until (i) termination of this Agreement or (ii) the Plan Administrator resigns or is otherwise discharged; *provided, however,* that if the Plan Administrator resigns, he shall continue to serve until the first to occur of (i) such time that a new Plan Administrator begins to serve and (b) [ninety (90)] days after the delivery of notice of such resignation to the Oversight Committee. TK Global and/or the Oversight Committee may remove the Plan Administrator for cause. For purposes of this Agreement, the term "for cause" means:

- (a) the arrest or conviction (or plea of guilty or nolo contendere) of the Plan Administrator for any felony or other crime involving dishonesty or moral turpitude; or
- (b) a finding by the Oversight Committee that the Plan Administrator engaged in willful misconduct, bad faith, gross negligence, or fraud in the performance of his duties.

In addition, the Plan Administrator may be replaced at the request of the PSAN Consenting OEMs (subject to the reasonable consent of the Warehouse Consenting OEMs) in accordance with section 16 of the LLC Agreement and sections 5.7(b)(ii) of the Plan.

6. *Indemnification.* The Plan Administrator shall be indemnified and held harmless as set forth in Section 22 of the LLC Agreement.

7. *Plan Provisions.* In connection with all actions taken in his or her capacity as Plan Administrator (or, to the extent applicable, any other capacity), the Plan Administrator shall be entitled to rely upon the applicable exculpation, release, and indemnification and limitation of liability provisions set forth in this Agreement, the Plan, the Confirmation Order, and the LLC Agreement.

8. *Reliance by Plan Administrator.* To the fullest extent permitted by applicable law, the Plan Administrator may rely, and shall be fully protected in acting or refraining from acting if he relies, upon any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order, or other instrument or document that the Plan Administrator reasonably believes to be genuine and to have been signed or presented by the proper party or parties or, in the case of e-mails or facsimiles, to have been sent or the Plan Administrator reasonably believes to have been sent by the proper party or parties, and the Plan Administrator may conclusively rely as to the truth of the statements and correctness of the opinions expressed therein. To the fullest extent permitted by applicable law, the Plan Administrator may consult with counsel, accountants, financial advisors, and other professionals with respect to matters in their area of expertise, and any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or not taken by the Plan Administrator (other than for acts or omissions constituting willful misconduct, bad faith, gross negligence, or fraud of the Plan Administrator as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction). To the fullest extent permitted by applicable law, the Plan Administrator shall be entitled to rely upon the advice of such professionals in acting or failing to act, and shall not be liable for any act taken or not taken in reliance thereon (other than for acts or omissions constituting willful misconduct, bad faith, gross negligence, or fraud of the Plan Administrator as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction). To the fullest extent permitted by applicable law, the Plan Administrator shall have the right at any time to seek and rely upon instructions from the Bankruptcy Court concerning this Agreement, the Plan, or any other document executed in connection herewith or therewith, and the Plan Administrator shall be entitled to rely upon such instructions in acting or failing to act and shall not be liable for any act taken or not taken in reliance thereon.

9. *Obligations of the Plan Administrator Upon Termination.* Prior to the termination of this Agreement in accordance with the terms hereof, the Plan Administrator shall (i) provide for the retention and storage of TKH's and the Warehousing Entity's books, records, and files until such time as such books, records, and files are no longer required to be retained under applicable law and (ii) file a certificate informing the Bankruptcy Court of the location at which such books, records, and files are being stored.

10. *Survival.* Upon termination of this Agreement, the Plan Administrator shall have no further duties or obligations hereunder or as Plan Administrator, except as specifically provided herein. For the avoidance of doubt, any other provision in the Agreement, which, by its terms, specifically survives termination of the Agreement, shall survive termination of this Agreement.

11. *Headings*. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or of any term or provision hereof.

12. *Amendment; Waiver*. No term or provision of this Agreement may be amended or waived without the prior written consent of TK Global, the Plan Administrator, and the Consenting OEMs. No term or provision of this Agreement concerning the Plan Administrator's, Reorganized Takata's, or the Warehousing Entity's obligations under the Plan Sponsor Backstop Funding Agreement may be amended or waived without the prior written consent of the Plan Sponsor.

13. *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to the rules of conflict of laws of the State of New York or any other jurisdiction.

14. *Conflict with Plan*. This Agreement incorporates and is subject to the provisions of the Plan. To that end, the Plan Administrator shall have full power and authority to take any action consistent with the purposes and provisions of the Plan. In the event that the provisions of this Agreement are found to be inconsistent with the provisions of the Plan, the provisions of this Agreement shall control.

15. *Severability*. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, this Agreement shall be deemed to be amended to the extent necessary to make such provision enforceable, or, if necessary, this Agreement shall be deemed to be amended to delete the unenforceable provision or portion thereof. In the event any provision is deleted or amended, the remaining provisions shall remain in full force and effect. Notwithstanding the foregoing, the parties recognize and agree that this Agreement is to be interpreted and applied in such manner as to, as nearly as possible, give effect to the parties' intent to all provisions hereof, including, without limitation, such provisions as may be declared to be unenforceable.

16. *Notices*. Any notice or other communication hereunder shall be in writing and shall be deemed given upon (i) confirmation of receipt of an e-mail or facsimile transmission, (ii) confirmed delivery by a standard overnight carrier or when delivered by hand, or (iii) the expiration of five (5) Business Days after the day when mailed by registered or certified mail (postage prepaid, return receipt requested), addressed to the Plan Administrator (on his own behalf and behalf of each of TK Global, TKH, and the Warehousing Entity) at the following address:

Plan Administrator
Attention: Michael Rains
Address: [●]
Email: [●]

TK Global LLC
Attention: [●]

Address: 111 Peyerk Court, Romeo, MI 48065
Email: [●]

with a copy to:

Weil, Gotshal & Manges LLP
Attention: Gavin Westerman and Ronit Berkovich
Address: 767 Fifth Avenue, New York NY 10153
Email: Gavin.Westerman@weil.com and Ronit.Berkovich@weil.com

17. *Integration.* This Agreement (together with the Plan) sets forth in full the terms of agreement between the parties with respect to the transactions contemplated herein, superseding all other discussions, promises, representations, warranties, agreements and understandings, whether written or oral, between the parties with respect thereto.

18. *Successors and Assigns.* No party hereto shall have the right to assign its rights hereunder, in whole or in part without the prior written consent of the other party (other than to such party's affiliates or subsidiaries, which shall not require such consent). This Agreement shall be binding upon and inure to the benefit of the parties' respective successors and permitted assigns.

19. *Third Party Beneficiaries.* Except as set forth in this Section 19, the parties hereunder do not confer any rights or remedies upon any Person other than TK Global and the Plan Administrator and their successors and permitted assigns. The parties hereby designate the Consenting OEMs and the Plan Sponsor as third-party beneficiaries of Section 12 of this Agreement, having the right to enforce such section.

20. *Counterparts; Effectiveness.* This Agreement may be executed in one or more counterparts, each of which shall be an original, but all such counterparts shall together constitute one and the same agreement. Provided the Effective Date has occurred, this Agreement shall become effective when each party hereto shall have received counterparts thereof signed by all the other parties hereto. The parties agree that this Agreement will be considered signed when the signature of a party is delivered by facsimile or e-mail transmission. Such facsimile or e-mail signature shall be treated in all respects as having the same effect as an original signature.

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Plan Administrator Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers.

PLAN ADMINISTRATOR

TK GLOBAL LLC

By: _____

By: _____

Name: David Michael Rains

Name:

Title: Authorized Officer

[Signature Page to Plan Administrator Agreement]

EXHIBIT G

Plan Administrator Qualifications

David Michael Rains

Vice President of the Product Safety Group

Takata - TK Holdings Inc.



Michael Rains is Vice President of the Product Safety Group for TK Holdings Inc., a North American subsidiary of Takata Corporation.

Takata Corporation, one of the world's leading suppliers of automotive safety restraint systems, has a long history of safety innovation and provides a host of safety technologies with the goal of protecting human life.

Rains has served as Vice President of the Product Safety Group since January 2016. He is responsible for leading the Inflator Recall, including root cause investigation, evaluation plan and coordinating and working with the National Highway Traffic and Safety Administration for reporting efforts.

Rains has an extensive engineering background. He has held Director of Engineering positions for Takata including Test and Evaluation, Systems Integration, Airbag Modules, and Seatbelt areas.

Rains joined Takata in 1993. Prior to Takata, he spent eleven years with General Motors as an Engineering Group Manager in Restraint Systems and Body Design.

He holds a Bachelor's Degree in Mechanical Engineering from the General Motors Institute and a Master's Degree in Business Administration from the University of Michigan.

EXHIBIT H

Transition Services Agreement

**Preliminary Draft;
Subject to Material Change and Approval by Restructuring Support Parties
01.23.18**

TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT (this “Agreement”) dated as of [●], 2018 (the “Effective Date”) is made and entered into by and among [Joyson KSS Auto Safety S.A., a Luxembourg *société anonyme*, or its designated Affiliate] (“Service Provider”) and each of TK Holdings Inc., a Delaware corporation (“TKH”), TK Global LLC, a Delaware limited liability corporation (“TK Global”), and TK Services Inc., a Delaware corporation (“TK Services”). TKH, TK Global, and TK Services are individually referred to as a “Recipient” and collectively as “Recipients”. Service Provider and each Recipient are individually referred to as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, TKH and certain of its Affiliates (as defined in the TK Purchase Agreements described below) and Service Provider (and/or certain of its Affiliates) have entered into that certain Asset Purchase Agreement, dated as of November 16, 2017, and as amended (the “TK US Purchase Agreement”), pursuant to which TKH and certain TKH Affiliates agreed to sell, transfer and assign to Service Provider and/or such Service Provider Affiliates, and Service Provider and/or such Service Provider Affiliates agreed to acquire and assume from TKH and such Affiliates, certain assets and liabilities, among other matters set forth therein;

WHEREAS, concurrently with the execution of the TK US Purchase Agreement, Service Provider and/or certain Affiliates of Service Provider, and TKH and/or certain Affiliates of TKH entered into (a) the TKJP Purchase Agreement (as defined in the TK US Purchase Agreement), and (b) the TK Europe Purchase Agreement (as defined in the TK US Purchase Agreement) (the TK US Purchase Agreement, TKJP Purchase Agreement, and the TK Europe Purchase Agreement, collectively, the “TK Purchase Agreements”);

WHEREAS, pursuant to the Plan (as defined below), which was approved by the Confirmation Order (as defined in the TK US Purchase Agreement), Recipients and certain of their Designated Affiliates (as defined below) are required to, among other things, continue operation of the PSAN Inflator Business (as defined in the applicable TK Purchase Agreement), which for purposes of this Agreement shall include the warehousing, shipping, and disposal of PSAN Inflators delivered by Warehouse Consenting OEMs to TK Services (which is also referred to in the Plan as the “Warehousing Entity”) after the Plan Effective Date (as defined below) and the continued operation of the Product Safety Group of TK Services related to recalled PSAN Inflators, regardless of whether or not required by the Plan;

WHEREAS, in connection with the continued operation of the respective portions of the PSAN Inflator Business by each Recipient following the U.S. Closing (as defined in the TK US Purchase Agreement), each Recipient desires to receive from Service Provider, and Service Provider has agreed to provide to each such Recipient, the applicable Services (as defined below), subject to the terms and conditions set forth herein;

WHEREAS, in connection with Service Provider's operation of the Business (as defined in the TK US Purchase Agreement) following the U.S. Closing (as defined in the TK US Purchase Agreement), Service Provider desires to receive from TKH, and TKH desires to provide to Service Provider, the Equipment Maintenance Services (as defined below), subject to the terms and conditions set forth herein; and

WHEREAS, the TK US Purchase Agreement requires the execution and delivery of this Agreement (referred to as the "Services Agreement" in the TK US Purchase Agreement, and the "Transition Services Agreement" in the Plan) by the Parties at the U.S. Closing.

NOW THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS.

- 1.1 Definitions. The following capitalized terms shall have the meanings specified in this Section 1. Capitalized terms used in this Agreement but not defined in this Section 1 or elsewhere in this Agreement shall have the respective meanings for such terms set forth in the TK US Purchase Agreement.
- (a) "Agreement" shall have the meaning set forth in the preamble.
 - (b) "Assumed PSAN Contracts" shall have the meaning set forth in the Plan.
 - (c) "Confidential Information" shall have the meaning set forth in Section 12.
 - (d) "Consenting OEMs" shall have the meaning set forth in the Plan.
 - (e) "Consenting OEM PSAN Contract Manufacturer" shall have the meaning set forth in the Plan.
 - (f) "Consenting OEM PSAN Tier One" shall have the meaning set forth in the Plan.
 - (g) "Designated Affiliate" means (a) an Affiliate of a Recipient, (b) RTK (Changxing) Safety systems CO, LTD., and (c) any other entity created in connection with the Plan to operate portions of the PSAN Inflator Business, to the extent of such portions of the PSAN Inflator Business; in each case, that executes an addendum to this Agreement, in form reasonably satisfactory to Service Provider, by which such Affiliate or such other entity agrees (1) to be bound by the terms and conditions of this Agreement applicable to such Recipient in connection with the Services, (2) that notice and communications under this Agreement shall be to the applicable Recipient (on behalf of itself and its Designated Affiliates) except where expressly indicated otherwise in this Agreement (such as with respect to invoicing in Section 2.3) and (3) enforcement of this Agreement shall be solely by the applicable Recipient on behalf of itself and its Designated Affiliates. References in this Agreement to a "Recipient"

either directly or as a “Party” or “Parties” shall include the Designated Affiliates of such Recipient (including with respect to delivery and receipt of Services and as to acknowledgements and agreements, disclaimers and limitations on liability, and limited remedies) except where the context expressly and specifically makes a distinction between such Recipient and any of its Designated Affiliates (such as with respect to invoicing in Section 2.3).

- (h) “Disclosing Party” shall have the meaning set forth in Section 12.
- (i) “Discretionary Third-Party Agreements” shall have the meaning set forth in Section 14.2.
- (j) “Effective Date” shall have the meaning set forth in the preamble.
- (k) “Equipment Maintenance Services” shall have the meaning set forth in Section 2.10.
- (l) “Equipment Maintenance Service Fee” shall have the meaning set forth in Section 5.3.
- (m) “Fee” or “Fees” shall mean the Service Fee and/or the Equipment Maintenance Services Fee, as applicable.
- (n) “Force Majeure Event” shall have the meaning set forth in Section 15.7.
- (o) “Fully Burdened Cost” means (i) the fully burdened costs of providing Services by Service Provider and its Affiliates, calculated in accordance with Service Provider’s standard ordinary course cost allocation methods or (ii) the fully burdened costs of providing the Equipment Maintenance Services provided by TKH (and/or its Designated Affiliates), calculated in accordance with TKH’s standard ordinary course cost allocation methods, in each case of (i) and (ii), calculated in accordance with generally accepted accounting principles in the applicable jurisdiction.
- (p) “Indemnity Agreement” has the meaning set forth in the Plan.
- (q) “Local Affiliate Provider” shall mean an Affiliate of Service Provider that executes an addendum to this Agreement, in form reasonably satisfactory to the applicable Recipient, by which such Affiliate or such other entity agrees (1) to be bound by the terms and conditions of this Agreement applicable to Service Provider in connection with the applicable Services, (2) that notice and communications under this Agreement shall be to Service Provider (on behalf of itself and its Local Affiliate Providers) except where expressly indicated otherwise in this Agreement (such as with respect to invoicing in Section 2.3) and (3) enforcement of this Agreement shall be solely by Service Provider on behalf of itself and its Local Affiliate Providers. References in this Agreement to “Service Provider” either directly or as a “Party” shall include the Local Affiliate Providers of Service Provider (including with respect to delivery of Services and

as to acknowledgements and agreements, disclaimers and limitations on liability, and limited remedies) except where the context expressly and specifically makes a distinction between Service Provider and any of its Local Affiliate Providers (such as with respect to invoicing in Section 2.3).

- (r) “NHTSA Preservation Order” has the meaning set forth in the Plan.
- (s) “Omitted Service” shall have the meaning set forth in Section 2.4.
- (t) “Oversight Committee” shall have the meaning set forth in the Plan.
- (u) “Party” shall have the meaning set forth in the preamble.
- (v) “Plan” means the Third Amended Joint Chapter 11 Plan of Reorganization of Sellers (as defined in the TK US Purchase Agreement), as may be altered, amended, or otherwise modified from time to time in accordance with its terms.
- (w) “Plan Administrator” shall have the meaning set forth in the Plan.
- (x) “Plan Effective Date” means the “Effective Date” as that term is defined in the Plan.
- (y) “Post-Closing Consenting OEM WSD Contract” means an agreement between TK Services and a Warehouse Consenting OEM relating to warehousing, shipping, and disposal services for PSAN Inflators returned to TK Services after the Plan Effective Date.
- (z) “PSAN Consenting OEM” shall have the meaning set forth in the Plan.
- (aa) “PSAN Purchasers” means the applicable PSAN Consenting OEM, Consenting OEM PSAN Contract Manufacturer, and Consenting OEM PSAN Tier One that is a counter party to an Assumed PSAN Contract. For the avoidance of doubt, “PSAN Purchasers” shall not include any non-directed Consenting OEM PSAN Tier One unless (A) such counterparty modifies its Non-Standalone OEM Contract (as defined in the Plan) consistent with Section 4 of the Indemnity Agreement, (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 agrees to indemnify and hold harmless Parent (as defined in the Indemnity Agreement) 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, or (C) such counterparty’s contract is with an Acquired Takata Entity (as defined in the Indemnity Agreement).
- (bb) “PSG Business” shall mean those aspects of the PSAN Inflator Business to be conducted by TK Services relating to the continued operation of the Product

Safety Group related to recalled PSAN Inflators. For avoidance of doubt, “PSG Business”, as used in this Agreement, does not include the TKH Business, the TKG Business or the WSD Business.

- (cc) “Purchased Assets” as used in this Agreement shall collectively mean “Purchased Assets” as defined in the TK US Purchase Agreement, “Purchased Assets” as defined in the TKJP Purchase Agreement, and “Purchased Assets” as defined in the TSAC Purchase Agreement.
- (dd) “Receiving Party” shall have the meaning set forth in Section 12.
- (ee) “Requisite PSAN Consenting OEMs” has the meaning given to it in the Plan.
- (ff) “Retention Period” shall have the meaning set forth in Section 5.9.
- (gg) “Recipient” or “Recipients” shall have the meaning set forth in the preamble.
- (hh) “Service Provider” shall have the meaning set forth in the preamble.
- (ii) “Services” shall have the meaning set forth in Section 2.1.
- (jj) “Service Fee” shall have the meaning set forth in Section 5.2.
- (kk) “Services Representative” shall have the meaning set forth in Section 4.1.
- (ll) “Systems” shall mean systems, networks, software, databases, other computer-based resources or similar technology.
- (mm) “Term” shall have the meaning set forth in Section 10.1.
- (nn) “Third Party Provider” shall have the meaning set forth in Section 2.2.
- (oo) “TK Purchase Agreements” shall have the meaning set forth in the recitals.
- (pp) “TK US Purchase Agreement” shall have the meaning set forth in the recitals.
- (qq) “TKG Business” shall mean those aspects of the PSAN Inflator Business to be conducted by TK Global relating to the management and oversight of TKH and TK Services, pursuant to the Transaction Documents. For avoidance of doubt, “TKG Business”, as used in this Agreement, does not include the TKH Business or the TKS Business.
- (rr) “TKG Services” shall have the meaning set forth in Section 2.1.
- (ss) “TKH Business” shall mean those aspects of the PSAN Inflator Business to be conducted by TKH relating to the research, development, design, manufacture, marketing, sale, and support of PSAN Inflators, and the supply, on a global basis, by TKH of PSAN Inflators to PSAN Purchasers in accordance with the terms and conditions of the Assumed PSAN Contracts pursuant to the terms of the

Transaction Documents, as applicable. For avoidance of doubt, “TKH Business”, as used in this Agreement, does not include the TKG Business or the TKS Business.

- (tt) “TKH Services” shall have the meaning set forth in Section 2.1.
- (uu) “TKS Business” shall mean collectively, the WSD Business and the PSG Business.
- (vv) “TKS Services” shall have the meaning set forth in Section 2.1.
- (ww) “Transaction Documents” means (i) the Plan; (ii) any and all documents executed in connection with or attached to the Plan; (iii) the Assumed PSAN Contracts, the NHTSA Preservation Order, and the Post-Closing Consenting OEM WSD Contract; in each case, as required for the continued operation by Recipients of the PSAN Inflator Business in accordance with the foregoing documents.
- (xx) “Transferred Employees” shall collectively mean “Transferred Employees” as defined in the TK US Purchase Agreement and “Transferred Employees” as defined in the TKJP Purchase Agreement.
- (yy) “Warehouse Consenting OEM” shall have the meaning set forth in the Plan.
- (zz) “WSD Business” shall mean those aspects of the PSAN Inflator Business to be conducted by TK Services relating to the warehousing, storage, transportation, and disposal of PSAN Inflators, including those PSAN Inflators delivered by Warehousing Consenting OEMs to TK Services after the Plan Effective Date. For avoidance of doubt, “WSD Business”, as used in this Agreement, does not include the TKH Business, the TKG Business or the PSG Business.

2. SERVICES.

- 2.1 Services. Commencing on the Effective Date and continuing throughout the Term, but subject to the terms and conditions of this Agreement and to the terms and conditions of the Indemnity Agreement, Service Provider shall provide, or shall cause its Affiliates or Third Party Providers to provide, to each applicable Recipient, those services which are described as “KSS Services” or for which “KSS” is listed as the “Service Provider” in (a) Exhibit A with respect to TKH (the “TKH Services”), (b) Exhibit B with respect to TK Services (the “TKS Services”), and (c) Exhibit C with respect to TK Global (the “TKG Services”), and together with the TKH Services, the TKS Services, and any services agreed to pursuant to Section 2.4, and such other services specified in the main body of this Agreement, including electronic access and security and disaster recovery services, the “Services”). Service Provider shall provide the Services in a manner and with the standard of care consistent with the manner and standard of care in which such services were so previously performed by TKH and its Affiliates for themselves in the twelve (12) months prior to the U.S. Closing using the Purchased Assets and Transferred Employees, to the extent that Recipients cannot perform such Services independently of the

Purchased Assets and Transferred Employees (as determined by the Oversight Committee). All Services shall be provided in accordance with the terms and conditions set forth herein and as further detailed on Exhibit A, Exhibit B and Exhibit C. For clarity, in the event of any conflict between Exhibit A, Exhibit B or Exhibit C and the main body of this Agreement, the main body of this Agreement will govern.

- 2.2 Use of Affiliates and Third Party Providers. Service Provider shall have the right (a) with the consent of (i) in the case of TKH Services, the PSAN Consenting OEMs, (ii) in the case of TKS Services, the Warehouse Consenting OEMs, and (iii) in the case of TKG Services, the Consenting OEMs as to the selected third party provider, which consent shall not be unreasonably withheld, conditioned or delayed, to designate a third party provider not already providing such Services as of the Effective Date (“Third Party Provider”) to provide any of the applicable Services, subject to any such Third Party Provider agreeing in writing to provide such Services in accordance with Section 2.1 and the other applicable terms and conditions of this Agreement, and (b) at Service Provider’s discretion, to designate an Affiliate to provide any of the applicable Services. For the avoidance of doubt, Service Provider will remain liable for the provision of Services by an Affiliate or, to the extent set forth in this Agreement, a Third Party Provider, in accordance with the terms of this Agreement.
- 2.3 Local Implementing Agreements. Service Provider and Recipients agree that certain Services may be provided directly by a Local Affiliate Provider to Designated Affiliates of applicable Recipients. In that case, (i) the applicable Designated Affiliate receiving the applicable Service(s) shall make payment for such Service(s) directly to that designated Local Affiliate Provider, which shall provide an invoice for such Service(s) pursuant to Section 5.6, (ii) Service Provider and the applicable Recipient may agree to use a separate written implementing agreement consistent with this Agreement to reflect such arrangement, if and as necessary, and (iii) each Party thereto shall remain liable for compliance with the terms and conditions of this Agreement. For purposes of this Agreement, any reference herein to “Service Provider” or a “Recipient” or to an action to be taken by Service Provider or a Recipient shall be deemed to refer, respectively, to a Local Affiliate Provider or Designated Affiliate and to an action taken by a Local Affiliate Provider or Designated Affiliate, in each case, as applicable.
- 2.4 Omitted Services and PA Requested Services. Each Recipient, as applicable, may request in writing that Service Provider provide to such Recipient, to the extent not comprising Excluded Services expressly listed on Exhibit D: (a) additional services that are not specified in Exhibit A (in the case of TKH for TKH Services), Exhibit B (in the case of TK Services for TKS Services) or Exhibit C (in the case of TK Global for TKG Services) or otherwise in this Agreement and that, in the three (3) months prior to the Effective Date, were conducted by TKH or provided by TKH’s Affiliates and were used in the operation of the PSAN Inflater Business, and that are requested by the applicable Recipient in the three (3) months after the U.S. Closing (each, an “Omitted Service”); and (b) other services or actions reasonably requested by the Plan Administrator, with the consent of the Oversight Committee and (i) in the case of TKH, the PSAN Consenting OEMs, (ii) in the case of the TKS Services to support the WSD Business, the Warehouse Consenting OEMs, and to support the PSG Business, the Consenting OEMs, or (iii) in the

case of the TKG Services to support the TKG Business, the Consenting OEMs, in each case, which consent shall not be unreasonably withheld, conditioned or delayed (the “PA Requested Services”). Service Provider shall review and consider any such request for an Omitted Service or PA Requested Service (as applicable) and shall not unreasonably refuse to provide such Omitted Service or PA Requested Service pursuant to the terms and conditions of this Agreement and such other terms and conditions as may be mutually agreed in writing by a Recipient (or Plan Administrator, as applicable) and Service Provider. It shall not be unreasonable for Service Provider to deny any request for such services if (i) providing such services would exceed the limitations, or otherwise breach, any of the terms and conditions of this Agreement (including Sections 2.5, 2.6, and 2.7, or Article 3 hereof) or of the Indemnity Agreement, or if providing such service would present a material risk of liability for Service Provider (or, for clarity, its Affiliates or its Third Party Providers) or, or (ii) any such service is readily available from a third party or from a Recipient for itself. Upon written approval by Service Provider and written agreement as to the service-specific terms therefor, Exhibit A, Exhibit B, or Exhibit C, as applicable, shall be automatically amended to include such Omitted Services and PA Requested Services and such services shall become “Services” (and “TKH Services”, “TKG Services”, or “TKS Services”, as applicable) under this Agreement for the applicable Recipient, subject to the terms and conditions of this Agreement.

2.5 Excluded Services.

- (a) Each Recipient acknowledges and agrees that, notwithstanding anything to the contrary in this Agreement, in no event shall the Services include any service which is indicated under the “Excluded Services” in Exhibit D. Except as may be expressly provided in Section 2.1 and Section 2.4, Service Provider shall have no obligation to provide any additional services pursuant to this Agreement.
- (b) Each Recipient shall retain, hire or, solely to the extent that such applicable Recipient cannot reasonably retain or hire, lease employees necessary to operate the TKG Business (in the case of TK Global), the TKH Business (in the case of TKH), or the TKS Business (in the case of TK Services), as applicable, from and after the Effective Date, including equipment and machinery operators, safety and regulatory specialists and engineers. Certain personnel of Service Provider that were employed by TKH or its Subsidiaries immediately prior to the Effective Date may resign from Service Provider’s (or its Affiliates’) employment and be hired by such applicable Recipient (each, a “Recipient Employee”), assuming agreement by such individuals, if necessary, to help ensure compliance with the first sentence of this Section 2.5(b); provided, however, that Plan Sponsor shall treat each Recipient Employee as a PSAN Employee for purposes of the TK US Purchase Agreement and subject to rehire by Plan Sponsor in accordance with Section 8.1 of the TK US Purchase Agreement.

2.6 Certain Limitations.

- (a) Notwithstanding any other provision of this Agreement, but subject to Section

2.8: (i) Service Provider shall have the right to suspend or terminate a portion of the Services in applicable jurisdictions, immediately, if and to the extent that the provision of such Services in such applicable jurisdictions violates, or presents a material risk of violating applicable Laws in such applicable jurisdictions, unless Service Provider can reasonably adjust the manner in which it provides the Services such that they no longer violate or present a material risk of violating such Laws, and (ii) Service Provider shall not be obligated to provide any Services to the extent such Services cannot be provided, in all material respects, (1) using the Purchased Assets (or replacements thereof due to attrition or wear and tear in the Ordinary Course of Business, such portions of replacements attributable to a Recipient's use to be paid for by such Recipient), (2) using Transferred Employees of TKH or its Affiliates that were materially involved in providing such Services (or replacements thereof due to employee attrition in the Ordinary Course of Business, such replacements paid for by the applicable Recipient to the extent those employees are used to provide the Services and only for the duration such employees are used to provide the Services), subject to ordinary course notice periods before terminating employment, and (3) in compliance with all applicable contracts with third parties, subject to Section 2.7(c). The applicable Recipients shall be responsible for Service Provider's costs and expenses in connection with any such suspension, termination or other disruption in the Services.

- (b) In no event shall Service Provider be obligated to utilize, hire or maintain any particular personnel, engage or maintain any particular service provider or supplier, or license, lease or acquire or maintain any particular asset or resource to provide the Services hereunder as long as, in each case, Service Provider provides the Services in accordance with terms and conditions of this Agreement. In the event Service Provider or any of its Affiliates utilize any personnel, service provider or supplier, or any asset or resource both for the Service Provider or such Affiliate's own benefit and for the purpose of providing the Services, each Recipient acknowledges and agrees that nothing in this Agreement requires any preference in allocation thereof to such Recipient. Each Party acknowledges and agrees that in the event of any limitations arising out of such use for the Service Provider or such Affiliate's own benefit and for the purpose of providing the Services, such personnel, service provider or supplier, or asset or resource, and all related costs and expenses, shall be allocated ratably as between Service Provider or such Affiliate's own benefit and for the Services.
- (c) If and only to the extent that any modification of systems or other effort is required with respect to the Purchased Assets in connection with the establishment of Services by Service Provider to a Recipient, as non-Affiliates of Service Provider, including any logical or physical separation of systems and data, systems testing, reconfiguration of software, hardware and systems, such work shall be undertaken on a commercially reasonable efforts basis, with no representations, warranties or other assurances as to the resulting work product, and shall be the financial responsibility solely of such Recipient or its Designated Affiliate and billed as Services in accordance with this Agreement.

- (d) Service Provider may make changes from time to time with regard to the manner, resources, assets, services, products, and location of Service delivery, used in performing the Services; provided, that: (i) provision of such Services by Service Provider remains subject to the requirements set forth in Section 2.1; (ii) Service Provider will provide the applicable Recipient with prior notice (to the extent reasonably practicable) of any such changes that are material to the Services or that are reasonably expected to require material changes in the operations of the applicable Recipient to receive the Services; (iii) such changes will be implemented at Service Provider's sole cost and expense, unless such changes are implemented to comply with applicable Law (or changes thereto) or to address a Recipient requested change; (iv) if such changes will cause such Recipient to breach the Assumed PSAN Contracts such Recipient shall promptly inform Service Provider of such matter, and the Parties shall negotiate in good faith a resolution consistent with this Agreement so as to reasonably achieve Service Provider's requirements while avoiding a breach of such Assumed PSAN Contract; (v) if such changes are implemented to comply with applicable Law (or changes thereto) or third party contracts, but will cause such Recipient to violate applicable Law or breach the NHTSA Preservation Order or the Post-Closing Consenting OEM WSD Contracts, as applicable, then the Parties shall negotiate in good faith a resolution consistent with this Agreement so as to avoid violations and breaches by both Parties; and (vi) such changes will not result in the Recipient or the Services infringing or violating the Intellectual Property rights of a third party for purposes of Section 14.3.

2.7 Third Party Terms and Conditions; Consents.

- (a) Each Recipient hereby acknowledges and agrees that the Services provided by Service Provider through third party service providers, subcontractors or consultants, or using third party assets, including Intellectual Property, are subject to the terms and conditions of any applicable agreements with such third parties; except that, with respect to Discretionary Third-Party Agreements, the Services under such agreements will be provided on the terms of this Agreement (including policies and procedures referenced herein), except for any additional reasonable and customary terms and conditions for access to software and other resources that are presented to Recipient prior to use thereof.
- (b) Each Recipient shall comply, and shall cause its Affiliates (only to the extent applicable) to comply, with the terms of such third party agreements to the extent they are provided to such Recipient and relevant to the receipt and use of the Services by such Recipient and, if compliance with such third party agreements will result in a breach by such Recipient of Assumed PSAN Contracts, the NHTSA Preservation Order, or the Post-Closing Consenting OEM WSD Contracts, as applicable, then the Parties shall negotiate in good faith a resolution consistent with this Agreement so as to avoid such breaches of the third party agreements and the foregoing contracts and order. Service Provider shall be entitled to exclusively manage its relationships with such third parties. Each Recipient shall not discuss with any such third party the provision of the Services

except with Service Provider's prior written consent, not to be unreasonably withheld.

- (c) Service Provider shall use commercially reasonable efforts to obtain, and the applicable Recipient shall cooperate with and assist Service Provider in obtaining (including by identifying any that are required), any consent, authorization, order or approval of, or any exemption by, any third party required to be obtained or made by Service Provider (or its Affiliates or third party service providers or subcontractors) under the Purchased Assets (and any replacement contracts that Service Provider may elect to enter into during the Term) for the performance of Service Provider's obligations under this Agreement, with all reasonable costs and expenses to the extent in connection with using commercially reasonable efforts to obtain the foregoing (but in the case of legal fees and expenses to undertake the foregoing, solely such reasonable legal fees and expenses for work performed after the U.S. Closing) to the extent related to the Services (and not to the extent to operate the Business after the U.S. Closing) being the sole responsibility of the applicable Recipient. For the avoidance of doubt, if any consent, authorization, order, approval or exemption is required to be obtained or made with respect to any third party relationship of a Recipient for either the receipt of Services or for any assets, resources, products or services that a Recipient is providing to Service Provider in order for Service Provider to provide the Services, the applicable Recipient shall be solely responsible for obtaining any such consent, authorization, order, approval or exemption, at its sole cost and expense.

- 2.8 Alternative Arrangements. If a Service is not provided due to the limitations identified in Section 2.6(a), or if Service Provider is unable to obtain any such required consents, authorizations, orders, approvals or exemptions under Section 2.7, then, at such Recipient's option, with the prior written consent of (a) the PSAN Consenting OEMs, for TKH, (b) the Warehouse Consenting OEMs, for services supporting the operation of the WSD Business by TK Services, (c) the Consenting OEMs, for services supporting the operation of the PSG Business by TK Services, (d) the Consenting OEMs, for TK Global, and, (e) in all cases, the Oversight Committee: (i) the Services shall be adjusted to exclude such Services that cannot be provided due to such limitations or due to such consents, authorizations, orders, approvals or exemptions not being obtained and implement such modifications, or alternatively; or (ii) Service Provider shall reasonably cooperate with the applicable Recipient in connection with either (1) obtaining a replacement service from a different Third Party Provider, if the Parties agree that such services are obtainable on commercially reasonable terms and such replacement services are reasonably implementable, or (2) the applicable Recipient's implementation of an alternative arrangement for the affected Service. Service Provider will not be in breach of this Agreement as a result of any nonperformance of, or other effect upon, any applicable Services as a result of any such limitation or any such failure to obtain any such consent, authorization, order, approval, or exemption; provided that Service Provider has used commercially reasonable efforts to obtain such consent, authorization, order, approval, or exemption.

- 2.9 Facilities-Related Terms. Any Services that comprise use of Service Provider office space or other facilities by a Recipient shall be governed by Schedule 2.9.
- 2.10 Equipment Maintenance Services. Commencing on the Effective Date and continuing throughout the Term, TKH (or a Designated Affiliate) shall provide to Service Provider the equipment maintenance services indicated in Exhibit E attached hereto (the "Equipment Maintenance Services").

3. PURPOSE.

3.1 Purpose and Use of TKH Services.

- (a) The TKH Services to be provided pursuant to this Agreement to TKH and its Designated Affiliates are intended solely to assist TKH in connection with the continued operation of the TKH Business. The TKH Services shall be provided only to TKH (or one of its Designated Affiliates) and only in connection with the conduct by TKH of the TKH Business in the Ordinary Course of Business, except that such TKH Services will also support TKH, at TKH's sole risk, in providing engineering services and other reasonable cooperation to PSAN Consenting OEMs (to the extent TKH cannot perform such services independently, and subject to the limitations and other terms and conditions of this Agreement with respect to such services) in connection with resourcing activities to any alternative supplier(s) with respect to such PSAN Inflators.
- (b) Subject to the terms and conditions of this Agreement, the Parties do not intend this Agreement to change, in any material respect, the type, quantity, quality, timeliness or manner of performance of any TKH Services from those provided by the Business to the PSAN Inflator Business prior to the U.S. Closing using the Purchased Assets and Transferred Employees. For clarity, in the event of any change to the contractual rights and obligations between TKH or any of its Affiliates and any PSAN Consenting OEMs, with respect to PSAN Inflators that would require a change in the TKH Services, such change shall be addressed solely in accordance with Section 2.4(b), with Service Provider having no other obligation other than to the extent set forth in Section 2.4 with respect thereto.
- (c) TKH and its Subsidiaries shall not allow the use of the TKH Services by any Person (including any other Recipient) other than in connection with the conduct by TKH of the TKH Business as set forth above in this Section 3.1 nor resell any of the TKH Services to any Person whatsoever.

3.2 Purpose and Use of TKS Services.

- (a) The TKS Services to be provided pursuant to this Agreement to TK Services and its Designated Affiliates are intended solely to assist TK Services in connection with its continued operation of the TKS Business. The TKS Services shall be provided only to TKS (or one of its Designated Affiliates) and only in connection with the conduct by TKS and its Subsidiaries of the TKS Business in the Ordinary

Course of Business.

- (b) Subject to the terms and conditions of this Agreement, the Parties do not intend this Agreement to change, in any material respect, the type, quantity, quality, timeliness or manner of performance of any TKS Services from those provided by the Business to the PSAN Inflator Business prior to the U.S. Closing using the Purchased Assets and Transferred Employees. For clarity, in the event of any change to the contractual rights and obligations between TKS or any of its Affiliates and any Warehouse Consenting OEMs, with respect to PSAN Inflators that would require a change in the TKS Services applicable to the WSD Business, such change shall be addressed solely in accordance with Section 2.4(b), with Service Provider having no other obligation other than to the extent set forth in Section 2.4 with respect thereto.
- (c) TKS and its Subsidiaries shall not allow the use of the TKS Services by any Person (including any other Recipient) other than in connection with the conduct by TKS of the TKS Business as set forth above in this Section 3.2 nor resell any of the TKS Services to any Person whatsoever.

3.3 Purpose and Use of TKG Services.

- (a) The TKG Services to be provided pursuant to this Agreement to TK Global and its Designated Affiliates are intended solely to assist TKG in connection with its operation of the TKG Business.
- (b) Subject to the terms and conditions of this Agreement, the Parties do not intend this Agreement to change, in any material respect, the type, quantity, quality, timeliness or manner of performance of any TKG Services from those provided by the Business to the PSAN Inflator Business prior to the U.S. Closing using the Purchased Assets and Transferred Employees. For clarity, in the event of any change to the contractual rights and obligations between TKG or any of its Affiliates and any Consenting OEMs, with respect to PSAN Inflators that would require a change in the TKG Services, such change shall be addressed solely in accordance with Section 2.4(b), with Service Provider having no other obligation other than to the extent set forth in Section 2.4 with respect thereto.
- (c) TKG and its Affiliates shall not allow the use of the TKG Services by any Person (including any other Recipient) other than in connection with the conduct by TKG of the TKG Business as set forth above in this Section 3.3 nor resell any of the TKG Services to any Person whatsoever.

3.4 No Additional Service Provider Responsibility. Each Recipient acknowledges and agrees that Service Provider and its Affiliates are not responsible for (i) the continued operation of the PSAN Inflator Business (except with respect to Service Provider's obligations under this Agreement) or (ii) making any determinations with respect to the continued operation of the PSAN Inflator Business.

3.5 No Use of Services for Non-Consenting OEMs. Each Recipient shall not request Service

Provider to provide, and Service Provider shall not provide, any Service for such Recipient's use with or for the benefit of any customer of such Recipient or other third party, other than (i) PSAN Purchasers with respect to the conduct of the TKH Business, (ii) Warehouse Consenting OEMs with respect to the conduct of the WSD Business, (iii) Consenting OEMs with respect to the conduct of the PSG, and (iv) Consenting OEMs with respect to the conduct of the TKG Business.

- 3.6 Purpose of Equipment Maintenance Services. TKH, and no other Recipient, will be responsible for providing the Equipment Maintenance Services to Service Provider. The Equipment Maintenance Services to be provided pursuant to Section 2.10 are intended to assist Service Provider in connection with its operation of the Business following the U.S. Closing, and Service Provider's use of the Equipment Maintenance Services pursuant to the terms hereof shall be substantially the same in the nature and scope as TKH's use of such services immediately prior to the Effective Date. Service Provider acknowledges and agrees that Recipients are not responsible for the continued operation of the Business and that TKH's performance and provision of the Equipment Maintenance Services hereunder in accordance with this Agreement is material to Service Provider's ability to conduct the Business following the U.S. Closing without interruption.

4. SERVICE REPRESENTATIVES; COOPERATION.

- 4.1 Service Representatives. Service Provider and each Recipient shall appoint and maintain a representative for each of the applicable Services, and the Equipment Maintenance Services (each, a "Services Representative"), who shall: (a) use commercially reasonable efforts to achieve the overall intent of this Agreement with respect to such Services and Equipment Maintenance Services; (b) supervise the activities of its respective employees and representatives with respect to such Services and Equipment Maintenance Services; and (c) serve as an initial point of contact for the other Party with respect to questions and issues that may arise in connection with the Services and Equipment Maintenance Services. Each Party is entitled to rely on statements from and other actions by the Services Representative for the other Party as having been authorized by the other Party without further inquiry as to whether such Services Representative had authority to act, absent gross negligence or willful misconduct and except that such Services Representatives do not have the power to amend this Agreement.
- 4.2 Cooperation; Access to Information and Resources.
- (a) Each Recipient acknowledges and agrees that the Services to be provided to such Recipient may require instructions, data, other information and access from such Recipient and its Affiliates, or are dependent in whole or in part on completion of prior acts by such Recipient or its Affiliates, agents, and vendors, each of which such Recipient shall provide to Service Provider or otherwise procure or complete, in each case consistent with past practice or as reasonably requested by Service Provider. If such Recipient fails to provide (or cause to be provided) any such instructions, data, information or access, or fails to perform a prerequisite

act, and Service Provider is prevented in whole or in part from providing any Services as a result of such failure, then Service Provider shall so notify the applicable Recipient and, if such failure by such Recipient remains uncured, Service Provider shall not be liable for failing to perform the applicable Services for the applicable Recipient.

- (b) Excluding information initially provided by Service Provider or its Third Party Providers (as to which Section 2.7 and Section 14.2 shall apply) and not provided by a Recipient to Service Provider or its Third Party Providers, each Recipient remains responsible for any information submitted to Service Provider by or on behalf of such Recipient for processing in connection with the Services. Service Provider may charge the applicable Recipient and not any other Recipient, Service Provider's cost (in accordance with Section 5.2) for additional work required to re-process any such incorrect data in accordance with Section 5.1.
- (c) Service Provider (i) shall have no responsibility to review, confirm or otherwise assume any duty with respect to the accurateness or completeness of any instruction or any other information it receives from or on behalf of a Recipient or any agent thereof, and (ii) shall be without liability for any loss or damage suffered by that Recipient or, subject to Section 14.7, any customers thereof as a result of Service Provider's reliance on and utilization of any such instruction or other such information.
- (d) Information provided in accordance with the foregoing in this Section 4.2 shall be subject to Section 12, if and as applicable.
- (e) Each Party acknowledges and agrees that it shall provide to the other Party, at no cost or expense to the other Party, timely decisions, approvals and acceptances, in order to enable the other Party to perform its obligations under this Agreement in a timely and efficient manner.
- (f) Without limiting the foregoing in this Section 4.2, each Party shall use commercially reasonable efforts to cooperate with the other Party in all matters relating to the provision and receipt of the Services and to minimize the expense, distraction and disturbance to each Party, and shall perform all obligations hereunder in good faith and in accordance with principles of fair dealing. Such cooperation shall include (i) the execution and delivery of such further instruments or documents as may be reasonably requested by Service Provider and required to enable the full performance of Service Provider's obligations hereunder and (ii) without limiting Section 2.4 or Section 2.6(d), notifying the other Party in advance of any changes to a Party's operating environment or personnel, and working with the other Party to minimize the effect of such changes.

4.3 Compliance with Laws and Service Provider Policies.

- (a) Each Party shall comply with all Laws applicable to it and each Recipient shall comply with all Laws in connection with the receipt of the Services; provided that a Recipient shall be responsible for compliance with Law with respect to any instructions or specifications it provides to Service Provider and the application of the Services to the PSAN Inflator Business.
- (b) Recipient shall comply with all of Service Provider's policies and procedures applicable to the Services, including those related to information systems usage and security, code of conduct in connection with access to and use of facilities and anti-corruption/FCPA compliance; provided that, to the extent such policies and procedures conflict with the Assumed PSAN Contracts, or if such policies and procedures unreasonably impact a Recipient, such Recipient shall inform Service Provider and the Parties shall in good faith determine such modifications that address Service Provider's issues or concerns while addressing such conflict with the Assumed PSAN Contracts or minimizing such unreasonable impact on such Recipient, as applicable. In the event that Recipient's compliance with any of Service Provider's policies or procedures will cause Recipient to breach any Assumed PSAN Contracts, the NHTSA Preservation Order, or the Post-Closing Consenting OEM WSD Contracts, as applicable, Recipient shall inform Service Provider thereof and the Parties shall negotiate in good faith a resolution consistent with this Agreement so as to avoid such breaches while also avoiding any breaches of any Applicable Laws or third party agreements by Service Provider and its Affiliates. Service Provider shall provide the policies and procedures described in this Section 4.3(b) to each of the Consenting OEMs.

5. FEES.

- 5.1 No Cost Services. Notwithstanding anything to the contrary in this Agreement, any Purchased Assets that are required for both (i) the research, design, manufacturing, production, marketing, sale, maintenance, warehousing, shipping, disposal, and testing, as applicable, by a Recipient, of PSAN Inflators, and (ii) the research, design, manufacturing, production, marketing, sale, maintenance, warehousing, shipping, disposal, and testing, as applicable, of non-PSAN Inflator Products, by Service Provider (or its Affiliates), will be made available by Service Provider to the applicable Recipient through Services under this Agreement at no cost to such Recipient. In accordance with the foregoing, each Recipient (or Service Provider, as applicable) shall not be charged depreciation charges or lease, rental or license charges or fee for hardware or software owned by Service Provider or its Affiliates that is acquired by it or them as a Purchased Asset, but such Recipient will be charged severally and not jointly (a) for its applicable share (in accordance with Section 5.2) of ongoing (as contrasted with prepaid prior to or at the U.S. Closing) lease, rental or license fees, or other payments, to third parties under Contracts, whether included in the Purchased Assets or otherwise, and (b) for costs and expenses associated with the use, operation and maintenance of any Purchased Assets to the extent attributable to the research, design, manufacturing, production, marketing, sale, maintenance, warehousing, shipping, disposal, and testing, as applicable, by a Recipient, of PSAN Inflators or otherwise to the conduct of the PSAN Inflator Business (e.g.,

electricity, consumables, etc.) as well as the office, manufacturing facility, warehouse and other real estate costs and expenses set forth in Schedule 2.9, but only to the extent such costs and expenses are included in Service Provider's or its Affiliates' Fully Burdened Costs, regardless of whether such offices, manufacturing facilities, warehouses and other facilities or other real estate are part of the Purchased Assets. The foregoing in this Section 5.1 shall apply *mutatis mutandis* to equipment retained by Recipients and used to provide Equipment Maintenance Services.

- 5.2 Service Fees. Subject to Section 5.1, Service Provider shall charge, severally and not jointly, the applicable Recipient for the Services received by that Recipient (including Designated Affiliates, subject to Section 2.3) at a cost equal to Service Provider's Fully Burdened Cost for the provision thereof plus an amount equal to three percent (3%) of Service Provider's such Fully Burdened Cost (the "Service Fee"), payable in accordance with the payment details set forth in Section 5.6 below) in order to assure that the Services are provided on a cost-neutral basis to Service Provider and its Affiliates. Fully Burdened Costs for TKH Services will not be adjusted for the actual volume of PSAN Inflatons produced by Sellers at any time during the Term. Notwithstanding the foregoing, with respect to certain mutually agreed resources (such as Internet communications bandwidth, but excluding employee time and physical facilities), if and to the extent that Service Provider has excess capacity with respect to such resource such that access to and use of such resource can be made available to a Recipient without degradation in the volume, quality, availability or security and integrity of such resource to Service Provider, its Affiliates or other service recipients, then Service Provider shall use commercially reasonable efforts to provide such resource to such Recipient at no additional charge to such Recipient to the extent that Service Provider may do so at no additional cost or expense; provided, that, for the avoidance of doubt, Service Provider and its Affiliates are under no obligation to acquire or maintain any excess or other particular quantity of any resources for purposes of the foregoing in this sentence.
- 5.3 Equipment Maintenance Service Fees. Subject to Section 5.1, TKH (or one of its Affiliates) shall charge Service Provider for the Equipment Maintenance Services at a cost equal to TKH's (and its Affiliates') Fully Burdened Cost for the provision thereof plus an amount equal to three percent (3%) of such Fully Burdened Cost (the "Equipment Maintenance Service Fee"), payable in accordance with the payment details set forth in Section 5.6 below) in order to assure that the Equipment Maintenance Services are provided on a cost-neutral basis to TKH and its Affiliates.
- 5.4 Allocation of Overhead. In computing the Fully Burdened Cost used to compute the Fees, overhead shall be allocated in accordance with generally accepted accounting principles and consistent with the relevant provider's allocation in its own financial statements.
- 5.5 No Service Provider Obligation for Costs and Expenses. The Parties agree that, other than the incurrence of costs to provide Services that will be reimbursed by the applicable Recipient as part of the Fees payable hereunder, neither Service Provider nor its Affiliates shall be required to use their respective funds or to otherwise pay for any goods or

services purchased or required by a Recipient from third parties or for any payment obligation of a Recipient.

- 5.6 Payment Details. Each applicable Recipient, for itself and its Designated Affiliates and not on behalf of any other Recipient, shall pay Service Provider (in the case of Service Fees), and Service Provider shall pay TKH (in the case of Equipment Maintenance Fees), monthly all undisputed fee amounts for each applicable Service and Equipment Maintenance Service (as applicable), as invoiced in arrears by the applicable Party on the first day of each calendar month during the Term, subject to Section 5.8. Service Provider will only invoice the applicable Recipient for the Services performed for the applicable Recipient. Invoices shall be accompanied by reasonable documentation itemizing each of the invoiced amounts and shall be payable within [●] days of receipt thereof¹. Upon a Party's reasonable request, the other Party shall deliver to the requesting Party, to the extent disclosable under third party contracts, any existing additional documentation under the providing Party's control that is reasonably requested by such Party to substantiate the invoiced amounts; provided that to the extent such documentation is not disclosable to the requesting Party under such third party contracts, the providing Party shall provide such documentation to the extent practicable without breaching such contracts and shall otherwise certify as to the amounts payable under such third party contracts. Service Fees and Equipment Maintenance Fees will be prorated for any applicable partial month, as applicable.
- 5.7 Reduction of Fees. If Service Provider ceases to perform any particular Service (including portions thereof) pursuant to a request made by a Recipient on behalf of that Recipient under Section 10.3, thereafter the applicable monthly Fee for that Recipient shall be reduced to an amount equal to the fees for those Services that are still being provided. If the Parties are unable to agree upon the applicable reduction in fees for the applicable reduced Services, then Service Provider shall, upon the written request of such Recipient, to the extent disclosable to such Recipient under third party contracts, furnish to such Recipient reasonable existing documentation required to substantiate the proposed reduction; provided that to the extent such documentation is not disclosable to such Recipient under such third party contracts, Service Provider shall provide such documentation to the extent practicable without breaching such contracts and shall otherwise certify as to the amounts payable under such third party contracts.
- 5.8 Payment Default. A payment default by a Party (each, a "Payment Default") shall be deemed to occur for that Party only if the applicable invoice provided to that Party for a Service provided to that Party is not paid in full, in cash (including the disputed amounts required to be paid to the extent set forth in Section 5.10) by 11:59 p.m. Eastern Time (or 11:59 p.m. in the time zone of the jurisdiction where the applicable Recipient and Local Affiliate Provider is located if such Services will be provided in that jurisdiction) on the 30th day after such payment is due as described in Section 5.6. Upon a Payment Default: (a) the defaulting Party shall be subject to late charges for each month or portion thereof for which the statement is overdue, calculated as the lesser of (i) five percent (5%) per

¹ **Note to Draft:** Time period to be reasonably set to align with payment period under Assumed PSAN Contracts.

annum or (ii) the maximum rate allowed by applicable law; (b) in the case of a payment default by a Recipient, Service Provider may (y) as to such Recipient (including its Designated Affiliates), suspend by prior notice the applicable Services and decline to perform any of its obligations hereunder related to such Services and/or (z) terminate this Agreement with respect to that Recipient in accordance with Section 10.2(a), including the notice and cure provisions therein; and (c) in the case of a payment default by Service Provider, TKH may (y) suspend by prior notice to the applicable Recipient the applicable Equipment Maintenance Services and decline to perform any of its obligations hereunder related to such Equipment Maintenance Services and/or (z) terminate itself from this Agreement in accordance with Section 10.2(a), including the notice and cure provisions therein; in each case without limiting any other remedies the relevant Party may have in law or equity under the applicable circumstances. Notwithstanding anything to the contrary set forth in this Agreement, except as provided in Section 5.10, no Recipient shall be entitled to withhold or setoff any amount of any fee or other amount payable hereunder as a disputed amount or for any other reason.

- 5.9 Record Keeping; Audit. Service Provider will keep and maintain reasonable records covering Service Provider's costs for the provision of the applicable Service(s) to each Recipient, consistent with Service Provider's policies and procedures for record keeping of similar costs and expenses, but no less than would be reasonably necessary to verify Service Provider's Fully Burdened Costs for the applicable Recipient. Such records and accounts will be maintained in accordance with generally accepted accounting principles and consistent with the relevant provider's allocation in its own financial statements, and will be available, not more often than once in any calendar year, for inspection and audit at Service Provider's offices for the benefit of such Recipient (by an internationally recognized audit firm on behalf of such Recipient), at such Recipient's cost and expense, during normal business hours and upon not less than fifteen (15) days' advance written notice by that Recipient. For each Service, Service Provider shall retain such records with respect to any given calendar month of Services for a period of twenty-four (24) months (the "Retention Period") following the month of Service Provider's provision of that Service. This Section 5.9 shall also apply *mutatis mutandis* with respect to TKH and the Equipment Maintenance Services.
- 5.10 Payment Disputes. If a Recipient has a *bona fide* basis for challenging any invoiced Service Fee, such Recipient may, with written notice to Service Provider explaining the *bona fide* basis therefor, withhold payment of fifty percent (50%) of disputed Service Fees due with respect to any invoices or related documentation for a particular Services; provided that such Recipient may withhold payment of invoiced amounts that are manifest clerical errors. The Parties shall seek to resolve any such disputes expeditiously through their respective applicable Service Representatives; provided that if such Service Representatives are unable to resolve such dispute through good faith negotiation within ten (10) Business Days, the payment dispute will be escalated to the Chief Financial Officer of Service Provider and the Plan Administrator (on behalf of Recipients). If the Chief Financial Officer of Service Provider and the Plan Administrator are unable to resolve such dispute through good faith negotiation within an additional ten (10) Business Days of escalation from the applicable Service Representatives, such dispute will be resolved in accordance with the judicial process referred to in Section 15.3. For the

avoidance of doubt, the applicable Recipient shall promptly pay, when due, any Fee amounts not in dispute and otherwise due under this Agreement, in accordance with Section 5.2 and the other terms and conditions of this Agreement. This Section 5.10 shall also apply *mutatis mutandis* with respect to Service Provider and the Equipment Maintenance Service Fees.

- 5.11 Taxes. All Fees required to be paid by a Recipient to Service Provider for the Services provided hereunder are exclusive of any and all sales, use, transfer, value-added, goods or services taxes or similar gross-receipts based taxes (“Sales and Service Taxes”) properly assessed with respect to the provision, receipt or use of the Services or otherwise under this Agreement, and such Sales and Services Taxes, other than taxes on Service Provider’s income, shall be added to the Fees where applicable. Each Recipient’s obligation to pay Sales and Services Taxes under this Section 5.11 shall be subject to the receipt of a valid and customary invoice or other document under the terms of applicable law for each such Sales and Service Tax. Service Provider shall be responsible for any Sales and Service Taxes (including any deficiency, interest and penalties) imposed as a result of failure to timely remit any Sales and Service Taxes to the applicable Tax Authority to the extent such Recipient timely remits such Sales and Service Taxes to Service Provider or a Recipient’s failure to do so results from Service Provider’s failure to timely charge or provide notice of such Sales and Service Taxes to such Recipient. Service Provider shall cooperate with each Recipient and take any reasonably requested action in order to minimize any Sales and Services Taxes, including providing sales and use tax exemption certificates or other documentation necessary to support tax exemptions. Each Party agrees to provide the other Party such information and data as reasonably requested from time to time, and to fully cooperate with the other Party, in connection with (i) the reporting of any Sales and Services Taxes, (ii) any audit relating to any Sales and Services Taxes, or (iii) any assessment, refund, claim or legal proceeding relating to any Sales and Services Taxes. Each Party shall promptly notify the other Party of any deficiency claim or similar notice by a Tax Authority with respect to any Sales and Services Taxes. Each Recipient shall remit to the appropriate tax authorities (the “Tax Authorities”) any taxes required to be withheld by law from any fees payable to Service Provider hereunder. To the extent that amounts are so withheld, the applicable Recipient shall submit to Service Provider evidence of payment of any such withholding tax to the Tax Authorities. In the event that Service Provider receives any credit, reduction or refund of any taxes for which a Recipient is economically responsible pursuant to this Agreement, Service Provider shall (a) promptly provide a copy to such Recipient of the certificate from the Tax Authorities showing the receipt of such credit, reduction or refund, and (b) provide such Recipient with an amount equal to such credit, reduction or refund, as and when actually realized and net of any additional taxes or reasonable expenses incurred in connection therewith by Service Provider. The applicable Recipient, upon request of the Service Provider, shall repay to the Service Provider the amount paid over pursuant to this Section 5.11 (plus any penalties, interest, or other charges imposed by the relevant Tax Authorities that are not attributable to the actions of Service Provider) in the event that the Service Provider is required to repay such credit, deduction or refund to such Tax Authority. This Section 5.11 shall also apply *mutatis mutandis* with respect to Service Provider and fees for Equipment Maintenance Services.

- 5.12 Confidentiality of Cost Information. All information regarding Service Provider's or a Recipient's Fully Burdened Cost, and its included costs and expenses, as well as all information received by a Party or its auditor during any audits hereunder, is hereby deemed the Confidential Information solely of the other Party, and shall be used solely in connection with evaluating and enforcing compliance with this Agreement and in connection with the receiving Party's accounting requirements, and shall not be disclosed except as otherwise permitted by Section 12.3 (other than Section 12.3(c)).

6. RECORDS.

- 6.1 Records. Service Provider shall take reasonable steps to keep records regarding the provision of Services reasonably consistent with the manner in which TKH kept records regarding such Services prior to the Effective Date, or as otherwise required by applicable Law or the providing Party's document retention policies. Such records will be kept in accordance with applicable Law and Service Provider's policies and procedures for record keeping of similar information. Service Provider shall retain such records with respect to any given calendar month of Services for the Retention Period following the month of Service Provider's provision of that Service. Service Provider will, upon a Recipient's reasonable request based on a specific identified requirement, and subject to Service Provider's consent (not to be unreasonably withheld): (a) provide a copy of such records to such Recipient upon a Recipient's written request; and (b) offer to transfer such records to Recipient, at such Recipient's expense, in accordance with Section 5.1, at least thirty (30) days before destroying or deleting them following the expiration of the Retention Period. TKH shall undertake corresponding obligations set forth in this Article 6 with respect to Equipment Maintenance Services. Notwithstanding anything to the contrary in this Section 6.1, Section 5.8 or otherwise in this Agreement, no Recipient is contractually entitled to receive privileged information or attorney work product of Service Provider (or, for clarity, its Affiliates and Third Party Providers). To the extent not already factored into any Fully Burdened Cost, the foregoing record-keeping services, as well as those under Section 5.8, shall be performed at the applicable Recipient's expense in accordance with Section 5.1.

7. DISASTER RECOVERY.

- 7.1 Disaster Recovery. Except as otherwise requested by a Recipient and reasonably implementable by Service Provider in writing, and subject to the other terms and conditions of this Agreement, including limitations and exclusions with respect to Services, Service Provider shall use commercially reasonable efforts to maintain throughout the Term disaster recovery plans, systems and services (*e.g.*, recovery of data, operating environment, telecommunications infrastructure, and other facilities) that are at least substantially the same as TKH provided to itself with respect to disaster recovery plans, systems, and services, as updated from time to time, in place in connection with the Services for the PSAN Inflater Business as of the Effective Date, to the extent feasible to so maintain with the Purchased Assets; provided that, (i) Service Provider may elect to provide substantially the same disaster recovery plans, systems and services

Service Provider provides for its own similar Services for Recipients if not practicable to operate separate disaster recovery arrangements and (ii) Service Provider will maintain, and make available to Recipients, all disaster recovery plans, systems, and services required to be maintained by Service Provider under the OEM Assumed Contracts. Service Provider shall make available to Recipients any disaster recovery policies and procedures in effect for the Services during the Term. In the event of a disaster that affects the provision of the Services, Service Provider shall use commercially reasonable efforts to timely implement all such applicable disaster recovery plans and procedures for affected Services, provided, that each Recipient acknowledges that such efforts may need to be balanced with Service Provider's own disaster recovery requirements and obligations to third parties. Except for such of the foregoing arrangements otherwise required of Service Provider under OEM Assumed Contracts, each Recipient acknowledges that the foregoing in this Article 7 will be provided as a Service at each Recipient's cost and expense in accordance with Article 5.

8. ELECTRONIC ACCESS AND SECURITY.

- 8.1 System Access. If a Party believes that the performance or receipt of Services hereunder requires such Party to have access to the other Party's Systems (including Systems of Third Party Providers, as applicable), such Party will notify the other Party, who shall consider such request in good faith and determine in its sole discretion the manner of access to grant or the alternative means of providing the applicable Service. If either Party grants the other Party access to any of its Systems, or if either Party is otherwise granted access to any of the other Party's Systems in connection with provision or receipt of the Services, the accessing Party shall comply with the other Party's system security policies, procedures and requirements, as such are amended from time to time, disclosed to the accessing Party.
- 8.2 Protection of Data. Except as otherwise requested by a Recipient in writing and agreed to by Service Provider, Service Provider shall, and shall cause its Affiliates to, use reasonable measures (physical, procedural, and electronic) to protect the data owned by such Recipient and shared with Service Provider, at least consistent with TKH's and/or its Affiliates' practices in protecting such data on the Closing Date, to the extent implemented with the Purchased Assets and Transferred Employees, provided, that if such arrangements present a risk to Service Provider's or its Affiliates' (or Third Party Providers') Systems, data or businesses, Service Provider may require changes so as to bring such measures in line with Service Provider's and its Affiliates' (or Third Party Providers') security measures. In the event that any such data is lost or destroyed, Service Provider shall, upon a Recipient's request, use its commercially reasonable efforts to reconstruct such data with the reasonable cooperation of such Recipient, at such Recipient's cost and expense unless due to the fraud, negligence or willful misconduct of Service Provider or a material breach of this Agreement by Service Provider.
- 8.3 Access to and Use of Systems. Each Party shall (a) take reasonable steps to ensure that only those of its personnel who are specifically authorized by the other Party to have access to the Systems of the other Party gain such access, (b) use such permitted access to

the Systems of the other Party solely to provide or receive, as applicable the Services, and (c) prevent unauthorized access, use, destruction, alteration, circumvention, misuse of, or other adverse effect on the Systems, or of the information contained therein, and shall notify its personnel regarding the restrictions set forth in this Agreement. The Party providing access to its Systems may suspend or terminate access to Systems by any individual and access or links to, or installation on, the System of any device, software or other content or materials, including immediately if such Party deems it necessary for System security, provided, that, the other Party shall be notified promptly thereof and the Parties shall reasonably cooperate to minimize the impact of same. All user identification numbers and passwords for the Systems disclosed to the other Party, and any information regarding the Systems obtained from the access to or use of the other Party's Systems, shall be deemed Confidential Information of the Systems owner (Service Provider or a Recipient, as applicable).

- 8.4 Notice of Breach. If a Party or any of its Affiliates, employees, agents or subcontractors breach any provision of this Article, such Party shall promptly notify the other Party of such breach and shall cooperate as requested by such other Party in any investigation of such breach.

9. INTELLECTUAL PROPERTY.

- 9.1 Ownership and License. Each Party shall retain all right, title and interest in and to its Intellectual Property owned as of the U.S. Closing, or during the Term, and used in connection with the Services, including any Intellectual Property created by such Party in providing or receiving the Services.
- 9.2 License Grant. Subject to the terms and conditions of this Agreement, Service Provider hereby grants to each Recipient a non-exclusive, royalty-free license to use any designs or other Intellectual Property (excluding, for avoidance of doubt, any trademarks of Service Provider) created by Service Provider as part of a deliverable delivered to (as opposed to only used by Service Provider in providing Services to) such Recipient under this Agreement, for use solely in connection with such Recipient's receipt and use of the TKH Services, TKG Services, or TKS Services (as applicable) in the continued operation of the TKH Business, TKG Business, or TKS Business, respectively, following the U.S. Closing, such license granted on an "AS IS, WHERE IS" basis, with all faults, for use by each Recipient at its sole risk. Unless expressly and specifically agreed otherwise by the Parties, any software delivered by Service Provider to a Recipient as part of the Services is licensed solely in object code form, and only with end user (as opposed to any design, diagnostic or other) documentation that may exist, for use solely by such Recipient within the scope of the foregoing license grant.
- 9.3 Except as expressly set forth in the preceding sections of this Article 9, Service Provider and its Affiliates, on the one hand, and Recipients and their Affiliates, on the other hand, retain all right, title and interest in and to their respective Intellectual Property and data, and no other license or other right, express or implied, is granted to any Party to the another Party's Intellectual Property or data under this Agreement.

10. TERM AND TERMINATION.

- 10.1 Term. The term of this Agreement shall begin on the Effective Date and continue with respect to each specific item of Service until the fifth (5th) anniversary of the Closing Date, unless earlier terminated under Section 5.8, Section 10.2, Section 10.3 (solely with respect to the terminated Service(s)), Section 14.3 (solely with respect to the affected Service(s)), or Section 15.7 (solely with respect to the affected Service(s)) (the “Term”).
- 10.2 Termination. Upon written notice to the other Party and the then-current PSAN Consenting OEMs and Warehouse Consenting OEMs, this Agreement may be terminated:
- (a) by either Party due to the material default of the other Party in performing any covenant or agreement under this Agreement (including with respect to the non-payment of Fees under Article 5, subject to the terms of Section 5.10 regarding Fees for which there is a *bona fide* basis for dispute), which default continues uncured for more than thirty (30) days following written notice thereof; provided, however, Service Provider may only terminate this Agreement with respect to the applicable Recipient (and, for clarity, its Designated Affiliates) who is in material default and each Recipient can only terminate this Agreement with respect to itself and its Designated Affiliates for a material default by Service Provider;
 - (b) by a Recipient, on thirty (30) days’ prior written notice for any or no reason, solely with respect to the provision of the TKH Services (in the case of TKH), the TKG Services (in the case of TKG), or the TKS Services (in the case of TKS), in their entirety, by or on behalf of Service Provider to such Recipient; or
 - (c) by Service Provider, on thirty (30) days’ prior written notice for any or no reason, solely with respect to the provision of Equipment Maintenance Services (in their entirety) by TKH or its Affiliates to Service Provider or its Affiliates.
- 10.3 Partial Termination of Services.
- (a) During the Term, a Recipient may, upon thirty (30) days’ prior written notice to Service Provider, terminate any of the applicable Services provided by Service Provider under this Agreement for that Recipient, including any portion thereof. Upon receipt of any such notice, Service Provider shall proceed to terminate the provision of such Service(s) effective as of the end of the thirty (30) day notice period and such Recipient shall pay for such Services through such date.
 - (b) Service Provider may terminate any portion of the Equipment Maintenance Services upon thirty (30) days’ prior written notice to TKH.
- 10.4 Effect of Termination/Expiration. If this Agreement terminates or expires, either in whole, or in part pursuant to Section 10.3, all rights and obligations of the Parties hereunder shall terminate upon such termination with respect to the relevant Services and shall become null and void (other than [Sections 5, 9.1, 12, 13.3(b), 13.4, 14 and 15]

which shall survive such termination). If this Agreement is terminated by a Recipient pursuant to Section 10.2(a), Section 10.2(b), or Section 15.7 (solely with respect to the applicable Service for that Recipient), or by written agreement of the Parties pursuant to Section 10.2(c), then Service Provider shall assist the applicable Recipient in transitioning the performance or provision of any Services remaining under this Agreement (as of the date of such termination) to such Recipient or to such other third party with which such Recipient chooses to replace Service Provider to perform such remaining or unfulfilled Services.

- 10.5 Termination Costs. Except if this Agreement is terminated by a Recipient pursuant to Section 10.2(a), Section 10.2(b), or Section 10.3, the applicable Recipient shall be responsible for all documented and auditable costs and expenses of Service Provider (including, for avoidance of doubt, any of its Affiliates and third party providers) in connection with terminating and otherwise winding down the terminated Services provided to that Recipient, including any reasonable costs and expenses committed to be spent in connection with the expected remaining Term for the terminated Services to be provided to that Recipient not to exceed, in each case, Service Provider's Fully Burdened Costs, as of the time a cost or expense is committed to (such costs and expenses for the applicable terminated Services, the "Termination Costs").

11. INSURANCE.

- 11.1 Insurance. Each Party shall, throughout the Term, carry, either by itself or through its Affiliates, appropriate insurance with a reputable insurance company covering property damage, business interruptions and general liability insurance (including contractual liability) to protect its own business and property interests.

12. CONFIDENTIALITY.

- 12.1 Confidential Information. Each Recipient and Service Provider acknowledge that, in connection with this Agreement, they may have access to certain information and materials concerning the other Party's business and products (including information and materials contained in technical data provided to the other Party, information concerning the PSAN Inflator Business or the businesses of Service Provider, financial information and data, strategies and marketing and customer information) which is confidential and of substantial value to the disclosing Party, which value would be impaired if such information were disclosed to third parties ("Confidential Information").
- 12.2 Nondisclosure. Each Party agrees that it shall not, and shall cause its Affiliates and its and its Affiliates' officers, directors, members, managers, partners, employees, agents and other representatives not to, use in any way, for their own account or the account of any third party, or disclose to any third party, any such Confidential Information without prior written authorization from the other Party, except: (i) as reasonably necessary to exercise its rights and perform its obligations under this Agreement (with any disclosures to third parties being subject to written confidentiality obligations that limit use to use in connection with this Agreement and nondisclosure obligations at least as restrictive as

those contained herein); (ii) as required to be provided to the (A) PSAN Consenting OEMs or their representatives under the Assumed PSAN Contracts or (B) Warehouse Consenting OEMs under the Post-Closing Consenting OEM WSD Contracts, in each case of (A) and (B), subject to confidentiality obligations of the Consenting OEMs in the applicable Assumed PSAN Contracts and Post-Closing Consenting OEM WSD Contracts; and (iii) as otherwise required by Law, a court of competent jurisdiction, or the rules of a national securities exchange and then (with respect to this Section 12.2(iii)) only after notifying the other Party, to the extent reasonably practicable or permissible, in advance. Each Party will take reasonable precautions to protect the confidentiality of such Confidential Information consistent with the efforts exercised by it with respect to its own Confidential Information.

- 12.3 Permitted Disclosures. Notwithstanding anything to the contrary set forth herein, a Party who receives Confidential Information (the “Receiving Party”) from the other Party (the “Disclosing Party”) shall not be required to hold in confidence information that: (a) is or becomes generally available to the public other than as a result of a breach of these provisions by the Receiving Party; (b) becomes available to the Receiving Party subsequent to the date hereof on a non-confidential basis from a source other than the Disclosing Party or in connection with the provision of the Services, provided that the source of such information was not bound by a confidentiality agreement with, or bound by any other contractual, legal or fiduciary obligation of confidentiality to, the Disclosing Party with respect to such information; or (c) is developed by the Receiving Party independently without reference to the Disclosing Party’s Confidential Information.
- 12.4 Survival of Termination. The provisions of this Section 12 shall survive the termination or expiration of this Agreement.

13. REPRESENTATIONS AND WARRANTIES; ACKNOWLEDGMENTS.

- 13.1 Service Provider Representations and Warranties. Service Provider represents and warrants that it has the authority to enter into and perform its covenants and agreements set forth in this Agreement, and that the execution, delivery and performance of this Agreement does not materially conflict with or constitute a material breach or default under the terms and conditions of its organizational documents. Except as expressly set forth in this Section 13.1, Service Provider specifically disclaims all warranties of any kind arising out of or related to this Agreement.
- 13.2 Recipient Representations and Warranties. Each Recipient represents and warrants for itself that it has the authority to enter into and perform its covenants and agreements set forth in this Agreement, and that the execution, delivery and performance of this Agreement does not materially conflict with or constitute a material breach or default under the terms and conditions of its organizational documents. Except as expressly set forth in this Agreement, each Recipient specifically disclaims all warranties of any kind arising out of or related to this Agreement.
- 13.3 Disclaimer and Acknowledgments.

- (a) EACH RECIPIENT ACKNOWLEDGES AND AGREES THAT SERVICE PROVIDER IS PROVIDING THE SERVICES SOLELY AS AN ACCOMMODATION TO SUCH RECIPIENT FOLLOWING THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE TRANSACTION DOCUMENTS, AND SUCH SERVICES ARE BEING PROVIDED USING THE PURCHASED ASSETS AND/OR TRANSFERRED EMPLOYEES AND FROM THE PORTION OF ITS BUSINESS ACQUIRED FROM, AND CONTROLLED PRIOR TO THE EFFECTIVE DATE BY, TKH AND ITS AFFILIATES.
- (b) EXCEPT AS EXPRESSLY SET FORTH HEREIN IN SECTION 13.1, AND WITHOUT LIMITING OR OTHERWISE MODIFYING THE INDEMNITY AGREEMENT OR ANY OF THE ASSUMED PSAN CONTRACTS, EACH PARTY DISCLAIMS ALL REPRESENTATIONS, WARRANTIES AND GUARANTEES OF ANY KIND WITH RESPECT TO THE SERVICES AND EQUIPMENT MAINTENANCE SERVICES (INCLUDING ANY DELIVERABLES), RESPECTIVELY, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AGAINST INFRINGEMENT OR THE LIKE, OF COURSE OF DEALING, USAGE OR TRADE, OR, WITHOUT LIMITING SERVICE PROVIDER'S COVENANTS UNDER THIS AGREEMENT (INCLUDING UNDER SECTION 2.1), IMPLIED WARRANTY OF ERROR-FREE OPERATION OR AT ANY LEVEL OF SERVICE.
- (c) Subject to the foregoing, (i) Service Provider acknowledges and agrees that its performance and provision of the Services hereunder in accordance with this Agreement is material to each Recipient's ability to continue to conduct their respective portions of the PSAN Inflater Business following the U.S. Closing without interruption, and (ii) TKH acknowledges and agrees that its performance and provision of the Equipment Maintenance Services hereunder in accordance with this Agreement is material to Service Provider or its Affiliates' ability to continue to conduct the portion of Business supported by such Equipment Maintenance Services following the U.S. Closing without interruption.

13.4 No Guarantee of Business Success. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS AN UNDERTAKING BY SERVICE PROVIDER TO ENSURE OR INCREASE A RECIPIENT'S SALES OR PROFITS OR OTHERWISE TO GUARANTEE THE BUSINESS SUCCESS OF A RECIPIENT OR AN ASSUMPTION BY SERVICE PROVIDER OF ANY FINANCIAL OBLIGATIONS OF SUCH RECIPIENT.

14. LIMITATION OF LIABILITY.

14.1 General Limitation of Service Provider Liability.

- (a) The Parties shall work collaboratively during the Term to minimize the risk to Service Provider associated with Service Provider providing the Services to Recipients.
- (b) Without limiting the foregoing, each Party shall take all actions reasonably requested by the other Party in order to maintain corporate separateness and to address any other risks that may be identified from time to time.
- (c) Subject to Section 5.10 and Section 14.2, in the event that Service Provider fails to substantially provide any Services in breach of this Agreement (including failure to meet any service levels) for a period of time that adversely affects the applicable Recipient's ability to operate its respective portion of the PSAN Inflator Business, such Recipient's sole and exclusive remedy, and Service Provider's sole and exclusive obligation and liability to that Recipient, absent fraud, gross negligence or willful misconduct by Service Provider, shall be limited to (i) performance or re-performance of the applicable Services, or (ii) to the extent Service Provider does not perform, or re-perform (after a first attempt at re-performance) the applicable Services after written notice of non-performance by the applicable Recipient specifying the non-performance, then the applicable Recipient may have a third party perform such Service to the extent not performed at such time, and Service Provider shall pay the incremental out-of-pocket costs and expenses of such applicable Recipient to have the applicable Services performed or re-performed by a Third Party, in accordance with this Agreement, at Service Provider's sole cost and expense.
- (d) Subject to Sections 14.1(c), 14.2 and 14.3, Service Provider will only be liable for errors and omissions with respect to, or other failures to perform, any Service to the extent arising from Service Provider's gross negligence or willful misconduct.

14.2 Service Provider will not be liable to any Recipient for any acts, omissions or failures to perform by third party vendors and contractors, provided, that, (a) to the extent permitted by the applicable contract(s), Service Provider shall use commercially reasonable efforts to enforce and pass through the benefits of the applicable contracts with third parties and (b) to the extent that Service Provider elects to use a Third Party Provider other than pursuant to Contracts acquired as Purchased Assets (or reasonable successor Contracts thereto during the Term) (such Contracts under this subsection 14.2(b), "Discretionary Third-Party Agreements"), then Service Provider shall be responsible for such Third Party Provider to the same extent as if Service Provider had provided such Services itself pursuant to this Agreement. If the foregoing does not result in the restoration of the applicable Services, Service Provider shall use reasonable efforts to obtain as soon as reasonably practicable a reasonable alternative arrangement to provide the relevant Services sufficient for the purposes of the applicable Recipient; provided that if no reasonable alternative arrangement is available, Service Provider shall notify the

applicable Recipient as soon as practicable and shall not be required to provide the affected Services but will reasonably cooperate with such Recipient in addressing such omission.

- 14.3 Infringement of Third Party IP. In the event that any third party makes any written assertion against Service Provider, any of its Affiliates, or its or their representatives, or Service Provider reasonably determines, with advice from counsel, that there is a material risk, that (i) the provision of the Services infringes or otherwise violates the Intellectual Property rights of any third party or (ii) Service Provider, any of its Affiliates, or its or their representatives, are liable to any third party in connection with the provision of the Services to a Recipient, in each case to the extent such liability is not due to a breach of this Agreement by Service Provider, then Service Provider may provide written notice to the applicable Recipient describing, in reasonable detail, such liability or liability risk, and the circumstances giving rise thereto. If such Recipient does not provide written assurances of its assumption of responsibility for all of Service Provider's, any of its Affiliates', or its or their representatives' reasonable out-of-pocket costs and expenses in connection with such matters, or timely pay for any such costs and expenses on a monthly, as incurred basis, then, upon ten (10) days prior written notice, Service Provider may terminate the Services giving rise to such costs and expenses; except that such Recipient shall have no such obligation if due to Service Provider's gross negligence or willful misconduct, or use of Service Provider's own Intellectual Property (which, for purposes of clarity, excludes Acquired Intellectual Property). For clarity, the applicable Recipient who is receiving the infringing Services is responsible for liabilities to third parties for Intellectual Property infringement arising from the provision of the Services, except to the extent (i) due to the failure by Service Provider to maintain any existing agreements with third parties acquired as Purchased Assets (or any replacement contracts that Service Provider may elect to enter into during the Term), subject to and in accordance with this Agreement, but excluding to the extent such Recipient would have been required to make payments under this Agreement had the relevant agreement been maintained, or (ii) caused by the gross negligence or willful misconduct of the Service Provider, breach of this Agreement by Service Provider, or use of Service Provider's own Intellectual Property (which, for purposes of clarity, excludes Acquired Intellectual Property).
- 14.4 Each Recipient acknowledges and agrees that Service Provider will not be liable for any breach of any of its obligations under this Agreement to the extent such breach is due to any of TKH's representations and warranties not being true, or their breach of any covenants, under any of the TK Purchase Agreements, the TSAC Purchase Agreement (if applicable), or any agreements ancillary thereto.
- 14.5 Disclaimer of Damages. EXCEPT WITH RESPECT TO A PARTY'S CONTINUED MATERIAL BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 12 OR A RECIPIENT'S USE OF THE SERVICES BEYOND THE SCOPE OF ARTICLE 3, AND WITHOUT LIMITING OR MODIFYING THE INDEMNITY AGREEMENT OR ANY OF THE ASSUMED PSAN CONTRACTS, IN NO EVENT SHALL EITHER PARTY BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, FOR

ANY LOSSES OF ANY TYPE ARISING FROM OR RELATED TO THIS AGREEMENT (WHETHER TO ANY RECIPIENT OR ANY AFFILIATE THEREOF, ANY PSAN CONSENTING OEM OR ANY OTHER PERSON) THAT ARE IN THE NATURE OF LOST PROFITS, REVENUES OR OPPORTUNITY, DIMINUTION IN VALUE OR INDIRECT, SPECIAL, CONSEQUENTIAL, PUNITIVE, SPECULATIVE OR INCIDENTAL DAMAGES, REGARDLESS OF WHETHER SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

- 14.6 Liability Cap. EXCEPT WITH RESPECT TO (A) SERVICE PROVIDER'S OR A RECIPIENT'S MATERIAL BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 12 OR A PARTY'S WILLFUL BREACH OF THIS AGREEMENT, (B) A RECIPIENT'S USE OF THE SERVICES BEYOND THE SCOPE OF ARTICLE 3, AND (C) ANY PARTY'S PAYMENT OBLIGATIONS FOR SERVICES UNDER THIS AGREEMENT (WHICH SHALL NOT BE COUNTED FOR PURPOSES OF THIS SECTION 14.6), IN NO EVENT SHALL A PARTY (OR ITS AFFILIATES, OR ITS OR THEIR REPRESENTATIVES) BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, IN CONNECTION WITH THIS AGREEMENT (WHETHER TO THE OTHER PARTY OR ANY OTHER AFFILIATE OR ANY OTHER PERSONS), IN THE AGGREGATE FOR ANY AND ALL CLAIMS AND ASSERTIONS DURING OR AFTER THE TERM BY ALL PERSONS, FOR ANY AMOUNTS GREATER THAN, WITH RESPECT TO EACH RECIPIENT, THE FEES PAID BY SUCH RECIPIENT TO SERVICE PROVIDER IN ANY CALENDAR YEAR, BUT IN NO EVENT LESS THAN ONE HUNDRED THOUSAND DOLLARS (US\$100,000).
- 14.7 No Limitation on Indemnity Agreement. FOR THE AVOIDANCE OF DOUBT, THIS AGREEMENT WILL NOT BE DEEMED TO LIMIT ANY CLAIMS THAT ANY PARTY TO THE INDEMNITY AGREEMENT MAY HAVE UNDER THE INDEMNITY AGREEMENT.
- 14.8 Specific Performance. Without affecting any other rights or remedies of the Parties under this Agreement, each Party acknowledges and agrees that, in addition to any other remedies that may be available to it, each Party shall be entitled to seek to enforce the terms and conditions of this Agreement by a decree of specific performance. Any such remedy shall not be deemed to be the exclusive remedy for a breach of this Agreement, but shall be in addition to all other remedies available at Law or equity to the Parties.

15. MISCELLANEOUS.

- 15.1 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing except as expressly provided herein. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given: (a) when delivered personally to the recipient; (b) one (1) Business Day after being sent to the recipient by reputable express courier service (charges prepaid); (c) upon receipt of confirmation of receipt if sent by facsimile transmission; (d) on the day such communication was sent by e-mail (with acknowledgement received); or (e) five (5) Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage

prepaid, and addressed to the intended recipient as set forth below:

If to Service Provider, to:

[●]
Attention: [●]
E-Mail: [●]

with a copy to:

[●]

If to TKH, [TK Global, or TK Services], to:

[●]
Attention: [●]
E-mail: [●]

with a copy to:

[●]

[If to TK Global, to:

[●]
Attention: [●]
E-mail: [●]

with a copy to:

[●]]

[If to TK Services, to:

[●]
Attention: [●]
E-mail: [●]

with a copy to:

[●]]

15.2 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York (without giving effect to the principles of conflict of Laws that would cause laws of a jurisdiction other than the State of New York

to apply), except to the extent that the Laws of such state are superseded by the Bankruptcy Code.

- 15.3 Jurisdiction; Venue. By its execution and delivery of this Agreement, each Party hereby irrevocably and unconditionally agrees that the Bankruptcy Court shall retain exclusive jurisdiction over all matters related to the construction, interpretation or enforcement of this Agreement; provided, however, that after the first (1st) anniversary of the date of the TK US Purchase Agreement, the Bankruptcy Court and the Court of Chancery of the State of Delaware in and for New Castle County, or if the Court of Chancery lacks jurisdiction over such dispute, in any state or federal court having jurisdiction over the matter situated in New Castle County, Delaware (the “Delaware Courts”) shall have non-exclusive jurisdiction over all matters related to the construction, interpretation or enforcement of this Agreement; and, provided, further, that the jurisdiction of the Bankruptcy Court over all matters related to this Agreement shall terminate upon the second (2nd) anniversary of the date of the TK US Purchase Agreement and the Delaware Courts shall have exclusive jurisdiction after the second (2nd) anniversary of the date of the TK US Purchase Agreement. To the extent that the Bankruptcy Court no longer has jurisdiction on or before the second (2nd) anniversary of the date of the TK US Purchase Agreement, the Delaware Courts shall have exclusive jurisdiction over all matters related to this Agreement. Each Party further agree to waive any objection based on forum *non-conveniens*. Each Party also agrees not to (a) attempt to deny or defeat such exclusive jurisdiction by motion or other request for leave from the Bankruptcy Court or Delaware Courts, as applicable or (b) bring any action or proceeding arising out of or relating to this Agreement, the Intellectual Property License Agreement or the TK US Purchase Agreement in any other court. Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue in, and any defense of inconvenient forum to the maintenance of, any Legal Proceeding so brought and waives any bond, surety or other security that might be required of the other Party with respect thereto. A Party may make service on another Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 15.1; provided, however, that nothing in this Section 15.3 shall affect the right of a Party to serve legal process in any other manner permitted by Law or in equity. Each Party agrees that a final judgment in any Legal Proceeding so brought shall be conclusive and may be enforced by litigation or in any other manner provided by Law or in equity. The Parties intend that all foreign jurisdictions will enforce any decree of the Bankruptcy Court or Delaware Courts in any Legal Proceeding arising out of or relating to this Agreement.
- 15.4 Waiver of Jury Trial. Each Party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any Legal Proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.
- 15.5 Third Party Beneficiaries. The Parties hereby acknowledge and agree that (i) the PSAN Consenting OEMs are intended third party beneficiaries of this Agreement by virtue of TKH’s reliance on the TKH Services following the U.S. Closing in order to operate the TKH Business, which includes the supply of PSAN Inflators to PSAN Consenting OEMs, (ii) the Consenting OEMs are intended third party beneficiaries of this Agreement

by virtue of the reliance by TK Global on the TKG Services following the U.S. Closing in order to operate the TKG Business, and (iii) the Warehouse Consenting OEMs are intended third party beneficiaries of this Agreement by virtue of the reliance by TK Services on certain TKS Services in connection with TK Services' operation of the TKS Business; provided, that, in the event of a material breach of this Agreement by Service Provider, a PSAN Consenting OEM or Warehouse Consenting OEM may enforce the terms and conditions of this Agreement against Service Provider only if that PSAN Consenting OEM or Warehouse Consenting OEM, as applicable, first makes a written demand on the applicable Recipient to enforce the terms and conditions of this Agreement against Service Provider, and the applicable Recipient does not pursue an action regarding such breach acceptable to such PSAN Consenting OEM with respect to TKH, or Warehouse Consenting OEM with respect to TK Services, as applicable; and provided, further, that, subject to Section 14.7, no such PSAN Consenting OEM, Consenting OEM or Warehouse Consenting OEM will have any separate claim or cause of action, or right to any remedy or damages, against Service Provider in connection with this Agreement (other than to enforce the terms and conditions of this Agreement on behalf of a Recipient) in accordance with the terms and conditions herein. Except for the foregoing, this Agreement shall be binding upon and inure solely to the benefit of the Parties and their successors and permitted assigns, and nothing herein, express or implied, is intended to, or shall confer upon, any other person any legal or equitable right, benefit or remedy of any nature whatsoever.

- 15.6 Assignment. Neither Party may assign this Agreement or any of its rights or obligations hereunder, without the prior written consent of the other Party and the Consenting OEMs; provided, however, that Service Provider shall be permitted to assign its rights and obligations under this Agreement in connection with an internal reorganization or to an Affiliate, and may also assign this Agreement to the Plan Sponsor's lenders, or any security trustee or collateral agent appointed by the Plan Sponsor's lenders, for collateral security purposes. No assignment hereunder shall be deemed effective until the assignee has executed and delivered an instrument in writing reasonably satisfactory in form and substance to the non-assigning Party, pursuant to which the assignee assumes all of the obligations of the applicable assigning Party hereunder. Any purported assignment in violation of this Section shall be void. This Agreement shall be binding upon the successors and permitted assigns of the Parties and the name of a Party shall be deemed to include the names of its successors and assigns.
- 15.7 Force Majeure. Continued performance of a Service may be suspended immediately by Service Provider in affected jurisdiction(s), and Service Provider shall not be deemed to have breached this Agreement with respect to such jurisdiction(s), to the extent that performance of Service Provider's obligations or attempts to cure any breach are made impossible or impracticable by any event or condition beyond the reasonable control of Service Provider (for avoidance of doubt, or its Affiliates or Third Party Providers, as applicable) to the extent without its fault, including any act of God, fire, flood, natural disaster, terrorism, labor or trade disturbance, war, riots, civil commotion, cybersecurity attack (except to the extent due to Service Provider's breach of its obligations under Section 7.1), compliance in good faith with the requirements of any applicable Law or act of any Governmental Authority (whether or not it later proves to be invalid), shortage or

unavailability of materials or supplies, or any other similar event or condition beyond the reasonable control of Service Provider (any such event or condition, a “Force Majeure Event”); Service Provider shall give prompt notice to the applicable Recipient of the occurrence of a Force Majeure Event giving rise to any suspension of a Service and of the nature and anticipated duration of such Force Majeure Event, and shall use commercially reasonable efforts (at such Recipient’s cost and expense to the extent used to provide the Services) to cure the cause of such suspension reasonably promptly, it being understood, however, that labor disputes shall be a continuing cause of suspension, and settlement of the same shall be entirely within the discretion of the providing Party. Upon the occurrence of a Force Majeure Event, Service Provider and the applicable Recipient shall cooperate with each other to find reasonable alternative commercial means and methods for such Recipient to obtain the suspended Service, if reasonably necessary. This Section 15.7 shall also apply *mutatis mutandis* with respect to TKH and the Equipment Maintenance Services.

15.8 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any term or other provision of this Agreement, or the application thereof to any person or entity or any circumstance, is invalid, illegal or unenforceable: (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision; and (ii) the remainder of this Agreement and the application of such provision to other persons, entities, or circumstances shall not be affected by such invalidity, illegality, or unenforceability, nor shall such invalidity, illegality, or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

15.9 Amendment; Waiver.

(a) No provision of this Agreement may be amended unless the amendment is in writing and signed by (i) Service Provider, on the one hand; and (ii) on the other hand, (A) TKH (or its Designated Affiliates) and the PSAN Consenting OEMs, in the case of an amendment with respect to TKH, its Designated Affiliates, or the Services applicable to TKH, including the Equipment Maintenance Services, (B) TK Services (or its Designated Affiliates) and the Warehouse Consenting OEMs in the case of an amendment with respect to TK Services, its Designated Affiliates, or the Services applicable to TK Services, or (C) TK Global (or its Designated Affiliates) and the Consenting OEMs, in the case of an amendment with respect to TK Global, its Designated Affiliates, or the Services applicable to TK Global.

(b) No provision of this Agreement may be waived unless such waiver is in writing and signed by the Party against whom the waiver is to be effective and all the Consenting OEMs, except (y) if the waiver relates solely to TKH or the TKH Services, the PSAN Consenting OEMs shall be the only Consenting OEMs required to sign such waiver, or (z) if the waiver relates solely to the operation of the WSD Business by TK Services, the Warehouse Consenting OEMs shall be the

only Consenting OEMs required to sign such waiver; provided, however, no Consenting OEM is required to sign a waiver on behalf of Service Provider.

- (c) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 15.10 Headings. The heading references herein and the table of contents hereto are for convenience purposes only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.
- 15.11 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations (whether written or oral), with respect to such matters, by or between the Parties, their Affiliates, or any of their Subsidiaries, as applicable.
- 15.12 Independent Parties. This Agreement shall not be deemed to create any partnership, joint venture, amalgamation, or agency relationship between a Recipient and Service Provider. Each Party shall act hereunder as an independent contractor. Each obligation of a Recipient under this Agreement is a several, and not joint, obligation of that Recipient and no breach of an obligation by a Recipient under this Agreement may be used against another Recipient for any purpose, provided that each Recipient shall be responsible for its Designated Affiliates.
- 15.13 Interpretation. The Parties acknowledge and agree that: (i) each Party and its representatives has reviewed and negotiated the terms and conditions of this Agreement and have contributed to its revision; (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; (iii) the terms and conditions of this Agreement shall be construed fairly as to each Party and not in favor of or against either Party regardless of which Party was generally responsible for preparation of this Agreement; and (iv) whenever the words “include,” “includes,” or “including” are used in this Agreement, they shall be deemed to be followed by the words “but not limited to.”
- 15.14 Counterparts; Facsimile and Electronic Signatures. This Agreement may be executed in one 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 facsimile copies or delivered by electronic communications by portable document format (.pdf), each of which shall be deemed an original.
- 15.15 Representative. For clarity, all provisions of this Agreement requiring a consent (such as to waive a provision of this Agreement) or permitting an election or other decision to be made by or on behalf of a Recipient or, to the extent receiving Services, any other Affiliate of that Recipient, shall be interpreted so as to require only the consent, election or other decision of the Recipient who is a signatory to this Agreement, and all other

Recipient Affiliates shall be bound by any and all such consents, elections or decisions. For the avoidance of doubt, neither TKH nor any Subsidiary of TKH may provide a consent, election, or decision on behalf of TK Services or its Designated Affiliates and neither TK Services nor any Subsidiary of TK Services may provide a consent, election, or decision on behalf of TKH or its Designated Affiliates.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have each caused this Agreement to be duly executed as of the Effective Date.

[Joyson KSS Auto Safety S.A.], as Service Provider

By:
Title:

TK Holdings Inc., as a Recipient:

By:
Title:

TK Services Inc., as a Recipient:

By:
Title:

TK Global LLC, as a Recipient:

By:
Title:

EXHIBIT A

TKH Services

[To be provided]

EXHIBIT B

TKS Services

[To be provided]

EXHIBIT C

TKG Services

[To be provided]

EXHIBIT D

Excluded Services

[To be provided]

EXHIBIT E

Equipment Maintenance Services

[To be provided]

Schedule 2.9

Additional Terms and Conditions Re: Use of Office Space and Other Facilities

(a) Service Provider hereby grants to each Recipient, a limited non-exclusive license to permit the applicable Recipient's personnel, employees, representatives, contractors, invitees and licensees ("Personnel") to access and use the [space, offices, desks, work stations and production lines used by the PSAN Inflator Business during the twelve-month period preceding the Effective Date (the "Licensed Area") at the [_____]²]³ (the "Service Provider Facilities"), together with a non-exclusive right to use in common with Service Provider the common areas at and serving the Service Provider Facilities, provided however that Recipient shall at all times (i) utilize the Licensed Area in a manner consistent with the prior use of the space by the PSAN Inflator Business during the twelve-month period preceding the Effective Date and (ii) not materially increase the number of Recipient's or its Affiliates personnel using the Licensed Area (the license granted pursuant to this Schedule 2.9, the "Service Provider Facilities License"). The parties acknowledge that as of the date hereof, the Licensed Area is not segregated from the remainder of the Service Provider Facilities to be utilized by Service Provider. Solely to the extent necessary to physically segregate Recipient's operations from Service Provider's operations. Service Provider shall have the right, upon written notice to Recipient, with each of the Parties bearing one-half of the cost and expense, to either (x) relocate the location of the Licensed Area to another location in the relevant Service Provider Facility which is physically segregated from the portion of the Service Provider Facility occupied by Service Provider (provided, the new location is reasonably comparable to the location of the Licensed Area as of the date hereof), or (y) erect reasonable alterations to the Service Provider Facility to physically segregate the Licensed Area licensed to Recipient as of the date hereof from the portion of the Service Provider Facility occupied by Service Provider; provided, that, in either case (x) or (y), if there are any particularly sensitive manufacturing lines for which relocation or segregation would introduce significant risk of disruption to the operation of such line, then the Parties will cooperate in good faith to identify a plan to eliminate such disruption to such line to the extent reasonably practicable and, if they are unable to agree on such a plan (such agreement not to be unreasonably withheld or delayed) the relocation or segregation shall not take place. The Service Provider Facilities License shall automatically terminate on the earlier of (a) expiration of the Term or (b) thirty (30) days following Service Provider's receipt of written notice that Recipient is terminating the Service Provider Facilities License (the "Expiration Date"). In consideration for the Service Provider Facilities License, Recipient shall pay to Service Provider (or to an Affiliate designated by Service Provider in writing to Recipient) a monthly fee in the amount equal to, with respect to Licensed Area in Service Provider Facilities owned in fee by Service Provider or its Affiliates, the fair market rental value (less typical profit margin in the relevant local real estate market) of the Licensed Area, and with respect to the Licensed Area in Service Provider Facilities leased by Service Provider or its Affiliates Recipient's Ratable Share (as hereinafter defined) of the monthly rental due and payable by Service Provider or its Affiliates to the applicable landlord in connection therewith (the "License Fee")⁴, plus such

² *Note to Draft:* Facilities to be determined.

³ *Note to Draft:* Subject to ongoing discussions by Recipient, Service Provider, and Restructuring Support Parties.

⁴ *Note to Draft:* Subject to ongoing discussions by Recipient, Service Provider, and Restructuring Support Parties.

allocation of costs and expenses to reflect the pricing intent of Section 5.2 of the main body of this Agreement in connection with Service Provider's use of the Licensed Area which, for purposes of clarity, will include any Taxes allocable to a Recipient's Ratable Share. The License Fee shall be paid by the applicable Recipient monthly in advance, commencing on the date hereof and thereafter on the first day of each calendar month through the expiration of the Expiration Date, pro-rated for any partial month. For the purposes hereof, "Ratable Share" for any Service Provider Facility in which Licensed Area exists means the percentage equivalent of a fraction, the numerator of which is equal to the square footage of the Licensed Area in such Service Provider Facility (excluding common areas) and the denominator is equal to the square footage of such Service Provider Facility (excluding common areas). For the avoidance of doubt, the License Fee is part of the Service Provider's Fully Burdened Cost and subject to the provisions of the Agreement.

(b) Recipient shall only permit its or its Affiliate's Personnel to use the Licensed Area. The number of Personnel of Recipient and/or its Affiliates using the Licensed Area shall not substantially exceed the number of Personnel used by Recipient at the Licensed Area with respect to the PSAN Inflator Business immediately prior to the Effective Date (other than increased headcount that is a necessary consequence of duplicated resources associated with separation of the PSAN Inflator Business from the Business); nor will the method of operations nor use of facilities by Recipient or its Personnel at the Licensed Area differ substantially from the method of operations and use of facilities by Recipient or its Personnel with respect to the PSAN Inflator Business immediately prior to the Effective Date. Recipient shall not make, and shall cause its Affiliates, representatives, contractors, invitees and licensees to refrain from making, any changes, repairs, alterations or improvements to the Licensed Area except with the prior written approval of Service Provider, which approval shall not be unreasonably withheld, conditioned or delayed.

(c) During the term of the Service Provider Facilities License, Service Provider agrees to provide (or cause to be provided) to the Licensed Area heat, water, air conditioning, cleaning and electricity and other services to the extent and in a manner consistent with past practices immediately prior to the Effective Date; provided, however, Recipient acknowledges and agrees that various services included in the Services (e.g., heat, water, air conditioning, cleaning and electricity) are provided by the landlord of the Licensed Area if the applicable lease states that the landlord is responsible for providing such services. Service Provider shall have no obligation or liability in the event of such landlord's failure to provide such services to the Licensed Area, except that Service Provider shall use commercially reasonable efforts to have landlord provide such services. During the term of the Service Provider Facilities License, all of Service Provider's Fully Burdened Costs relating to Recipient's Ratable Share for the Licensed Area, including, maintenance, water, sewer, telephone, electricity and gas service shall be borne by Recipient. Recipient shall pay any such costs in accordance with the terms of Section 5.2 of this Agreement.

(d) Recipient shall, and shall cause its Personnel to, vacate the Licensed Area and Service Provider Facilities at or prior to the Expiration Date. At the end of the term of the license granted under this Schedule 2.9, Recipient shall deliver over to Service Provider or its Affiliates, as applicable, the Licensed Area in the same repair and condition at that date as on the date hereof, ordinary wear and tear excepted. Service Provider and its Affiliates shall have

reasonable access to the Licensed Area from time to time during the term of the Service Provider Facilities License as Service Provider deems reasonably necessary or desirable for the security, inspection or maintenance thereof. If Recipient shall remain in possession of the whole or any portion of the Licensed Area after the expiration or other earlier termination of the term of the Service Provider Facilities License, then for each month or portion thereof during which Recipient so remains in possession, Recipient shall pay to Service provider on the first Business Day of each month, a monthly amount equal to interest rate payable for a late payment of License Fees.

(e) Recipient agrees to maintain commercially appropriate and customary levels of property and liability insurance in respect of the Licensed Area and the activities conducted thereon. Recipient shall, and shall cause its Affiliates and its and their Personnel to, comply with (i) all Laws applicable to their use or occupation of the Licensed Area, including those relating to environmental and workplace safety matters, (ii) all applicable site and building rules, regulations, policies and procedures of Service Provider or the landlord, owner or manager of the Licensed Area, (iii) any applicable requirements of any real property lease, license agreement or other occupancy agreement governing the Licensed Area, and (iv) all reasonable requests with respect to the use and occupancy of the Licensed Area, including security, access and means of operations and compliance with Service Provider's lease and occupancy requirements for the Licensed Area. Neither Service Provider nor any of its Subsidiaries or Affiliates shall have any obligation or liability with respect to risk of loss for any personal property and/or materials whatsoever to be retained at the Licensed Area, and all risk of loss with respect thereto shall be borne by Recipient, except to the extent caused by the gross negligence or intentional misconduct of Service Provider or its Subsidiaries or Affiliates.

(f) Except to the extent Service Provider is obligated to reimburse Recipient and its Affiliates pursuant to subsection (g) below, Recipient shall, promptly upon written request of Service Provider, reimburse Service Provider and its Affiliates for any actual costs or actual damages incurred by Service Provider or its Affiliates in connection with the use and operation of the Licensed Area or the Service Provider Facilities by Recipient, its Affiliates or its or their Personnel, including, without limitation, as a result of (i) any accident, injury to or death of persons or loss of or damage to property occurring on or about any portion of the License Area then used and/or occupied by Recipient or any other Person (excluding Service Provider and/or its Affiliates), to the extent such Person's use and/or occupancy is authorized or permitted by Recipient and/or its Affiliates, during the Term of the Servicer Provider Facility License, (ii) any failure on the part of Recipient and its Affiliates to perform or comply with any use obligation of lessee under any lease of the Licensed Area during the term of the Servicer Provider Facility License, except to the extent caused by the action or omission of Service Provider or its Affiliates or their Personnel (iii) performance of any labor or services or the furnishing of any materials or other property in respect of any portion of the License Area then used and/or occupied by Recipient or its Affiliates or any other Person (excluding Service Provider and/or its Affiliates), to the extent such Person's use and/or occupancy is authorized or permitted by Recipient and/or its Affiliates, as the case may be and/or (iv) the use and/or occupancy of any of the License Area by Recipient, its Affiliates or any other Person (excluding Service Provider and/or its Affiliates), to the extent such Person's use and/or occupancy is authorized or permitted by Recipient and/or its Affiliates.

(g) Except to the extent Recipient is obligated to reimburse Service Provider and its Affiliates pursuant to subsection (f) above, Service Provider shall, promptly upon written request of Recipient, reimburse Recipient and its Affiliates for any actual costs or actual damages incurred by Recipient or its Affiliates as a result of (i) failure on the part of Service Provider and its Affiliates to perform or comply with any obligation of lessee under, or any other term of, any lease of the Licensed Area during the term of the Service Provider Facility License, except to the extent caused by the action or omission of Recipient or its Affiliates or their Personnel, or (ii) Service Provider's negligence or willful misconduct.

(h) The rights granted pursuant to this Schedule 2.9 shall be in the nature of a license only and shall not create or be deemed to create any leasehold or other estate or possessory rights in Recipient or its Personnel with respect to the Service Provider Facilities and shall not include any right of sub-license or sub-leasehold to any third party unaffiliated with Recipient.

EXHIBIT I

Shared Services Agreement

Preliminary Draft;
Subject to Material Change and Approval by Restructuring Support Parties
01.23.18

SHARED SERVICES AGREEMENT

This SHARED SERVICES AGREEMENT (this “Agreement”) dated as of [●], 2018 (the “Effective Date”) is made and entered into by and among each of TK Holdings Inc., a Delaware corporation (“TKH”), TK Global LLC, a Delaware limited liability company (“TK Global”), TK Services Inc., a Delaware corporation (“TK Services”), and RTK (Changxing) Safety systems CO, LTD. (“RTK China”)]¹. TKH, TK Global, TK Services[, and RTK China] are individually referred to as a “TK Party” and collectively as the “TK Parties.”

RECITALS

WHEREAS, TKH and certain of its Affiliates (as defined in the TK Purchase Agreements described below) and Joyson KSS Auto Safety S.A., a Luxembourg *société anonyme* (“KSS”, and collectively with one or more of its current or future Subsidiaries or Affiliates, the “Plan Sponsor”) have entered into that certain Asset Purchase Agreement, dated as of November 16, 2017, and as amended (the “TK US Purchase Agreement”), pursuant to which TKH and certain TKH Affiliates agreed to sell, transfer and assign to Plan Sponsor, and Plan Sponsor agreed to acquire and assume from TKH and such TKH Affiliates, certain assets and liabilities, among other matters set forth therein;

WHEREAS, concurrently with the execution of the TK US Purchase Agreement, Plan Sponsor, and TKH and/or certain Affiliates of TKH entered into (a) the TKJP Purchase Agreement (as defined in the TK US Purchase Agreement), and (b) the TK Europe Purchase Agreement (as defined in the TK US Purchase Agreement) (the TK US Purchase Agreement, TKJP Purchase Agreement, and the TK Europe Purchase Agreement, collectively, the “TK Purchase Agreements”);

WHEREAS, pursuant to the Plan (as defined below), the TK Parties and certain of their Designated Affiliates (as defined below) are required to, among other things, continue operation of the PSAN Inflator Business (as defined in the applicable TK Purchase Agreement), which for purposes of this Agreement shall include the warehousing, shipping, and disposal of PSAN Inflators delivered by Warehouse Consenting OEMs to TK Services (which is also referred to in the Plan as the “Warehousing Entity”) after the Plan Effective Date (as defined below), and the continued operation of the Product Safety Group of TK Services related to recalled PSAN Inflators, in each case, regardless of whether or not required by the Plan;

WHEREAS, in connection with the continued operation of the PSAN Inflator Business (as defined in the TK US Purchase Agreement) by the TK Parties following the U.S. Closing (as defined in the TK US Purchase Agreement), the TK Parties and KSS have entered into the Transition Services Agreement, dated as of [●] (the “Transition Services Agreement”), pursuant to which KSS has agreed to provide to the TK Parties certain services necessary or

¹ **Note to Draft:** To be confirmed whether RTK China and the Japan Warehousing Entity should be a Party to this Agreement or simply a Designated Affiliate.

useful for the TK Parties to continue operation of the PSAN Inflator Business (the “KSS Services”), subject to the terms and conditions set forth therein;

WHEREAS, in connection with the operation of the PSAN Inflator Business (as defined in the TK US Purchase Agreement) following the U.S. Closing (as defined in the TK US Purchase Agreement), each of the TK Parties desire to provide to certain other TK Parties and/or receive from certain other TK Parties, the Services (as defined below), as applicable, subject to the terms and conditions set forth herein; and

WHEREAS, the Plan contemplates that this Agreement will be filed with the Plan Supplement (as defined in the Plan).

NOW THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS.

1.1 Definitions. The following capitalized terms shall have the meanings specified in this Section 1. Capitalized terms used in this Agreement but not defined in this Section 1 or elsewhere in this Agreement shall have the respective meanings for such terms set forth in the Plan.

- (a) “Affiliate” shall have the meaning set forth in the TK Purchase Agreements.
- (b) “Agreement” shall have the meaning set forth in the preamble.
- (c) “Confidential Information” shall have the meaning set forth in Section 10.
- (d) “Designated Affiliate” means (a) an Affiliate of a TK Party, (b) [RTK (Changxing) Safety systems CO, LTD.], and (c) any other entity created in connection with the Plan to operate portions of the PSAN Inflator Business; in each case, that executes an addendum to this Agreement, in form reasonably satisfactory to Service Provider, by which such Affiliate or such other entity agrees (1) to be bound by the terms and conditions of this Agreement applicable to such Recipient in connection with the Services, (2) that notice and communications under this Agreement shall be to the applicable Recipient (on behalf of itself and its Designated Affiliates) except where expressly indicated otherwise in this Agreement (such as with respect to invoicing in Section 2.3) and (3) enforcement of this Agreement shall be solely by the applicable Recipient on behalf of itself and its Designated Affiliates. References in this Agreement to “Recipient(s),” either directly or as a “TK Party” or “TK Parties” shall include the Designated Affiliates of such TK Party (including with respect to delivery and receipt of applicable Services and as to acknowledgements and agreements, disclaimers and limitations on liability, and limited remedies) except where the

context expressly and specifically makes a distinction between a Recipient and any Designated Affiliates (such as with respect to invoicing in Section 2.3).

- (e) “Disclosing Party” shall have the meaning set forth in Section 10.
- (f) “Effective Date” shall have the meaning set forth in the preamble.
- (g) “Force Majeure Event” shall have the meaning set forth in Section 14.7.
- (h) “Fully Burdened Cost” means the fully burdened costs of providing Services by an applicable Service Provider and its Affiliates, calculated in accordance with such Service Provider’s standard ordinary course cost allocation methods, calculated in accordance with generally accepted accounting principles in the applicable jurisdiction.
- (i) “KSS” shall have the meaning set forth in the Recitals.
- (j) “KSS Services” shall have the meaning set forth in the Recitals.
- (k) “Local Affiliate Provider” has the meaning set forth in Section 2.3.
- (l) “Plan” means the Third Amended Joint Chapter 11 Plan of Reorganization of Sellers (as defined in the TK US Purchase Agreement), as may be altered, amended, or otherwise modified from time to time in accordance with its terms.
- (m) “Post-Closing Consenting OEM WSD Contract” means an agreement between TK Services and a Warehouse Consenting OEM relating to warehousing, shipping, and disposal services for PSAN Inflators returned to TK Services after the Plan Effective Date.
- (n) “PSAN Purchasers” means the applicable PSAN Consenting OEM, Consenting OEM PSAN Contract Manufacturer, and Consenting OEM PSAN Tier One that is a counter party to an Assumed PSAN Contract.
- (o) “Receiving Party” shall have the meaning set forth in Section 10.3.
- (p) “Retention Period” shall have the meaning set forth in Section 5.4.
- (q) “Recipient” or “Recipients” shall mean, with respect to each particular Service listed on Exhibit A, the TK Party indicated as the “Applicable Recipient” for such item of Services.
- (r) “Sales and Service Taxes” shall have the meaning set forth in Section 5.5.
- (s) “Service Provider” shall mean, with respect to each particular Service listed on Exhibit A, the TK Party indicated as the “Service Provider” for such item of Services.

- (t) “Services” shall have the meaning set forth in Section 2.1.
- (u) “Service Fee” shall have the meaning set forth in Section 5.1.
- (v) “Systems” shall mean systems, networks, software, databases, other computer-based resources or similar technology.
- (w) “Term” shall have the meaning set forth in Section 9.1.
- (x) “Third Party Provider” shall have the meaning set forth in Section 2.2.
- (y) “TK Party” shall have the meaning set forth in the preamble.
- (z) “TK Purchase Agreements” shall have the meaning set forth in the Recitals.
- (aa) “TK US Purchase Agreement” shall have the meaning set forth in the Recitals.
- (bb) “Transaction Documents” means, collectively: (i) the Plan; (ii) any and all documents executed in connection with or attached to the Plan; and (iii) the Assumed PSAN Contracts, the NHTSA Preservation Order, and the Post-Closing Consenting OEM WSD Contract; in each case, as required for the continued operation of the PSAN Inflator Business by the TK Parties in accordance with the foregoing documents.
- (cc) “Transferred Employees” shall collectively mean “Transferred Employees” as defined in the TK US Purchase Agreement and “Transferred Employees” as defined in the TKJP Purchase Agreement.
- (dd) “Transition Services Agreement” shall have the meaning set forth in the Recitals.

2. SERVICES.

- 2.1 Services. Commencing on the Effective Date and continuing throughout the Term, but subject to the terms and conditions of this Agreement, each applicable TK Party shall provide, or shall cause its Affiliates or Third Party Providers who are approved in accordance with Section 2.2 to provide, to each applicable Recipient, those services in Exhibit A for which such TK Party is indicated as the “Service Provider” (together with any other services specified in the main body of this Agreement, including electronic access and security and disaster recovery services, the “Services”). Each applicable Service Provider shall provide the Services in a manner and with the standard of care consistent with the manner and standard of care in which such services were so previously performed by TKH and its Affiliates for themselves in the twelve (12) months prior to the U.S. Closing. Neither TKH, TK Services, nor TK Global may provide any Services not expressly specified in the body of this Agreement or otherwise in Exhibit A without the prior written consent of (i) the PSAN Consenting OEMs, for TKH, (ii) the Warehouse Consenting OEMs, for TK Services, and (iii) the Consenting OEMs for TK Global. All Services shall be provided in accordance with the terms and conditions set

forth herein and as further detailed on Exhibit A. For clarity, in the event of any conflict between Exhibit A and the main body of this Agreement, the main body of this Agreement will govern.

- 2.2 Use of Affiliates and Third Party Providers. Each applicable Service Provider shall have the right, after receiving the prior written consent of (i) the PSAN Consenting OEMs, for Services to be provided to TKH, (ii) the Warehousing Consenting OEMs, for Services to be provided to TK Services, and (iii) the Consenting OEMs, for Services to be provided to TK Global, to designate an Affiliate or a third party provider (“Third Party Provider”) to provide any of the applicable Services, subject to any such Third Party Provider agreeing in writing to provide such Services in accordance with Section 2.1 and the other applicable terms and conditions of this Agreement. For the avoidance of doubt, such applicable Service Provider will remain liable for the provision of the applicable Services by an Affiliate or a Third Party Provider.
- 2.3 Local Implementing Agreements. The TK Parties agree that certain Services may be provided directly by an Affiliate of an applicable Service Provider (a “Local Affiliate Provider”) to Designated Affiliates of applicable Recipients. In that case, (i) the applicable Designated Affiliate receiving the applicable Service(s) shall make payment for such Service(s) directly to that designated applicable Local Affiliate Provider, which shall provide an invoice for such Service(s) pursuant to Section 5.2, (ii) the applicable Service Provider and the applicable Recipient may agree to use a separate written implementing agreement consistent with this Agreement to reflect such arrangement, if and as necessary, and (iii) each TK Party thereto shall remain liable for compliance with the terms and conditions of this Agreement. For purposes of this Agreement, any reference herein to a “Service Provider” or a “Recipient” or to an action to be taken by a Service Provider or a Recipient shall be deemed to refer, respectively, to a Local Affiliate Provider or Designated Affiliate and to an action taken by a Local Affiliate Provider or Designated Affiliate, in each case, as applicable.
- 2.4 Certain Limitations.
- (a) Notwithstanding any other provision of this Agreement, each applicable Service Provider shall have the right to suspend or terminate a portion of the Services immediately if and to the extent that the provision of the applicable Services by such Service Provider violates applicable Laws, unless the applicable Service Provider can reasonably adjust the manner in which it provides the Services such that they no longer violate such Laws.
- (b) Each Party may make changes from time to time with regard to the manner, resources, assets, services, products, and location of Service delivery used in performing the Services; provided, that: (i) provision of such Services by the applicable Service Provider remains subject to the requirements set forth in Section 2.1; (ii) the applicable Service Provider will provide the applicable Recipient with prior notice (to the extent reasonably practicable) of any such changes that are material to such Services or that are reasonably expected to require material changes in the operations of the applicable Recipient to receive

the Services; (iii) such changes will be implemented at such Service Provider's sole cost and expense, unless such changes are implemented to comply with applicable Law (or changes thereto) or to address a Recipient requested change; and (iv) such changes will not cause such Recipient to violate applicable Law or breach the NHTSA Preservation Order or the Post-Closing Consenting OEM WSD Contract.

3. PURPOSE.

- 3.1 Purpose and Use of Services. The Services to be provided pursuant to this Agreement are intended solely to assist each Recipient in connection with such Recipient's continued operation of its applicable portions of the PSAN Inflator Business, including (i) the supply, on a global basis, of PSAN Inflators to PSAN Purchasers by TKH in accordance with the terms and conditions of the Assumed PSAN Contracts, (ii) the provision of warehousing, shipping, and disposal services to the Warehouse Consenting OEMs by TK Services pursuant to the terms of the Transaction Documents, and (iii) the operation of the Product Safety Group of TK Services related to recalled PSAN Inflators, as applicable. In addition, each applicable Recipient and its Affiliates shall not allow the use of the applicable Services by any Person other than in connection with the conduct of such Recipient's relevant portions of the PSAN Inflator Business as set forth above in this Section 3.1 nor resell any of the applicable Services to any Person whatsoever.
- 3.2 No Use of Services for Non-Consenting OEMs. Each Recipient shall not request a Service Provider to provide, and no Service Provider shall provide, any Service for such Recipient's use with or for the benefit of any customer of a Recipient or other third party, other than (i) PSAN Purchasers with respect to the research, design, manufacture, marketing, or sale of PSAN Inflators supplied by TKH, (ii) Warehouse Consenting OEMs with respect to the warehousing, shipping, and disposal of PSAN Inflators by TK Services, and (iii) Consenting OEMs with respect to the remainder of the PSAN Inflator Business.

4. COOPERATION.

- 4.1 Cooperation; Access to Information and Resources.
- (a) Each TK Party agrees to provide the applicable Service Providers with all reasonably requested or required instructions, data, other information and access from such Recipient and its Affiliates that is necessary for the applicable Service Provider to provide the Services. Each TK Party remains responsible for the instructions, data, and other information provided to the applicable Service Provider. If such TK Party fails to provide such instructions, data, information or access, the applicable Service Provider shall so notify the applicable Recipient and, if such failure by such Recipient remains uncured, such Service Provider shall not be liable for failing to perform the applicable Services for such Recipient.

(b) Each TK Party shall perform all obligations hereunder in good faith and in accordance with principles of fair dealing.

4.2 Compliance with Laws. Each TK Party shall comply with all Laws applicable to it in connection with the provisions and/or receipt of relevant Services and the application of the relevant Services to such Recipient's relevant portion of the PSAN Inflater Business.

5. FEES.

5.1 Service Fees. Each Service Provider shall charge the applicable Recipient for the Services received by that Recipient at a cost equal to such Service Provider's Fully Burdened Cost [plus three percent (3%)]² for the provision thereof (the "Service Fee"). In computing the Fully Burdened Cost used to compute the Service Fees, overhead shall be allocated in accordance with generally accepted accounting principles and consistent with the relevant provider's allocation in its own financial statements.

5.2 Payment Details. Each Recipient, for itself and not on behalf of any other Recipient, shall pay the applicable Service Provider monthly all undisputed Service Fees for each applicable Service, as invoiced in arrears by the applicable TK Party on the first day of each calendar month during the Term. The applicable Service Provider will only invoice the applicable Recipient the relevant Services performed for the applicable Recipient. Invoices shall be accompanied by reasonable documentation itemizing each of the invoiced amounts and shall be payable within 30 days of receipt thereof or any other time period agreed between the applicable parties. Upon a TK Party's reasonable request, the other applicable TK Party shall deliver to the requesting TK Party any additional non-confidential documentation to substantiate the invoiced amounts. Service Fees will be prorated for any applicable partial month, as applicable.

5.3 Payment Default. A payment default by a Party (each, a "Payment Default") shall be deemed to occur for that TK Party if the applicable invoice provided to that TK Party for a Service provided to that TK Party is not paid in full on the 30th day after such payment is due as described in Section 5.2. Upon a Payment Default, the applicable Service Provider may (y) suspend the applicable Services and decline to perform any of its obligations hereunder related to such Services and/or (z) terminate this Agreement with respect to that Recipient in accordance with Section 9.2(a), including the notice and cure provisions therein; in each case without limiting any other remedies the relevant TK Party may have in law or equity under the applicable circumstances.

5.4 Record Keeping; Audit. Each Service Provider will keep, maintain, and make available to each applicable Recipient reasonable records covering its costs for the provision of the applicable Service(s) to applicable Recipients, as would be necessary to verify such Service Provider's Fully Burdened Costs. For each Service, the applicable Service

² *Note to Draft:* To be discussed by the applicable Restructuring Support Parties.

Provider shall retain such records for a period of twenty-four (24) months following the month of such Service Provider's provision of that Service (the "Retention Period").

- 5.5 Sales and Services Taxes. All Service Fees are exclusive of any and all sales, use, transfer, value-added, goods or services taxes or similar gross-receipts based taxes ("Sales and Service Taxes") and such Sales and Services Taxes, other than taxes on the applicable Service Provider's income, shall be added to the Service Fees where applicable. Each TK Party shall promptly notify the other applicable TK Parties of any deficiency claim or similar notice by a Tax Authority with respect to any Sales and Services Taxes. Recipients shall remit to the appropriate tax authorities (the "Tax Authorities") any taxes required to be withheld by law from any fees payable to an applicable Service Provider hereunder.
- 5.6 Corporate Tax Sharing and Allocation. TBD.³

6. RECORDS.

- 6.1 Records. Each Service Provider shall take reasonable steps to keep records regarding the provision of Services reasonably consistent with the manner in which TKH kept records regarding such Services prior to the Effective Date or as otherwise required by applicable Law. Each Service Provider shall retain such records with respect to any given calendar month of Services for the Retention Period. Each Service Provider will, upon a Recipient's reasonable written request: (a) provide a copy of such records to such Recipient or (b) offer to transfer such records to such Recipient, at such Recipient's expense.

7. ELECTRONIC ACCESS AND SECURITY.

- 7.1 System Access. If any TK Party grants another TK Party access to any of its Systems, or if any TK Party is otherwise granted access to any of another TK Party's Systems in connection with provision or receipt of Services, the accessing TK Party shall comply with the other TK Party's system security policies, procedures and requirements, as such are amended from time to time, disclosed to the accessing TK Party.
- 7.2 Protection of Data. Except as otherwise requested by a Recipient in writing and agreed to by the applicable Service Provider, each Service Provider shall, and shall cause its Affiliates to, use reasonable measures (physical, procedural, and electronic) to protect the data owned by a Recipient and shared with such Service Provider, at least consistent with TKH's and/or its Affiliate's practices in protecting such data on the Closing Date. In the event that any such data is lost or destroyed, the applicable Service Provider shall, upon a

³ *Note to Draft:* To be discussed by the applicable Restructuring Support Parties whether a corporate tax sharing arrangement/agreement will be necessary?

Recipient's request, use its commercially reasonable efforts to reconstruct such data with the reasonable cooperation of such Recipient.

- 7.3 Access to and Use of Systems. Each TK Party shall prevent unauthorized access, use, destruction, alteration, circumvention, misuse of, or other adverse effect on the Systems, or of the information contained therein, and shall notify its personnel regarding the restrictions set forth in this Agreement. The TK Party providing access to its Systems may suspend or terminate access to Systems by any individual and access or links to, or installation on, the System of any device, software or other content or materials, including immediately if such TK Party deems it necessary for System security, provided, that, the other applicable TK Parties shall be notified promptly thereof and the TK Parties shall reasonably cooperate to minimize the impact of same.

8. INTELLECTUAL PROPERTY.

- 8.1 Ownership. Each TK Party shall retain all right, title and interest in and to its Intellectual Property owned as of the U.S. Closing, or during the Term, and used in connection with the Services, including any Intellectual Property created by such TK Party in providing or receiving the Services, as applicable.
- 8.2 License Grant. Subject to the terms and conditions of this Agreement, each applicable Service Provider hereby grants to each applicable Recipient a non-exclusive, royalty-free license to use any designs or other Intellectual Property owned by such Service Provider for use solely in connection with such Recipient's receipt and use of the applicable Services in the continued operation of the PSAN Inflator Business following the U.S. Closing, such license granted on an "AS IS, WHERE IS" basis, with all faults.

9. TERM AND TERMINATION.

- 9.1 Term. The term of this Agreement shall begin on the Effective Date and continue with respect to each specific Service until the fifth (5th) anniversary of the Closing Date, unless earlier terminated in accordance with this Agreement (the "Term").
- 9.2 Termination. Upon written notice to the applicable TK Party and the then-current PSAN Consenting OEMs and Warehouse Consenting OEMs, as applicable, this Agreement may be terminated:
- (a) by any TK Party due to a material breach of this Agreement of another TK Party, which breach continues uncured for more than thirty (30) days following written notice thereof; provided, however, such terminating TK Party may only terminate this Agreement with respect to the applicable TK Party who is in material default, and each applicable Recipient can only terminate this Agreement for a material default by an applicable Service Provider TK Party with respect to itself, its Designated Affiliates and such Service Provider;

- (b) by any TK Party, as an applicable Recipient, on thirty (30) days' prior written notice for any or no reason, solely with respect to the provision of Services (in their entirety) by or on behalf of a particular Service Provider to such Recipient.
- 9.3 Partial Termination of Services. During the Term, a Recipient may, upon thirty (30) days' prior written notice to the applicable Service Provider, terminate any of the Services provided by such Service Provider under this Agreement for that Recipient, including any portion thereof.
- 9.4 Effect of Termination/Expiration. If this Agreement terminates or expires, either in whole or in part, all rights and obligations of the TK Parties hereunder shall terminate upon such termination with respect to the relevant Services and shall become null and void (other than Sections 5, 8.1, 10, 12.2(a), 13 and 14 which shall survive such termination). If this Agreement is terminated other than as a result of a material breach by the applicable Recipient, then the applicable Service Provider shall assist the applicable Recipient in transitioning the performance or provision of any applicable Services remaining under this Agreement (as of the date of such termination) to such Recipient or to such other third party with which such Recipient chooses to replace such Service Provider to perform such remaining or unfulfilled Services.

10. CONFIDENTIALITY.

- 10.1 Confidential Information. The TK Parties acknowledge that, in connection with this Agreement, they may each have access to certain information and materials concerning the another TK Party's business and products (including information and materials contained in technical data provided to such TK Party, information concerning the PSAN Inflator Business, financial information and data, strategies and marketing and customer information) which is confidential and of substantial value to the disclosing TK Party, which value would be impaired if such information were disclosed to third parties ("Confidential Information").
- 10.2 Nondisclosure. Each TK Party agrees that it shall not, and shall cause its Affiliates and its and its Affiliates' officers, directors, members, managers, partners, employees, agents and other representatives not to, use in any way, for their own account or the account of any third party, or disclose to any third party, any such Confidential Information without prior written authorization from the other applicable TK Party, except: (i) as reasonably necessary to exercise its rights and perform its obligations under this Agreement (with any disclosures to third parties being subject to written confidentiality obligations that limit use to use in connection with this Agreement and nondisclosure obligations at least as restrictive as those contained herein); (ii) as required to be provided to the (A) PSAN Consenting OEMs or their representatives under the Assumed PSAN Contracts or (B) Warehouse Consenting OEMs under the Post-Closing Consenting OEM WSD Contracts; and (iii) as otherwise required by Law, a court of competent jurisdiction, or the rules of a national securities exchange. Each TK Party will take reasonable precautions to protect the confidentiality of such Confidential Information consistent with the efforts exercised by it with respect to its own Confidential Information.

- 10.3 Permitted Disclosures. Notwithstanding anything to the contrary set forth herein, a TK Party who receives Confidential Information (the “Receiving Party”) from another TK Party (the “Disclosing Party”) shall not be required to hold in confidence information that: (a) is or becomes generally available to the public other than as a result of a breach of these provisions by the Receiving Party; (b) becomes available to the Receiving Party subsequent to the date hereof on a non-confidential basis from a source other than the Disclosing Party or in connection with the provision of the applicable Services, provided that the source of such information was not bound by a confidentiality agreement with, or bound by any other contractual, legal or fiduciary obligation of confidentiality to, the Disclosing Party with respect to such information; or (c) is developed by the Receiving Party independently without reference to the Disclosing Party’s Confidential Information.

11. SERVICES NOT INTENDED TO BREACH CONTRACTS OR LAWS

- 11.1 Services Not Intended to Breach Contracts or Laws. Notwithstanding anything to the contrary contained in this Agreement, each applicable Service Provider agrees it will not perform the Services for each applicable Recipient in a manner that will cause the applicable Recipient to breach, as applicable to such Recipient, the Assumed PSAN Contracts, the Post-Closing Consenting OEM WSD Contracts, or the NHTSA Preservation Order.

12. REPRESENTATIONS AND WARRANTIES; ACKNOWLEDGMENTS.

- 12.1 Service Provider Representations and Warranties. Each TK Party represents and warrants that it has the authority to enter into and perform its covenants and agreements set forth in this Agreement, and that the execution, delivery and performance of this Agreement does not materially conflict with or constitute a material breach or default under the terms and conditions of its organizational documents. Except as expressly set forth in this Section 12.1, each TK Party specifically disclaims all warranties of any kind arising out of or related to this Agreement.

- 12.2 Disclaimer and Acknowledgments.

- (a) EXCEPT AS EXPRESSLY SET FORTH HEREIN AND IN SECTION 12.1, AND WITHOUT LIMITING OR OTHERWISE MODIFYING ANY OF THE ASSUMED PSAN CONTRACTS OR POST-CLOSING CONSENTING OEM WSD CONTRACTS, EACH TK PARTY DISCLAIMS ALL REPRESENTATIONS, WARRANTIES AND GUARANTEES OF ANY KIND WITH RESPECT TO THE SERVICES (INCLUDING ANY DELIVERABLES), RESPECTIVELY, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AGAINST INFRINGEMENT OR THE LIKE, OF COURSE OF DEALING, USAGE OR TRADE, OR, WITHOUT LIMITING ANY APPLICABLE SERVICE PROVIDER’S COVENANTS UNDER THIS AGREEMENT (INCLUDING UNDER SECTION 2.1),

IMPLIED WARRANTY OF ERROR-FREE OPERATION OR AT ANY LEVEL OF SERVICE.

- (b) Subject to the foregoing, each TK Party, to the extent applicable as a Service Provider, acknowledges and agrees that its performance and provision of Services hereunder in accordance with this Agreement is material to each applicable Recipient's ability to continue to conduct its respective portions of the PSAN Inflator Business following the U.S. Closing without interruption.

13. LIMITATION OF LIABILITY.

13.1 General Limitation of Service Provider Liability.

- (a) The TK Parties shall work collaboratively during the Term to minimize the risk to each applicable Service Provider associated with such Service Provider providing Services to applicable Recipients. Without limiting the foregoing, each TK Party shall take all actions reasonably requested by another TK Party in order to maintain corporate separateness and to address any other risks that may be identified from time to time.
- (b) Subject to Sections 13.1(a), 13.2 and 13.3, each Service Provider will only be liable for errors and omissions with respect to, or other failures to perform, any applicable Service to the extent arising from such Service Provider's gross negligence or willful misconduct.

13.2 The applicable Service Provider will be liable to the applicable Recipient for any acts, omissions or failures to perform by third party vendors and contractors the applicable Service Provider selects to perform any Services, but the applicable Service Provider will not be liable to the applicable Recipient for any acts, omissions, or failure to perform by third party vendors and contractors selected by the applicable Recipient.

13.3 Infringement of Third Party IP. Each Party will remain liable for any claim that the Services violates the Intellectual Property of a Third Party to the extent the claim is based on a Party's own Intellectual Property or provision or receipt of the Services

13.4 Disclaimer of Damages. EXCEPT WITH RESPECT TO A TK PARTY'S CONTINUED MATERIAL BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 10 OR A RECIPIENT'S USE OF SERVICES BEYOND THE SCOPE OF ARTICLE 3, AND WITHOUT LIMITING OR MODIFYING ANY OF THE ASSUMED PSAN CONTRACTS OR POST-CLOSING CONSENTING OEM WSD CONTRACTS, IN NO EVENT SHALL ANY TK PARTY BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, FOR ANY LOSSES OF ANY TYPE ARISING FROM OR RELATED TO THIS AGREEMENT (WHETHER TO ANY RECIPIENT OR ANY AFFILIATE THEREOF,) THAT ARE IN THE NATURE OF LOST PROFITS, REVENUES OR OPPORTUNITY, DIMINUTION IN VALUE OR INDIRECT, SPECIAL,

CONSEQUENTIAL, PUNITIVE, SPECULATIVE OR INCIDENTAL DAMAGES, REGARDLESS OF WHETHER SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

- 13.5 Liability Cap. EXCEPT WITH RESPECT TO (A) A TK PARTY'S MATERIAL BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 10 OR A TK PARTY'S INTENTIONAL BREACH OF THIS AGREEMENT, (B) A RECIPIENT'S USE OF THE SERVICES BEYOND THE SCOPE OF ARTICLE 3, AND (C) EACH RECIPIENT'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT (WHICH SHALL NOT BE COUNTED FOR PURPOSES OF THIS SECTION 13.5), IN NO EVENT SHALL A PARTY (OR ITS AFFILIATES, OR ITS OR THEIR REPRESENTATIVES) BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, IN CONNECTION WITH THIS AGREEMENT (WHETHER TO ANOTHER TK PARTY OR ANY OTHER AFFILIATE), IN THE AGGREGATE FOR ANY AND ALL CLAIMS AND ASSERTIONS DURING OR AFTER THE TERM BY ALL PERSONS, FOR ANY AMOUNTS GREATER THAN THE SERVICE FEES PAID BY AN APPLICABLE RECIPIENT TO THE APPLICABLE SERVICE PROVIDER IN ANY CALENDAR YEAR, BUT IN NO EVENT LESS THAN ONE HUNDRED THOUSAND DOLLARS (US\$100,000).
- 13.6 Specific Performance. Without affecting any other rights or remedies of the Parties under this Agreement, each TK Party acknowledges and agrees that, in addition to any other remedies that may be available to it, each TK Party shall be entitled to seek to enforce the terms and conditions of this Agreement by a decree of specific performance in addition to all other remedies available at Law or equity to the TK Parties.

14. MISCELLANEOUS.

- 14.1 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing except as expressly provided herein. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given: (a) when delivered personally to the recipient; (b) one (1) Business Day after being sent to the recipient by reputable express courier service (charges prepaid); (c) upon receipt of confirmation of receipt if sent by facsimile transmission; (d) on the day such communication was sent by e-mail (with acknowledgement received); or (e) five (5) Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to TKH, to:

[•]
Attention: [•]
E-mail: [•]

with a copy to:

[•]

[If to TK Global, to:

[•]
Attention: [•]
E-mail: [•]

with a copy to:

[•]]

[If to TK Services, to:

[•]
Attention: [•]
E-mail: [•]

with a copy to:

[•]]

[If to RTK China, to:

[•]
Attention: [•]
E-mail: [•]

with a copy to:

[•]]

14.2 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York (without giving effect to the principles of conflict of Laws that would cause laws of a jurisdiction other than the State of New York to apply), except to the extent that the Laws of such state are superseded by the Bankruptcy Code.

- 14.3 Jurisdiction; Venue. By its execution and delivery of this Agreement, each TK Party hereby irrevocably and unconditionally agrees that the Bankruptcy Court and the Court of Chancery of the State of Delaware in and for New Castle County, or if the Court of Chancery lacks jurisdiction over such dispute, in any state or federal court having jurisdiction over the matter situated in New Castle County, Delaware (the “Delaware Courts”) shall have exclusive jurisdiction over all matters related to the construction, interpretation or enforcement of this Agreement. Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue in, and any defense of inconvenient forum to the maintenance of, any Legal Proceeding so brought and waives any bond, surety or other security that might be required of the other Party with respect thereto. The Parties intend that all foreign jurisdictions will enforce any decree of the Bankruptcy Court or Delaware Courts in any Legal Proceeding arising out of or relating to this Agreement.
- 14.4 Waiver of Jury Trial. Each TK Party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any Legal Proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.
- 14.5 No Third Party Beneficiaries. The Parties hereby acknowledge and agree that (i) the PSAN Consenting OEMs are intended third party beneficiaries of this Agreement by virtue of Recipient’s reliance on the Services following the U.S. Closing in order to operate the PSAN Inflator Business, which includes the supply of PSAN Inflators to PSAN Consenting OEMs, (ii) the Consenting OEMs are intended third party beneficiaries of this Agreement by virtue of the reliance by TK Global on certain Services following the U.S. Closing in order to operate the PSAN Inflator Business, and (iii) the Warehouse Consenting OEMs are intended third party beneficiaries of this Agreement by virtue of the reliance by TK Services on certain Services as necessary in connection with the warehousing, shipping, disposal, and testing of PSAN Inflators. Except for the foregoing, the TK Parties hereby acknowledge and agree that this Agreement shall be binding upon and inure solely to the benefit of the TK Parties (or their Designated Affiliates, as applicable) and their successors and permitted assigns, and nothing herein, express or implied, is intended to, or shall confer upon, any other person any legal or equitable right, benefit or remedy of any nature whatsoever.
- 14.6 Assignment. No TK Party may assign this Agreement or any of its rights or obligations hereunder, without the prior written consent of the other applicable TK Parties and the Consenting OEMs. Any purported assignment in violation of this Section shall be void. This Agreement shall be binding upon the successors and permitted assigns of the TK Parties and the name of a TK Party shall be deemed to include the names of its successors and assigns.
- 14.7 Force Majeure. A Service Provider shall not be deemed to have breached this Agreement, to the extent that performance of such Service Provider’s obligations or attempts to cure any breach are made impossible or impracticable by any event or condition beyond the reasonable control of such Service Provider (for avoidance of doubt, or its Affiliates or Third Party Providers, as applicable), including any act of God,

fire, flood, natural disaster, terrorism, labor or trade disturbance, war, riots, civil commotion, cybersecurity attack (except due to such Service Provider's gross negligence), compliance in good faith with the requirements of any applicable Law or act of any Governmental Authority (whether or not it later proves to be invalid), shortage or unavailability of materials or supplies, or any other similar event or condition beyond the reasonable control of the applicable Service Provider (any such event or condition, a "Force Majeure Event"); the applicable Service Provider shall give prompt notice to the applicable Recipient of the occurrence of a Force Majeure Event giving rise to any suspension of a Service and of the nature and anticipated duration of such Force Majeure Event, and shall use commercially reasonable efforts to cure the cause of such suspension reasonably promptly. Upon the occurrence of a Force Majeure Event, the applicable Service Provider and Recipient shall cooperate with each other to find reasonable alternative commercial means and methods for such Recipient to obtain the suspended Service, if reasonably necessary.

14.8 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any term or other provision of this Agreement, or the application thereof to any person or entity or any circumstance, is invalid, illegal or unenforceable: (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision; and (ii) the remainder of this Agreement and the application of such provision to other persons, entities, or circumstances shall not be affected by such invalidity, illegality, or unenforceability, nor shall such invalidity, illegality, or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

14.9 Amendment; Waiver.

- (a) No provision of this Agreement may be amended unless the amendment is in writing and signed by (A) TKH (or its Designated Affiliates), in the case of an amendment with respect to TKH, its Designated Affiliates, or the Services applicable to TKH, (B) TK Services (or its Designated Affiliates), in the case of an amendment with respect to TK Services, its Designated Affiliates, or the Services applicable to TK Services, or (C) TK Global (or its Designated Affiliates), in the case of an amendment with respect to TK Global, its Designated Affiliates, or the Services applicable to TK Global. Notwithstanding the foregoing, all amendments to this Agreement must be approved in writing by the Oversight Committee.
- (b) No provision of this Agreement may be waived unless such waiver is in writing and signed by the TK Party against whom the waiver is to be effective.
- (c) No failure or delay by any TK Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

- 14.10 Headings. The heading references herein and the table of contents hereto are for convenience purposes only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.
- 14.11 Entire Agreement. This Agreement constitutes the entire agreement between the TK Parties with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations (whether written or oral), with respect to such matters, by or between the TK Parties, their Affiliates, or any of their Subsidiaries, as applicable.
- 14.12 Independent Parties. This Agreement shall not be deemed to create any partnership, joint venture, amalgamation, or agency relationship between the TK Parties. Each TK Party shall act hereunder as an independent contractor. Each obligation of a Recipient under this Agreement is a several, and not joint, obligation of that Recipient and no breach of an obligation by a Recipient under this Agreement may be used against another Recipient for any purpose.
- 14.13 Interpretation. The TK Parties acknowledge and agree that: (i) each TK Party and its representatives has reviewed and negotiated the terms and conditions of this Agreement and have contributed to its revision; (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement; (iii) the terms and conditions of this Agreement shall be construed fairly as to each TK Party and not in favor of or against either TK Party regardless of which TK Party was generally responsible for preparation of this Agreement; and (iv) whenever the words “include,” “includes,” or “including” are used in this Agreement, they shall be deemed to be followed by the words “but not limited to.”
- 14.14 Counterparts; Facsimile and Electronic Signatures. This Agreement may be executed in one 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 facsimile copies or delivered by electronic communications by portable document format (.pdf), each of which shall be deemed an original.
- 14.15 Representative. For clarity, all provisions of this Agreement requiring a consent (such as to waive a provision of this Agreement) or permitting an election or other decision to be made by or on behalf of a Recipient or, to the extent receiving Services, any other Affiliate of that Recipient, shall be interpreted so as to require only the consent, election or other decision of the Recipient who is a signatory to this Agreement, and all other Recipient Affiliates shall be bound by any and all such consents, elections or decisions.

[Signature page follows]

IN WITNESS WHEREOF, the TK Parties have each caused this Agreement to be duly executed as of the Effective Date.

TK Holdings Inc.:

By:
Title:

TK Services Inc.:

By:
Title:

TK Global LLC:

By:
Title:

[RTK (Changxing) Safety systems CO, LTD.:

By:
Title:]

EXHIBIT A

Services

[To be provided]

EXHIBIT J

Reorganized TK Holdings Organizational Documents

EXHIBIT J-1

Amended and Restated Certificate of Incorporation of TK Holdings Inc.

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
TK HOLDINGS INC.

The present name of the corporation is TK Holdings, Inc. (the “Corporation”). The Corporation was incorporated under the name “TK Holdings, Inc.” by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on November 13, 1989. This Amended and Restated Certificate of Incorporation, which restates and integrates and also further amends the provisions of the Corporation's Certificate of Incorporation, as amended and/or restated, has been duly adopted in accordance with Sections 242, 245 and 303 of the General Corporation Law of the State of Delaware, and is being filed as required by the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, as may be altered, amended or modified (the “Plan”), as filed in the chapter 11 cases of the Corporation and its affiliated debtors which are jointly administered at Case No. 17-11375 (BLS), in the United States Bankruptcy Court for the District of Delaware. Capitalized terms used in the Amended and Restated Certificate of Incorporation and not otherwise defined shall have the meanings assigned to such terms in the Plan. The Certificate of Incorporation of the Corporation, as amended and/or restated, is hereby amended, integrated and restated to read in its entirety as follows.

FIRST: The name of the Corporation is “TK Holdings Inc.”.

SECOND: The address of the Corporation’s registered office in Delaware and the name of the Corporation’s registered agent at that address are as follows:

Corporation Service Company
251 Little Falls Drive
New Castle County
Wilmington, Delaware 19808

THIRD: The purpose for which the Corporation is formed is as described in the Plan, including to supervise and engage in the construction, manufacture, assembly, sale, and/or distribution to the PSAN Consenting OEMs or PSAN Inflaters and such other lawful acts or activities for which corporations may be organized under the General Corporation Law of the State of Delaware, as from time to time amended (the “DGCL”) that are related or incidental to such power.

FOURTH: The total number of shares of capital stock that the Corporation shall have authority to issue is 1,000 shares of common stock, par value \$0.01 per share (“Common Stock”). To the extent provided by Section 1123(a)(6) of chapter 11 of title 11 of the United States Code, the Corporation shall not be permitted to issue any non-voting equity securities.

FIFTH: In furtherance and not in limitation of the powers conferred by law, subject to any limitations contained elsewhere in this Certificate of Incorporation, bylaws of the Corporation may be adopted, amended or repealed by the board of directors of the Corporation (the “Board of Directors”), but any bylaws adopted by the Board of Directors may be amended or repealed by the stockholders entitled to vote thereon. Election of directors need not be by written ballot.

SIXTH: In addition to the powers and authority herein before or by statute expressly conferred upon them, the Board of Directors is hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject to the provisions of the DGCL, this Certificate of Incorporation and the bylaws of the Corporation.

SEVENTH: The number of directors of the Corporation shall be fixed at three (3) directors.

[EIGHTH: Subject to applicable law, the Corporation may not, without the prior action of the Board of Directors, amend this Certificate of Incorporation, adopt an agreement of merger or consolidation, recommend to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommend to the stockholders a dissolution of the Corporation or a revocation of a dissolution, amend the bylaws of the Corporation, or declare a dividend or authorize the issuance of stock.]¹

NINTH:

(a) Personal Liability of Directors. A director of the Corporation shall not be personally liable either to the Corporation or to any stockholder thereof for monetary damages for breach of fiduciary duty as a director, except (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions that are not in good faith or that involve intentional misconduct or knowing violation of the law, (iii) for any matter in respect of which such director shall be liable under Section 174 of the DGCL or any amendment thereto or successor provision thereto or (iv) for any transaction from which the director shall have derived an improper personal benefit. Neither amendment nor repeal of this paragraph (a) nor the adoption of any provision of this Certificate of Incorporation inconsistent with this paragraph (a) shall eliminate or reduce the effect of this paragraph (a) in respect of any matter occurring, or any cause of action, suit or claim that, but for this paragraph (a) of this Article Ninth, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

¹ **NTD:** Customer Group provision. Subject to further discussion.

(b) Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a “Covered Person”) who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a “proceeding”), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys’ fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section (d) of this Article Ninth, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board of Directors of the Corporation.

(c) Advancement of Expenses. The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys’ fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition; *provided, however*, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article Ninth or otherwise.

(d) Claims. If a claim for indemnification under this Article Ninth (following the final disposition of such proceeding) is not paid in full within sixty (60) days after the Corporation has received a claim therefor by the Covered Person, or if a claim for any advancement of expenses under this Article Ninth is not paid in full within thirty (30) days after the Corporation has received a statement or statements requesting such amounts to be advanced, the Covered Person shall thereupon (but not before) be entitled to file suit to recover the unpaid amount of such claim. If successful in whole or in part, the Covered Person shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action, the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

(e) Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article Ninth shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any provision of this Certificate of Incorporation or the bylaws of the Corporation, or any statute, agreement, vote of stockholders or disinterested directors or otherwise.

(f) Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

(g) Amendment or Repeal. Any right to indemnification or to advancement of expenses of any Covered Person arising hereunder shall not be eliminated or impaired by an

amendment to or repeal of this Certificate of Incorporation after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought.

(h) Other Indemnification and Advancement of Expenses. This Article Ninth shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

ELEVENTH: Except as provided in the Plan, the Corporation shall:

- (a) maintain its own separate books and records and bank accounts;
- (b) at all times hold itself out to the public and all other Persons as a legal entity separate from any other Person;
- (c) file its own tax returns, if any, as may be required under applicable Law, to the extent (A) not part of a consolidated group filing a consolidated return or returns or (B) not treated as a division for tax purposes of another taxpayer, and pay any taxes so required to be paid under applicable Law;
- (d) except as provided in the U.S. Acquisition Agreement, the Shared Services Agreement, the Transition Services Agreement, the TK Global Operating Agreement and the Plan Administrator Agreement (together, the “Transaction Documents”),² not commingle its assets with assets of any other Person;
- (e) except as provided in the Transaction Documents, conduct its business in its own name and comply with all organizational formalities to maintain its separate existence;

² **NTD:** Additional “Transaction Documents” under consideration.

(f) maintain separate financial records; and, if consolidated with financial statements of affiliates, include footnotes to the effect that the Corporation is a separate legal entity and that its assets are not available to satisfy the claims of affiliates;

(g) except as provided in the Transaction Documents, pay its own liabilities only out of its own funds;

(h) maintain an arm's length relationship with its affiliates and its stockholders;

(i) not hold out its credit or assets as being available to satisfy the obligations of others;

(j) allocate fairly and reasonably any overhead for shared office space;

(k) use separate stationery, invoices and checks;

(l) not pledge its assets for the benefit of any other Person;

(m) correct any known misunderstanding regarding its separate identity;

(n) maintain capital as provided in the Plan;

(o) cause the Corporation to comply with all requirements of the applicable provisions of the DGCL regarding its operations and shall comply with the provisions of this Certificate of Incorporation and the documents to which it is a party;

(p) not acquire any securities of any its stockholders; and

(q) advise its agents and other representatives to act at all times, with respect to the Corporation, consistently and in furtherance of the foregoing and in the best interests of the Corporation.

Failure of the Corporation, or any directors or officers on behalf of the Corporation, to comply with any of the foregoing covenants or any other covenants contained in this Certificate

of Incorporation shall not affect the status of the Corporation as a separate legal entity or the limited liability of the directors or officers.

IN WITNESS WHEREOF, the undersigned has duly executed this Amended and Restated Certificate of Incorporation on [●], 2018.

Name: [●]
Title: [●]

EXHIBIT J-2

Amended and Restated By-Laws of TK Holdings Inc.

AMENDED AND RESTATED BY-LAWS

OF

TK HOLDINGS INC.

(a Delaware corporation)

ADOPTED [●] 2018

ARTICLE I

Offices

Section 1. The registered office of TK Holdings Inc. (the “Corporation”) will be as set forth in the Certificate of Incorporation of the Corporation (as amended and/or restated, the “Certificate of Incorporation”) from time to time.

Section 2. The Corporation may also have offices at such other places, within or outside of the State of Delaware, as the board of directors of the Corporation (the “Board of Directors”) may from time to time determine or the business of the Corporation may require.

ARTICLE II

Meeting of Stockholders

Section 1. All meetings of stockholders will be held at such place, if any, within or outside of the State of Delaware as may be fixed from time to time by the Board of Directors and stated in the notice of the meeting.

Section 2. The annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held each year at such date and time as the Board of Directors shall determine.

Section 3. Special meetings of stockholders for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called at any time by the Board of Directors or by the President or Chief Executive officer, and must be called by the President, Chief Executive Officer or the Secretary upon the written request of a majority of the directors or upon the written request of the holders of at least 50% in voting power of all the outstanding shares entitled to vote on the action proposed to be taken. Each written request must state the time, place and purpose or purposes of the proposed meeting.

Section 4. Notice of each annual or special meeting of stockholders, stating the date, time and place (if any) of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, must be given in the manner set forth in Article VI of these By-Laws not less than ten nor more than sixty days before the date of the meeting, to each stockholder entitled to vote at the meeting as of the record date for determining the stockholders entitled to notice of the meeting.

Section 5. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 6. Except as otherwise required by law or the Certificate of Incorporation, the presence in person or by proxy of holders of a majority in voting power of the shares entitled to vote at a meeting of stockholders will be necessary, and will constitute a quorum, for the transaction of business at such meeting. If a quorum is not present or represented by proxy at any meeting of stockholders, the holders of a majority in voting power of the shares entitled to vote at the meeting who are present in person or represented by proxy may adjourn the meeting from time to time until a quorum is present. Notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is

taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

Section 7. At any meeting of stockholders each stockholder having the right to vote may vote in person or by proxy. No proxy shall be voted on after three years from its date, unless the proxy provides for a longer period. Except as otherwise provided by law or in the Certificate of Incorporation, each stockholder will be entitled to one vote for each share of stock entitled to vote standing in his name on the books of the Corporation. All elections will be determined by plurality votes. Except as otherwise provided by law or in the Certificate of Incorporation or By-Laws, any other matter will be determined by a majority of the votes cast.

Section 8. Unless otherwise provided in the Certificate of Incorporation, whenever the vote of stockholders at any annual or special meeting is required or permitted in connection with any corporate action, the meeting and vote may be dispensed, without prior notice and without a vote, if the action taken has the written consent of the holders of shares having at least the minimum number of votes required to authorize the action at a meeting at which all shares entitled to vote were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders

who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation. Stockholders may, unless the Certificate of Incorporation otherwise provides, act by written consent to elect directors; *provided, however*, that if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

No written consent shall be effective to take the corporate action referred to therein unless written consents signed by a sufficient number of holders or members to take action are delivered to the Corporation in the manner required by Section 228 of the General Corporation Law of Delaware within 60 days of the first date on which a written consent is so delivered to the Corporation. Any person executing a consent may provide, whether through instruction to an agent or otherwise, that such a consent will be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made, if evidence of such instruction or provision is provided to the Corporation. Unless otherwise provided, any such consent shall be revocable prior to its becoming effective.

ARTICLE III

Directors

Section 1. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, except as otherwise provided by law, the Certificate of Incorporation or these By-Laws.

Section 2. [The number of directors which will constitute the entire Board of Directors will three.]¹ As used in these By-Laws, the term “entire Board of Directors” means the total number of directors which the Corporation would have if there were no vacancies.

Section 3. Except as provided in Section 5 of this Article III, the directors will be elected at each annual meeting of stockholders. Except as otherwise provided by law, the Certificate of Incorporation, or these By-Laws, each director elected will serve until the next succeeding annual meeting of stockholders and until his successor is elected and qualified or until their earlier resignation or removal.

Section 4. Any or all of the directors may be removed for cause or without cause by vote of the holders of a majority in voting power of the outstanding shares stock of the Corporation entitled to vote for the election of directors, voting as a class.

Section 5. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board may be filled by vote of a majority of the directors then in office, even if less than a quorum exists. A director elected to fill a vacancy, including a vacancy created by a newly created directorship, will serve until the next succeeding annual meeting of stockholders and until his successor is elected and qualified.

Section 6. The books of the Corporation, except as such as are required by law to be kept within the State of Delaware, may be kept at such place or places within or outside of the State of Delaware as the Board of Directors may from time to time determine.

Section 7. The Board of Directors, by the affirmative vote of a majority of the directors, and irrespective of any personal interest of any of its members, may establish reasonable compensation of any or all directors for services to the Corporation as directors or

¹ **NTD:** Subject to further discussion and outcome of drafting in Article Eighth of the Certificate of Incorporation.

officers or otherwise. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

ARTICLE IV

Meetings of the Board of Directors

Section 1. The first meeting of each newly elected Board of Directors will be held immediately following the annual meeting of the stockholders. If the meeting is held at the place of the meeting of stockholders, no notice of the meeting need be given to the newly elected directors. If the first meeting is not held at that time and place, it will be held at a time and place specified in a notice given in the manner provided for notice of special meetings of the Board of Directors.

Section 2. Regular meetings of the Board of Directors may be held upon such notice, or without notice, at such times and at such places within or outside of the State of Delaware, as is determined from time to time by the Board of Directors.

Section 3. Special meetings of the Board of Directors may be called by the Chairman of the Board, if there is one, or by the President or Chief Executive Officer, on at least two days' notice to each director and must be called by the President, Chief Executive Officer or the Secretary on like notice at the written request of any two directors.

Section 4. Whenever notice of a meeting of the Board of Directors is required, the notice must be given in the manner set forth in Article VI of these By-Laws and must state the

place (if any), date and hour of the meeting. Except as provided by law, the Certificate of Incorporation, or other provisions of these By-Laws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of the meeting.

Section 5. Except as otherwise required by law or the Certificate of Incorporation or other provisions of these By-Laws, a majority of the directors then in office, but in no event less than one-third of the entire Board of Directors, will constitute a quorum for the transaction of business, and the vote of a majority of the directors present at any meeting at which a quorum is present will be the act of the Board of Directors. If a quorum is not present at any meeting of directors, a majority of the directors present at the meeting may adjourn the meeting from time to time, without notice of the adjourned meeting other than announcement at the meeting. .

Section 6. Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 7. Unless otherwise restricted by the Certificate of Incorporation, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the

meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

ARTICLE V

Committees

Section 1. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, each such committee to consist of one or more of the directors of the Corporation.

Section 2. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member.

Section 3. Any committee, to the extent allowed by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it.

Section 4. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

ARTICLE VI

Notices

Section 1. Whenever, under the provisions of the statutes or of the Certificate of Incorporation or of these By-laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in personally, by telephone or by mail, facsimile transmission, telex, telegram, cable or similar instrumentality, addressed to such director or stockholder, at his address as it appears on the records of the Corporation, directed to the director or stockholder at his address as it appears in Corporation's records. Notice may also be given to directors or stockholders by a form of electronic transmission in accordance with and subject to the provisions of Section 232 of the General Corporation Law of the State of Delaware.

Section 2. A notice will be deemed given when actually given in person or by telephone, when received if given by facsimile transmission or telex, on the third business day after the day when deposited in the United States mail, postage prepaid, or on the day when delivered to a cable or similar communications company, directed to the director or shareholder.

Section 3. Any person may waive notice of any meeting by signing a written waiver, whether before or after the meeting. In addition, attendance at a meeting will be deemed a waiver of notice unless the person attends for the purpose, expressed to the meeting at its commencement, of objecting to the transaction of any business because the meeting is not lawfully called or convened. A waiver signed or given by the person or persons entitled to notice or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to a waiver in writing.

ARTICLE VII

Officers

Section 1. The Board of Directors may appoint officers of the Corporation including a President, Vice-President, Secretary and Treasurer, and the Board of Directors may also elect a Chairman of the Board, a Vice Chairman of the Board, one or more Vice Presidents (one or more of whom may be designated an Executive Vice President or a Senior Vice President), one or more Assistant Secretaries or Assistant Treasurers, and such other officers as it may from time to time deem advisable. Any two or more offices, except the offices of President and Secretary, may be held by the same person. No officer except the Chairman of the Board need be a director of the Corporation.

Section 2. Each officer will be elected by the Board of Directors and will hold office for such term, if any, as the Board of Directors shall determine. Any officer may be removed at any time, either with or without cause, by the vote of a majority of the entire Board of Directors.

Section 3. The compensation of officers will be fixed by the Board of Directors or in such manner as it may provide.

Section 4. The Chairman of the Board, if any, shall preside at all meetings of the stockholders and of the Board of Directors and shall have such other duties as from time to time may be assigned to him by the Board of Directors.

Section 5. The President will be the Chief Executive Officer of the Corporation, will have general charge of management of the business and affairs of the Corporation, subject to the control of the Board of Directors, and will see that all orders and resolutions of the Board of Directors are carried into effect. The President will preside over any meeting of the stockholders or the Board of Directors at which neither the Chairman of the Board nor a Vice Chairman of the Board is present.

Section 6. The officers of the Corporation, other than the Chairman of the Board and the President, will have such powers and perform such duties in the management of the property and affairs of the Corporation, subject to the control of the Board of Directors and the President, as generally pertain to their respective offices, as well as such powers and duties as from time to time may be prescribed by the Board of Directors.

ARTICLE VIII

Certificates for Shares

Section 1. The shares of stock of the Corporation will be represented by certificates, in such form as the Board of Directors may from time to time prescribe, signed by any two authorized officers (which shall include, without limitation, the President, a Vice-President, the Treasurer, an Assistant Treasurer, the Secretary and an Assistant Secretary); provided that the Board of Directors may provide by resolution or resolutions that some or all of any class or series shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock.

Section 2. Within a reasonable time after the issuance or transfer of uncertificated stock, the registered owner thereof shall be given a notice in writing or by electronic transmission, containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a), 218(a) or 364 of the General Corporation Law of the State of Delaware or a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 3. Any or all signatures upon a certificate may be a facsimile. Even if an officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate ceases to be that officer, transfer agent or registrar before the certificate is issued, that certificate may be issued by the Corporation with the same effect as if he or it were that officer, transfer agent or registrar at the date of issue.

Section 4. The Corporation may direct that a new certificate be issued in place of any certificate issued by the Corporation which is alleged to have been lost, stolen or destroyed. When doing so, the Corporation may prescribe such terms and conditions precedent to the issuance of the new certificate as it deems expedient, and may require a bond sufficient to indemnify the Corporation against any claim that may be made against it with regard to the allegedly lost, stolen or destroyed certificate or the issuance of the new certificate.

Section 5. The Corporation or a transfer agent of the Corporation, upon surrender to it of a certificate representing shares, duly endorsed or accompanied by proper evidence of lawful succession, assignment or authority to transfer, shall issue a new certificate to the person entitled to it, and shall cancel the old certificate and record the transaction upon the books of the Corporation.

Section 6.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date

for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) Unless otherwise restricted by the Certificate of Incorporation, in order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date for determining stockholders entitled to express consent to corporate action in writing without a meeting is fixed by the Board of Directors, (i) when no prior action of the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, and (ii) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 7. The Corporation will for all purposes, be entitled to treat a person registered on its books as the owner of shares as the owner of those shares, with the exclusive right, among other things, to receive dividends and to vote with regard to those shares, and the Corporation will not be bound to recognize any equitable or other claim to or interest in shares of its stock on the part of any other person, whether or not the Corporation has notice of the claim or interest of the other person, except as otherwise provided by law.

ARTICLE IX

General Provisions

Section 1. The corporate seal will have inscribed on it the name of the Corporation, the year of its creation, the words "CORPORATE SEAL DELAWARE," and such other appropriate legend as the Board of Directors may from time to time determine. Unless prohibited by the Board of Directors, a facsimile of the corporate seal may be affixed or reproduced in lieu of the corporate seal itself.

Section 2. The fiscal year of the Corporation will end on the [31st of March] of each year.

Section 3. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

ARTICLE X

Amendments

Section 1. These By-Laws may be altered, amended or repealed, and new By-Laws may be adopted, amended or repealed by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the Certificate of Incorporation, (a) at any regular or special meeting of stockholders, or (b) by the affirmative vote of a majority of the entire Board at any regular or special meeting of the Board. If the power to adopt, amend or repeal by-laws is conferred upon the Board of Directors by the Certificate of Incorporation, it shall not divest or limit the power of the stockholders to adopt, amend or repeal By-laws.

EXHIBIT K

Reorganized TK Holdings Trust Agreement

Preliminary Draft;
Subject to Material Change and Approval by Restructuring Support Parties
01.23.18

REORGANIZED TK HOLDINGS TRUST
TRUST AGREEMENT

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TRUST AGREEMENT

This Trust Agreement (this “Trust Agreement”), dated as of [●], 2018, by (a) [●], as the trustee for the trust established pursuant to this Trust Agreement (such person and each successor trustee, the “Trustee”), (b) [●], as Delaware resident trustee pursuant to Article XI hereof (the “Delaware Trustee”), and (c) the Debtors, is executed pursuant to the Confirmation Order to facilitate the implementation of the *Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors*, as may be altered, amended or modified (the “Plan”) that provides for the establishment of the trust (the “Trust”) created hereby. Each of the Debtors and the Trustee are sometimes referred to individually as a “Party” and collectively as the “Parties.” Capitalized terms used in this Trust Agreement and not otherwise defined shall have the meanings assigned to such terms in the Plan.

RECITALS

WHEREAS, on June 25, 2017, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court;

WHEREAS, on [●], 2018, the Bankruptcy Court entered the Confirmation Order;

WHEREAS, the Trust shall be established for the benefit of the Trust Beneficiaries (as defined below);

WHEREAS, the Trust shall be established for the sole purpose of administering the Trust Assets and making all Distributions to the Trust Beneficiaries as provided for under the Plan;

WHEREAS, the Trustee was duly appointed as a representative of each of the Debtors pursuant to section 1123(a)(5), (a)(7), and (b)(3)(B) of the Bankruptcy Code;

WHEREAS, the Trust has no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, its purpose described in the Plan and set forth in this Trust Agreement;

WHEREAS, the Trust is intended to qualify as a trust described in Subpart C of Subchapter J of the Internal Revenue Code of 1986, as amended (the “IRC”); and

WHEREAS, this Trust Agreement is the “Reorganized TK Holdings Trust Agreement” contemplated under the Plan and executed in order to facilitate the implementation of the Plan.

NOW, THEREFORE, pursuant to the Plan and the Confirmation Order, in consideration of the premises and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged and affirmed, the Parties hereby agree as follows:

I

ESTABLISHMENT OF THE TRUST

Section 1.01 Establishment of Trust and Appointment of Trustee

(a) A trust, which shall be known as the “Reorganized TK Holdings Trust” is hereby established on behalf of each 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) OEM Unsecured Claims), (ii) the PSAN PI/WD Trustee, (iii) the Special Master in his capacity as OEM Claims Administrator and (iv) the Plan Sponsor solely with respect to distributions, if any, from TKC’s subsidiary on account of the Plan Sponsor Backstop Funding Repayment (together, the beneficial owners of the Trust and hereafter, the “Trust Beneficiaries”).

(b) It is the intention of the Parties that the Trust created hereby shall constitute a statutory trust under Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. § 3801 et seq. (the “Delaware Statutory Trust Act”) and that this Trust Agreement shall constitute the governing instrument of the Trust. The Trustee and Delaware Trustee are hereby authorized to execute and file a certificate of trust with the Delaware Secretary of State.

(c) The Trustee is hereby appointed as trustee of the Trust effective as of the Effective Date and agrees to accept and hold the Trust Assets in trust for the Trust Beneficiaries subject to the terms of the Plan, the Confirmation Order, and this Trust Agreement. The Trustee and each successor Trustee serving from time to time hereunder shall have all the rights, powers, and duties set forth herein.

(d) Subject to the terms of this Trust Agreement, any action by the Trustee that affects the interests of more than one Trust Beneficiary shall be binding and conclusive on all Trust Beneficiaries even if such Trust Beneficiaries have different or conflicting interests.

(e) The Trustee may serve without bond.

Section 1.02 Transfer of Assets and Rights to the Trust

On the Effective Date, pursuant to the Plan, the Debtors shall issue and deposit with the Trust the Reorganized TK Holdings Trust Assets (all assets of the Trust, of any kind or nature, being hereafter referred to as the “Trust Assets”) free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind.

Section 1.03 Nature and Purpose of the Trust

(a) The Trust is organized and established as a trust solely for the purposes set forth in Section 5.6(b) of the Plan. The Trust shall 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) 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) OEM Unsecured Claims), and (iv) being the sole member of TK Global LLC for the benefit of holders of Claims. The 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 Trust shall have no objective to continue or engage in the conduct of a trade or business. On the Effective Date, the 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 Trust under and as set forth in the Plan Sponsor Backstop Funding Agreement.

(b) This Trust Agreement is intended to create a trust and a trust relationship and to be governed and construed in all respects as a trust. The Trust is not intended to be, and shall not be deemed to be or treated as, a general partnership, limited partnership, joint venture, corporation, joint stock company or association, nor shall the Trustee or the Trust Beneficiaries, or any of them, for any purpose be, or be deemed to be or treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. The relationship of the Trust Beneficiaries (on the one hand) to the Trustee (on the other hand) shall be solely that of beneficiaries of a trust and shall not be deemed a principal or agency relationship, and their rights shall be limited to those conferred upon them by this Trust Agreement.

Section 1.04 Relationship to, and Incorporation of, the Plan and the Confirmation Order

This Trust Agreement is to aid in the implementation of the Plan and the Confirmation Order, and therefore this Trust Agreement incorporates the provisions of the Plan and the Confirmation Order by this reference, and to that end, the Trustee shall have full power and authority to take any action consistent with the purpose and provisions of the Plan as it relates to the Trust and to seek any orders from the Bankruptcy Court in furtherance of implementation of the Plan as it relates to the Trust, in each case solely to the extent such actions or orders are in furtherance of this Trust Agreement, but in each case subject in all respects to and solely to the extent not inconsistent with the terms of the Plan; *provided, however*, that the obligations and duties (including fiduciary duties) of the Trustee are solely as set forth in this Trust Agreement. To the extent that there is a conflict between the provisions of this Trust Agreement, and the provisions of the Plan, and/or the Confirmation Order, the terms of this Trust Agreement shall govern.

Section 1.05 Appointment as Representative

(a) Pursuant to sections 1123(a)(5), (a)(7) and (b)(3) of the Bankruptcy Code, the Plan appointed the Trustee as the duly appointed representative of each of the Debtors solely with respect to:

- (i) the Trust Assets; and
- (ii) all Claims against the Debtors (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) OEM Unsecured Claims) (the “Subject Claims”).

(b) As such, the Trustee is deemed to be acting in the capacity of a bankruptcy trustee, receiver, liquidator, conservator, rehabilitator or any similar official who has been appointed to take control of, supervise, manage or liquidate the Debtors solely with respect to the Trust Assets for the benefit of the Trust Beneficiaries. To the extent that any Reorganized TK Holdings Trust Asset cannot be transferred to the Trust because of a restriction on transferability under applicable non-bankruptcy law that is not superseded or preempted by section 1123 of the Bankruptcy Code or any other provisions of the Bankruptcy Code, such Reorganized TK Holdings Trust Asset shall be deemed to have been retained by the applicable Debtor and the Trustee shall be deemed to have been designated as a representative of the applicable Debtor pursuant to section 1123(b)(3)(B) of the Bankruptcy Code to sell, transfer or otherwise dispose of such Reorganized TK Holdings Trust Asset on behalf of such Debtor subject to the terms of this Trust Agreement, the Plan, and the Confirmation Order as though such Reorganized TK Holdings Trust Asset were a Trust Asset.

II

TRUST ASSETS

Section 2.01 Interests Beneficial Only

No Trust Beneficiary shall be entitled to (i) hold any title in or to the Trust Assets (which title shall be vested in the Trust) or (ii) any right to call for a partition or division of the Trust Assets or to require an accounting.

Section 2.02 Evidence of Beneficial Interests

Ownership of a beneficial interest in the Trust Assets by the Trust Beneficiaries shall not be evidenced by any certificate, security or receipt or in any other form or manner whatsoever, except as maintained on the books and records of the Trust by the Trustee.

Section 2.03 Exemption from Registration

The Parties hereto intend that the rights of the Trust Beneficiaries arising under this Trust Agreement shall not be “securities” under applicable laws, but none of the Parties hereto represent or warrant that such rights shall not be securities or shall be entitled to exemption from registration under applicable securities laws. If such rights constitute securities, the Parties hereto intend for the exemption from registration provided by section 1145 of the Bankruptcy Code and under applicable securities laws to apply to their issuance under the Plan.

Section 2.04 Transfer and Exchange

The beneficial interests held by Trust Beneficiaries are not negotiable and shall be non-transferable except by will, intestate, succession, or operation of law. No voluntary transfer of a beneficial interest in the Trust shall be effective or binding upon the Trust or the Trustee for any purpose. In the case of a deceased individual Trust Beneficiary, his or her executor or

administrator shall provide written notice to the Trustee and deliver to the Trustee such documentation necessary to evidence the transfer by operation of law and identify the proper Person to succeed to such decedent's interests. The Trustee may fully rely on any such evidence provided by a purported executor or administrator and shall have no duty to investigate.

Section 2.05 Change of Address

A Trust Beneficiary may, after the Effective Date, select an alternative distribution address or provide wire transfer instructions for any Distribution by providing notice to the Trustee (or to another Person as directed by the Trustee) including such address or instructions. Such notification will be effective only upon receipt by the Trustee or other Person in accordance with this Section 2.05. Absent receipt of such notice, the Trustee shall not recognize any such change of distribution address.

Section 2.06 Tax Identification Numbers

The Trustee may require any direct payee of Distributions on account of Trust Assets to furnish to the Trustee its social security number or employer or taxpayer identification number as assigned by the Internal Revenue Service and complete any related documentation (including a Form W-8 or Form W-9) and the Trustee may condition any Distribution to any such payee upon the receipt of such information and the receipt of such other documents as the Trustee reasonably requests.

III

THE TRUSTEE

Section 3.01 Role of the Trustee

In furtherance of and consistent with the purpose of the Trust and the Plan, the Trustee, subject to the terms and conditions contained herein, in the Plan and in the Confirmation Order, shall (a) serve as Trustee with respect to the Trust Assets for the benefit of the Trust Beneficiaries, and (b) serve as Claims Administrator for the Subject Claims and administer certain post-Effective Date responsibilities as described in the Plan.

Section 3.02 Authority of the Trustee

(a) In connection with the administration of the Trust, in addition to any and all of the powers enumerated elsewhere herein, the Trustee shall have the power and authority and is authorized to perform any and all acts necessary and desirable to accomplish the purposes of this Trust Agreement and the provisions of the Plan solely relating to the Trust, within the bounds of the Plan and applicable law.

(b) The Trustee shall, except as set forth herein, have the right to prosecute, defend, compromise, adjust, arbitrate, abandon, estimate, or otherwise deal with and settle any and all Causes of Action (including Avoidance Actions and any counterclaims asserted against the Trust) as the Trustee determines is in the best interests of the Trust. To the extent that any action has been taken to prosecute, defend, compromise, adjust, arbitrate, abandon, estimate, or

otherwise deal with and settle any Cause of Action prior to the Effective Date, on the Effective Date the Trustee shall be substituted for the Debtors in connection therewith in accordance with Rule 25 of the Federal Rules of Civil Procedure, made applicable by Rule 7025 of the Federal Rules of Bankruptcy Procedure, and the caption with respect to such pending action shall be changed to the following: “[●], not individually but solely as Trustee for the Reorganized TK Holdings Trust, et al. v. [Defendant]”.

(c) Subject in all cases to any limitations contained herein or in the Plan, the Trustee shall have the power and authority to:

(i) hold legal title to any and all rights of the Trust and Trust Beneficiaries in or arising from the Trust Assets, including collecting and receiving any and all money and other property belonging to the Trust and the right to vote any claim or interest relating to the Trust Assets in a case under the Bankruptcy Code and receive any distribution with respect thereto;

(ii) open accounts for the Trust and make Distributions of Trust Assets in accordance with the provisions of the Plan;

(iii) exercise and perform the rights, powers, and duties held by each Debtor with respect to the Trust Assets, including the authority under section 1123(b)(3) of the Bankruptcy Code, and shall be deemed to be acting in the capacity of a bankruptcy trustee, receiver, liquidator, conservator, rehabilitator or any similar official who has been appointed to take control of, supervise, manage or liquidate the Debtors, and to provide for the sale, transfer or other disposition of the Trust Assets (including the prosecution, settlement, adjustment, retention, and enforcement of the Causes of Action (including Avoidance Actions));

(iv) protect and enforce the rights to the Trust Assets by any method deemed appropriate, including by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium or similar law and general principles of equity;

(v) obtain reasonable insurance coverage with respect to the liabilities and obligations of the Trustee under this Trust Agreement (in the form of fiduciary liability insurance, a directors and officers policy, an errors and omissions policy, or otherwise). The cost of any such insurance shall be paid by the Trustee from the Reorganized TK Holdings Trust Reserve;

(vi) without further order of the Bankruptcy Court, employ various professionals, including counsel, tax advisors, consultants, and financial advisors, as the Trustee deems necessary to aid it in fulfilling its obligations under this Trust Agreement and the Plan, and on whatever fee arrangement the Trustee deems appropriate, including contingency fee arrangements. Professionals engaged by the Trustee shall not be required to file applications in order to receive compensation for services rendered and reimbursement of actual out-of-pocket expenses incurred. All such compensation and reimbursement shall be paid by the Trustee from the Reorganized TK Holdings Trust Reserve;

(vii) retain and approve compensation arrangements of an independent public accounting firm to perform such reviews and/or audits of the financial books and records

of the Trust as may be required by this Trust Agreement and applicable laws and as may be reasonable and appropriate in the Trustee's discretion, and to prepare and file any tax returns, informational returns, or periodic or current reports as required by applicable laws. Subject to the foregoing, the Trustee may commit the Trust to and shall pay such independent public accounting firm reasonable compensation for services rendered and reasonable and documented out-of-pocket expenses incurred, and all such compensation and reimbursement shall be paid by the Trustee from the Reorganized TK Holdings Trust Reserve;

(viii) to the extent applicable, assert, enforce, release, or waive any privilege or any defense on behalf of the Trust (including as to the holder of any privilege that the Debtors held prior to the Effective Date);

(ix) invest the proceeds of the Trust Assets (and all income earned by the Trust pending any Distributions in accordance with the provisions of the Plan) in a non-interest bearing account, in short term certificates of deposit, in banks or other savings institutions, or other temporary, liquid investments, such as Treasury bills, withdraw funds of the Trust, make distributions, and pay taxes and other obligations owed by the Trust from funds held by the Trustee;

(x) request any appropriate tax determination with respect to the Trust, including a determination pursuant to section 505 of the Bankruptcy Code;

(xi) take or refrain from taking any and all actions the Trustee reasonably deems necessary for the continuation, protection, and maximization of the value of the Trust Assets consistent with the purposes hereof, take all steps and execute all instruments and documents necessary to effectuate the Trust and the activities contemplated herein and in the Confirmation Order and the Plan, and take all actions necessary to comply with the Confirmation Order, the Plan, and this Trust Agreement and the obligations thereunder and hereunder including becoming a party to the Plan Sponsor Backstop Funding Agreement on the Effective Date;

(xii) exercise such other powers and authority as may be vested in or assumed by the Trustee by any Final Order, or as may be necessary and proper to carry out the provisions of the Plan relating to the Trust;

(xiii) evaluate and determine strategy with respect to the Trust Assets, and hold, pursue, prosecute, adjust, arbitrate, compromise, release, settle or abandon the Trust Assets on behalf of the Trust; and

(xiv) with respect to the Trust and the Subject Claims, perform all duties and functions of the Disbursing Agent as set forth in the Plan.

(d) No corporate transaction undertaken by the Trustee pursuant to Section 5.16 of the Plan shall excuse the Trustee 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 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.

Section 3.03 Limitation of the Trustee's Authority

(a) Notwithstanding anything herein to the contrary, the Trust and the Trustee shall not (i) be authorized to engage in any trade or business, (ii) take any actions inconsistent with the management of the Trust Assets as are required or contemplated by applicable law, the Confirmation Order, the Plan, and this Trust Agreement or (iii) take any action in contravention of this Trust Agreement.

(b) The Trustee, acting on behalf of the Trust, shall agree to comply with, and shall not take any actions inconsistent with or seek to modify or seek relief from, any provision of the Plan including the Plan Sponsor Backstop Funding Agreement or the Confirmation Order; provided, however, that notwithstanding anything herein to the contrary, the Trustee shall be able to seek authority from the Bankruptcy Court to take any action or omit to take any action where the Plan or Confirmation Order are silent or unclear.

Section 3.04 Payment of Expenses

(a) The Trustee may incur any reasonable fees and expenses in pursuing the Trust Assets, administering the Trust, managing the Trust Assets, and making Distributions in accordance with the Plan. All fees, expenses, and costs of the Trust shall be paid by the Trustee from the Reorganized TK Holdings Trust Reserve.

(b) The Trustee shall prepare a reasonably detailed quarterly budget for the Trust (such budget as may be amended from time to time in accordance with the terms hereof, the "Trust Budget") with respect to the reasonable costs expected to be incurred by the Trust and the Trustee in furtherance of the limited purpose of the Trust.

Section 3.05 Distributions

(a) The Trustee shall distribute the Trust Assets in accordance with the provisions of the Plan.

(b) The Trust may withhold from amounts distributable to any Person any and all amounts, determined in the Trustee's reasonable sole discretion, required by any law, regulation, rule, ruling, directive, or other governmental requirement (including tax withholding). The Trust may withhold from amounts distributable to any Person any and all amounts, determined in the Trustee's reasonable sole discretion, required to potentially offset a Claim asserted against such Person or an Affiliate thereof by the Trust until such Claim is finally resolved; *provided, however*, that any Claim that is Allowed under the Plan or by Final Order of the Bankruptcy Court shall not be subject to offset.

(c) The Trustee on behalf of the Trust may retain a Disbursing Agent for the effective administration and Distribution of amounts payable to the Trust Beneficiaries and all costs and expenses of such Disbursing Agent shall be paid by the Trustee on behalf of the Trust from the Reorganized TK Holdings Trust Reserve.

Section 3.06 Tenure, Removal, and Replacement of the Trustee

(a) The Trustee will serve until resignation and the appointment of a successor pursuant to subsection (b) below, removal pursuant to subsection (c) below, Disability (as defined below), death (if applicable), or termination of the Trust in accordance with Article VIII below and the completion of the Trustee's duties thereunder.

(b) The Trustee may resign by giving not less than sixty (60) days' prior written notice to the Bankruptcy Court. Such resignation will become effective on the earlier to occur of (i) the day specified in such notice, and (ii) the appointment of a successor Trustee as provided herein and the acceptance by such successor Trustee of such appointment.

(c) Any Trust Beneficiary, on notice and hearing before the Bankruptcy Court, may seek removal of the Trustee for cause. The Bankruptcy Court shall hear and finally determine any dispute arising out of this section.

(d) In the event that the Trustee is removed, resigns, or otherwise ceases to serve as Trustee, the Bankruptcy Court shall appoint a successor Trustee.

(e) Immediately upon the appointment of any successor Trustee, all rights, powers, duties, authority, and privileges of the predecessor Trustee hereunder will be vested in and undertaken by the successor Trustee without any further act; and the successor Trustee will not be liable personally for any act or omission of the predecessor Trustee. Any successor Trustee appointed hereunder shall execute an instrument accepting such appointment and assuming all of the obligations of the predecessor Trustee hereunder, and such successor shall be subject to the same qualifications and shall have the same rights, powers, duties, and discretion, and otherwise be in the same position, as the originally named Trustee. References herein to the Trustee shall be deemed to refer to any successor Trustee acting hereunder.

(f) Upon the appointment of a successor Trustee, the predecessor Trustee (or the duly appointed legal representative of a deceased Trustee or a Trustee suffering a Disability) shall, if applicable, when requested in writing by the successor Trustee, execute and deliver an instrument or instruments conveying and transferring to such successor Trustee, without recourse to the predecessor Trustee, all the estates, properties, rights, powers and trusts of such predecessor Trustee, and shall duly assign, transfer, and deliver to such successor Trustee all property and money held hereunder, and all other assets and documents relating to the Trust, the Trust Assets, or the Trust Beneficiaries then in such predecessor Trustee's possession and held hereunder.

(g) For purposes of this Section 3.06, "Disability" of the Trustee shall have occurred if, as a result of such Person's incapacity due to physical or mental illness as determined by a physician selected by the Trustee, the Trustee shall have been substantially unable to perform his or her duties hereunder for three (3) consecutive months or for an aggregate of 180 days during any period of twelve (12) consecutive months.

Section 3.07 Books and Records

(a) The Trustee shall maintain in respect of the Trust and the Trust Beneficiaries books and records reflecting Trust Assets in its possession and income of the Trust and the payment of expenses, liabilities, and claims against or assumed by the Trust in such detail and for such period of time as may be necessary to enable it to make full and proper accounting in respect thereof. Such books and records shall be maintained as reasonably necessary to facilitate compliance with the tax reporting requirements of the Trust and the requirements of Article VII herein. Nothing in this Trust Agreement requires the Trustee to undertake valuations of Trust Assets or file any accounting or seek approval of any court with respect to the administration of the Trust, or as a condition for managing any payment or Distribution out of the Trust Assets.

(b) The Trustee shall provide the Plan Sponsor with access to the books and records of the Trust as set forth in Section 4 of the Plan Sponsor Backstop Funding Agreement.

(c) Unless otherwise ordered by the Bankruptcy Court, the Trustee may dispose of books and records maintained by the Trustee at the later of (i) such time as the Trustee determines that the continued possession or maintenance of such books and records is no longer necessary for the benefit of the Trust or the Trust Beneficiaries, or (ii) upon the termination and winding up of the Trust under Article VIII of this Trust Agreement.

Section 3.08 Inquiries into the Trustee's Authority

Except as otherwise set forth in this Trust Agreement or in the Plan, no Person dealing with the Trust shall be obligated to inquire into the authority of the Trustee in connection with the protection, conservation or disposition of the Trust Assets.

Section 3.09 Compliance with Laws

(a) Any and all distributions of Trust Assets shall be in compliance with applicable laws, including applicable federal and state tax and securities laws.

(b) If the Trustee determines, with the advice of counsel, that the Trust is required to comply with registration and reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Trust Indenture Act of 1939, or the Investment Company Act of 1940 (the "Investment Company Act"), then the Trustee shall take commercially reasonable efforts to comply with such registration and reporting requirements, if any, and file periodic reports with the U.S. Securities and Exchange Commission to the extent required by law. Notwithstanding the foregoing procedure, the Trustee is hereby authorized to amend this Agreement to make such changes as are deemed necessary or appropriate by the Trustee, with the advice of counsel, to ensure that the Trust is not subject to registration or reporting requirements of the Exchange Act, or the Investment Company Act.

Section 3.10 Trustee Compensation and Reimbursement

(a) The Trustee shall receive annual compensation in an amount equal to \$240,000¹, which shall be paid in quarterly installments on the first Business Day following [●], [●], [●] and [●] of each year, for the services provided by the Trustee (the “Trustee Compensation Fee”); *provided* that if the Trust is dissolved, wound-up or terminated pursuant to this Agreement the Trustee shall be entitled to a prorated portion of the next quarterly installment of the Trustee Compensation Fee due following such dissolution, wind-up or termination, payable on or immediately prior to the dissolution, wind-up or termination of the Trust.

(b) The Trustee shall be reimbursed for all reasonable and documented expenses of the Trustee incurred in connection with or relating to the administration of the Trust. For the avoidance of doubt, the Trustee may incur any reasonable and necessary fees and expenses in pursuing the Reorganized TK Holdings Trust Assets, administering the Trust, managing the Reorganized TK Holdings Trust Assets, and making Distributions in accordance with the Plan (including with respect to the retention of professionals), with all such fees, expenses, and costs of the Trust to be paid by the Trustee on behalf of the Trust from the Reorganized TK Holdings Trust Reserve and the Trustee shall have no liability therefor.

Section 3.11 Reliance by the Trustee

(a) Except as otherwise provided herein:

(i) The Trustee may rely, and shall be protected in acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties.

(ii) Persons dealing with the Trustee shall look only to the Trust Assets to satisfy any liability incurred by the Trustee to such Person in carrying out the terms of this Trust Agreement, and the Trustee shall have no personal obligation to satisfy any such liability.

Section 3.12 Standard of Care; Exculpation

(a) Without limiting Section 3.12(c) herein, the Trustee, and its members, advisors or professionals, shall not be liable for any damages arising out of the creation, operation, administration or termination of the Trust, including actions taken or omitted in fulfillment of his or her duties with respect to the Trust, except in the case of such party’s willful misconduct, bad faith, gross negligence or fraud; *provided*, that in no event will any such party be liable for punitive, exemplary, consequential or special damages under any circumstances. To the fullest extent permitted by applicable law, in performing its duties under this Trust Agreement, the Trustee shall have no liability for any action taken in good faith in accordance with the advice of counsel, accountants, appraisers and other professionals retained by the Trustee. Without limiting the generality of the foregoing, the Trustee may rely without

¹ The proposed Trustee reserves the right to make periodic adjustments to the annual compensation to reflect economic and other conditions.

independent investigation on copies of orders of the Bankruptcy Court reasonably believed by the Trustee to be genuine, and shall have no liability for actions taken in reliance thereon. None of the provisions of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights and powers. The Trustee may rely, without inquiry, upon writings delivered to it under the Plan, which the Trustee reasonably believes to be genuine and to have been given by a proper Person. Notwithstanding the foregoing, nothing in this Section 3.12 shall relieve the Trustee from any liability for any actions or omissions arising out of their willful misconduct, bad faith, gross negligence or fraud; *provided*, that in no event will any such Person be liable for punitive, exemplary, consequential, or special damages under any circumstances. Any action taken or omitted to be taken by the Trustee with the express approval of the Bankruptcy Court will conclusively be deemed not to constitute willful misconduct, bad faith, gross negligence or fraud.

(b) Except as otherwise provided herein, the Trustee shall not be subject to any personal liability whatsoever, whether in tort, contract or otherwise, to any Person in connection with the affairs of the Trust to the fullest extent provided under section 3803 of the Delaware Statutory Trust Act, and all Persons claiming against the Trustee, or otherwise asserting claims of any nature in connection with affairs of the Trust, shall look solely to the Trust Assets for satisfaction of any such claims.

(c) To the extent that, at law or in equity, the Trustee has duties (including fiduciary duties) and liabilities relating hereto, to the Trust or to the Trust Beneficiaries, it is hereby understood and agreed by the Parties and the Trust Beneficiaries that such duties and liabilities are eliminated to the fullest extent permitted by applicable law, including Section 3806 of the Delaware Statutory Trust Act, and replaced by the duties and liabilities expressly set forth in this Trust Agreement with respect to the Trustee.

(d) The Trustee and its respective officers, directors, partners, members, managers and employees, shall be indemnified to the fullest extent permitted by law by the Trust against all liabilities arising out of the creation, operation, administration or termination of the Trust, including actions taken or omitted in fulfillment of their duties with respect to the Trust, except for those acts that are determined by Final Order to have arisen out of their own willful misconduct, bad faith, gross negligence or fraud.

(e) The Trust will maintain customary insurance coverage for the protection of the Trustee after the Effective Date.

Section 3.13 Trustee Protective Provisions.

(a) Every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

(b) To the fullest extent permitted by law, neither the Trustee nor any of its officers, directors, employees, agents or affiliates shall have any implied duties (including

fiduciary duties) or liabilities otherwise existing at law or in equity, which implied duties and liabilities are hereby eliminated.

(c) The Trustee shall not be personally liable under any circumstances, except for its own willful misconduct, bad faith, gross negligence or fraud.

(d) No provision of this Trust Agreement shall require the Trustee to expend or risk its personal funds or otherwise incur any financial liability in the performance of its rights or powers hereunder.

(e) In the exercise or administration of the trust hereunder, the Trustee (i) may act directly or through agents or attorneys pursuant to agreements entered into with any of them, and the Trustee shall not be liable for the default or misconduct of such agents or attorneys if such agents or attorneys shall have been selected by the Trustee in good faith and with due care and (ii) may consult with counsel, accountants and other skilled Persons to be selected by it in good faith and with due care and employed by it, and it shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled Persons.

(f) If at any time the Trustee determines that it requires or desires guidance regarding the application of any provision of this Trust Agreement or any other document, then the Trustee may seek guidance from the Bankruptcy Court.

(g) Each of the parties hereto hereby agrees and, as evidenced by its acceptance of any benefits hereunder, any Beneficiary agrees that the Trustee in any capacity (x) has not provided and will not provide in the future, any advice, counsel or opinion regarding the tax, financial, investment, securities law or insurance implications and consequences of the formation, funding and ongoing administration of the Trust and Trust Assets, including, but not limited to, income, gift and estate tax issues, insurable interest issues, doing business or other licensing matters.

IV

TAX MATTERS

Section 4.01 Tax Returns and Allocations

The Trustee shall retain accountants to prepare and file U.S. federal income tax returns for the Trust, and the Trustee is authorized to report and pay from Trust Assets tax on the Trust's tax items of income, gain, loss, deduction and credit. In addition, the Trustee shall retain accountants to prepare and file in a timely manner such other tax returns, including any state and local tax returns, as are required by applicable law and the Trustee is authorized to pay from Trust Assets any taxes shown as due thereon. Any taxes paid hereunder shall be considered a cost and expense of the operation of the Trust.

Section 4.02 Expedited Determination of Taxes

The Trustee may request an expedited determination of taxes of the Trust under applicable law for all returns filed for, or on behalf of, the Trust for all taxable periods through the dissolution of the Trust.

Section 4.03 Withholding of Taxes; Trust Taxes

The Trust shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Distributions made by the Trust to the Trust Beneficiaries shall be subject to any such withholding and reporting requirements. The Trustee may retain accountants to advise of any such requirements.

V

DISTRIBUTIONS

Section 5.01 Distributions

The Trustee shall distribute all Trust Assets in accordance with the Plan at such time or times as the Trustee may determine.

Section 5.02 Manner of Payment or Distribution

(a) All Distributions made by the Trustee to Trust Beneficiaries shall be payable by the Trustee directly to the Trust Beneficiaries of record as of the twentieth (20th) day prior to the date scheduled for the Distribution, unless such day is not a Business Day, then such date for the Distribution shall be the following Business Day, but such Distribution shall be deemed to have been completed as of the required date.

(b) All Trust Proceeds shall be distributed in accordance with the Plan.

Section 5.03 Delivery of Trust Distributions

(a) All Distributions under this Trust Agreement to any Trust Beneficiary shall be made at the address of such Trust Beneficiary (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 Trustee have been notified in writing of a change of address, including by filing of a proof of Claim by a Trust Beneficiary that contains an address for such Trust Beneficiary different from the address of such Trust Beneficiary as set forth in the Schedules, with such change of address provided at least twenty (20) days prior to such Distribution Date.

(b) In the event that any Distribution to a Trust Beneficiary is returned as undeliverable, no further Distribution to such Trust Beneficiary shall be made unless and until the Trustee has been notified of the then current address of such Person, at which time such Distribution shall be made to such Person without interest; *provided, however*, that all Distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code

at the expiration of six (6) months from the applicable Distribution Date. After such date, all unclaimed property or interests in property shall revert to the Trust (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Person to such property or interest in property shall be released, settled, compromised, and forever barred.

Section 5.04 Cash Distributions

No Distributions shall be required to be made to any Trust Beneficiary in an amount less than \$100.00, unless otherwise determined by the Trustee. Any funds so withheld and not distributed shall be held in reserve and distributed in subsequent Distributions to the applicable Trust Beneficiary. Notwithstanding the foregoing, all Cash shall be distributed in the final Distribution of the Trust Assets in accordance with the Plan (including Section 6.13 of the Plan.

VI

INDEMNIFICATION

Section 6.01 Indemnification of the Trustee

(a) To the fullest extent permitted by law, the Trust, to the extent of its assets legally available for that purpose, will indemnify and hold harmless the Trustee and each of its [directors, member, shareholders, partners, officers, agents, professionals or employees] (collectively, the “Trust Indemnified Parties” and each a “Trust Indemnified Party”) from and against any and all loss, cost, damage, expense (including fees and expenses of attorneys and other advisors and any court costs incurred by any Trust Indemnified Party and including fees and expenses to enforce any provision of this Trust Agreement) or liability (including liabilities under state or federal securities laws) by reason of anything any Trust Indemnified Party did, does or refrains from doing for the business or affairs of the Trust, except to the extent that it is found by Final Order that the loss, cost, damage, expense or liability resulted from the Trust Indemnified Party’s willful misconduct, bad faith, gross negligence or fraud.

(b) Notwithstanding any provision herein to the contrary, the Trust Indemnified Parties shall be entitled to obtain advances from the Trust to cover their reasonable expenses, including of defending themselves in any action brought against them as a result of the acts and omissions, actual or alleged, of a Trust Indemnified Party in its capacity as such, *provided, however*, that the Trust Indemnified Parties receiving such advances shall repay the amounts so advanced to the Trust immediately upon the entry of a Final Order finding that such Trust Indemnified Parties were not entitled to any indemnity under the provisions of this Section 6.01. The foregoing indemnity in respect of any Trust Indemnified Party shall survive the termination, resignation or removal of such Trust Indemnified Party from the capacity for which they are indemnified. Termination or modification of this Trust Agreement shall not affect any indemnification rights or obligations then existing.

(c) The rights to indemnification under this Section 6.01 are not exclusive of other rights which any Trust Indemnified Party may otherwise have at law or in equity, including

common law rights to indemnification or contribution. Nothing in this Section 6.01 will affect the rights or obligations of any Person (or the limitations on those rights or obligations) under this Trust Agreement or any other agreement or instrument to which that Person is a party.

VII

REPORTS TO TRUST BENEFICIARIES

Section 7.01 Reports

(a) The Trustee shall retain accountants or other advisors to cause to be prepared, at such times as may be required by the Exchange Act or the Bankruptcy Court, if applicable, or, not less than annually, financial statements of the Trust together with annual income tax reporting of the Trust. To the extent such accountants or other advisors advise the Trustee that it is required by law, the financial statements prepared as of the end of the fiscal year shall be audited by nationally recognized independent accountants in accordance with U.S. generally accepted accounting principles. The materiality and scope of audit determinations shall be established between the Trustee and the appointed auditors with a view toward safeguarding the value of the Trust Assets, but nothing relating to the mutually agreed scope of work shall result in any limitation of audit scope that would cause the auditors to qualify their opinion as to scope of work with respect to such financial statements.

(b) Within ten (10) Business Days after receipt of the relevant report, the Trustee shall cause any information reported pursuant to Section 7.01(a) herein to be filed with the Bankruptcy Court.

(c) Any report required to be distributed by the Trustee under Section 7.01(a) hereof shall also be distributed to the Persons listed in Section 11.07 hereof concurrently with its distribution under Section 7.01(a) hereof.

VIII

TERM; TERMINATION OF THE TRUST

Section 8.01 Term; Termination of the Trust

(a) The Trust shall be dissolved and the Trustee shall be discharged from its duties with respect to the Trust as soon as practicable after the occurrence of each of the following (collectively, the "Termination Event"):

(i) all Disputed Claims (other than PSAN PI/WD Claims, Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing 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 Trustee under the Plan and this Agreement have been made,

provided, however, that in no event shall the Trust be dissolved later than the Non-PSAN PI/WD Claims Termination Date or such shorter or longer period authorized by the Bankruptcy Court.

(b) Any Dissolution Date Cash in the Trust remaining upon the occurrence of the Termination Event shall be available (as provided in the Plan):

(i) first, to the Post-Closing Reserve and/or Warehousing Entity Reserve to the extent that Reorganized Takata and/or the Warehousing Entity 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 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 Entity Reserve to the extent that Reorganized Takata and/or the Warehousing Entity have not been dissolved, with such allocation of Dissolution Date Cash to be in the discretion of the Trustee in consultation with the Plan Administrator.

(c) The Trustee shall determine whether the Claims Reserves with respect to Administrative Expense PSAN PI/WD Claims and Post-Closing PSAN 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.

(d) After Reorganized Takata and the Warehousing Entity have been dissolved, each Debtor's Allocable Share of the Residual Value of the 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.

Section 8.02 Continuance of the Trustee for Winding Up

(a) After the dissolution of the Trust and for the purpose of liquidating and winding up the affairs of the Trust, the Trustee shall continue to act as such until the Trustee's duties have been fully performed. Prior to the final Distribution of all of the remaining Trust Assets the Trustee shall be entitled to reserve from such assets any and all amounts required to provide for the Trustee's own costs and expenses in accordance with Section 3.10 herein until such time as the winding up of the Trust is completed. Upon dissolution of the Trust and prior to termination, the Trustee shall retain for a period of two (2) years, as a cost of administering the Trust, the books, records, Trust Beneficiary lists, and certificates and other documents and files that have been delivered to or created by the Trustee. At the Trustee's discretion, all of such records and documents may, but need not, be destroyed at any time after two (2) years from the completion and winding up of the affairs of the Trust. Upon the dissolution of the Trust and the

completion of the winding up of the assets, liabilities and affairs of the Trust pursuant to the Delaware Statutory Trust Act, the Trustee shall (or the Delaware Trustee may) file a certificate of cancellation with the State of Delaware to terminate the Trust.

(b) Except as otherwise specifically provided herein, upon the termination of the Trust, the Trustee shall have no further duties or obligations hereunder.

IX

AMENDMENT AND WAIVER

Any substantive provision of this Trust Agreement, except for this Article IX, may be amended or waived in writing by the Trustee with the approval by the Bankruptcy Court upon notice and an opportunity for a hearing and the consent of the Delaware Trustee, to the extent that the Delaware Trustee is affected by the amendment or waiver; *provided, however*, that no change may be made to this Trust Agreement that would adversely affect the payments, if any, to be made to the Plan Sponsor on account of the Plan Sponsor Backstop Funding Repayment. Technical amendments to this Trust Agreement and amendments authorized by Section 3.09 may be made, as necessary to clarify this Trust Agreement or enable the Trustee to effectuate the terms of this Trust Agreement, by the Trustee without approval of the Bankruptcy Court or any other Person; *provided, however*, that all amendments of this Trust Agreement shall be consistent with the Plan including the Plan Sponsor Backstop Funding Agreement and the purpose and intention of the Trust as set out in the Plan.

X

DELAWARE TRUSTEE

Section 10.01 Appointment and Purpose of the Delaware Trustee

The Trust shall at all times have a trustee that meets the requirements of Section 3807(a) of the Delaware Statutory Trust Act. The Delaware Trustee is appointed to serve as the trustee of the Trust in the State of Delaware for the sole purpose of satisfying the requirement of Section 3807(a) of the Delaware Statutory Trust Act. It is understood and agreed by the Parties that the Delaware Trustee shall not otherwise be a trustee hereunder and shall have none of the duties or liabilities of the Trustee.

Section 10.02 Duties of the Delaware Trustee

The duties of the Delaware Trustee shall be limited to (a) accepting legal process served on the Trust in the State of Delaware and (b) the execution of any certificates required to be filed with the Delaware Secretary of State that the Delaware Trustee is required to execute under Section 3811 of the Delaware Statutory Trust Act. To the extent that, at law or in equity, the Delaware Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or the Trust Beneficiaries, it is hereby understood and agreed by the Parties and the Trust Beneficiaries that such duties and liabilities are replaced by the duties and liabilities of the Delaware Trustee expressly set forth in this Trust Agreement. The Delaware Trustee shall have no liability for the acts or omissions of the Trustee or any other Person.

Section 10.03 Removal and Replacement of the Delaware Trustee

The Delaware Trustee may be removed by the Trustee upon thirty (30) days prior written notice to the Delaware Trustee. The Delaware Trustee may resign upon thirty (30) days prior written notice to the Trustee. Upon the resignation or removal of the Delaware Trustee, the Trustee shall appoint a successor Delaware Trustee. If no successor has been appointed within such thirty (30) day period, a court of competent jurisdiction may be petitioned (at the expense of the Trust) to appoint a successor Delaware Trustee.

Section 10.04 Successor Delaware Trustee

Any Person into which the Delaware Trustee may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Delaware Trustee shall be a party, or any Person which succeeds to all or substantially all of the corporate trust business of the Delaware Trustee, shall be the successor Delaware Trustee under this Trust Agreement without the execution, delivery or filing of any paper or instrument or further act to be done on the part of the Parties, except as may be required by the Delaware Statutory Trust Act.

Section 10.05 Protections for the Delaware Trustee

The Delaware Trustee shall be entitled to the following protections:

- (a) The Delaware Trustee shall not be personally liable under any circumstances, except for its own willful misconduct, bad faith, gross negligence or fraud.
- (b) The Delaware Trustee shall not be personally liable for any error of judgment made in good faith.
- (c) No provision of this Trust Agreement shall require the Delaware Trustee to expend or risk its personal funds or otherwise incur any financial liability in the performance of its rights or powers hereunder.
- (d) Under no circumstances shall the Delaware Trustee be personally liable for any representation, warranty, covenant, agreement, or indebtedness of the Trust.
- (e) The Delaware Trustee shall not be personally responsible for or in respect of the validity or sufficiency of this Trust Agreement or for the due execution hereof by the other Parties.
- (f) The Delaware Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties. The Delaware Trustee may accept a certified copy of a resolution of the board of directors or other governing body of any corporate party as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically prescribed herein, the Delaware Trustee may for all purposes hereof rely on a

certificate, signed by the Trustee, as to such fact or matter, and such certificate shall constitute full protection to the Delaware Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

(g) In the exercise or administration of the trust hereunder, the Delaware Trustee (i) may act directly or through agents or attorneys pursuant to agreements entered into with any of them, and the Delaware Trustee shall not be liable for the default or misconduct of such agents or attorneys if such agents or attorneys shall have been selected by the Delaware Trustee in good faith and with due care and (ii) may consult with counsel, accountants and other skilled Persons to be selected by it in good faith and with due care and employed by it, and it shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled Persons.

(h) In performing hereunder, the Delaware Trustee acts not in its individual capacity, and all Persons having any claim against the Delaware Trustee by reason of the transactions contemplated by this Trust Agreement or any other related document or agreement shall look only to the Trust's property for payment or satisfaction thereof.

Section 10.06 Compensation of the Delaware Trustee

The Delaware Trustee shall be entitled to receive compensation from the Reorganized TK Holdings Trust Reserve for its services as shall have been separately agreed to from time to time in writing by the Delaware Trustee.

Section 10.07 Indemnification of the Delaware Trustee

The Delaware Trustee or any officer, affiliate, director, employee, or agent of the Delaware Trustee (each an "Indemnified Person") shall be entitled to indemnification from the Trust from and against any and all losses, claims, taxes, damages, reasonable expenses, and liabilities (including legal fees and expenses, including in the enforcement of this Trust Agreement, and liabilities under state or federal securities laws) of any kind and nature whatsoever (collectively, the "Expenses"), to the extent that such Expenses arise out of or are imposed upon or asserted against such Indemnified Person with respect to the creation, operation or termination of the Trust, the execution, delivery or performance of this Trust Agreement or the transactions contemplated hereby, except as a result of the willful misconduct, bad faith, gross negligence or fraud of such Indemnified Person. The obligations of the Trust to compensate the Delaware Trustee and to indemnify an Indemnified Person as provided herein shall survive the termination of this Trust Agreement.

XI

MISCELLANEOUS PROVISIONS

Section 11.01 Reimbursement of Trust Costs

If the Trustee or the Trust, as the case may be, is the prevailing party in a dispute regarding the provisions of this Trust Agreement or the enforcement thereof, the Trustee or the Trust, as the case may be, shall be entitled to collect any and all costs, reasonable and

documented out-of-pocket expenses and fees, including attorneys' fees, from the non-prevailing party incurred in connection with such dispute or enforcement action. To the extent that the Trust has advanced such amounts, the Trust may recover such amounts from the non-prevailing party.

Section 11.02 Separateness

The Trustee, based on advice from counsel, shall cause the Trust to do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a separate legal entity. Except as provided in the Plan, the Trustee also shall cause the Trust to:

- (a) maintain its own separate books and records and bank accounts;
- (b) at all times hold itself out to the public and all other Persons as a legal entity separate from the Trustee and any other Person;
- (c) as provided herein, file its own tax returns, if any, as may be required under applicable Law, to the extent (A) not part of a consolidated group filing a consolidated return or returns or (B) not treated as a division for tax purposes of another taxpayer, and pay any taxes so required to be paid under applicable Law;
- (d) except as provided in the U.S. Acquisition Agreement, the Shared Services Agreement, the Transition Services Agreement, the TK Global Operating Agreement and the Plan Administrator Agreement (together, the "Transaction Documents"),² not commingle its assets with assets of any other Person;
- (e) except as provided in the Transaction Documents, conduct its business in its own name and comply with all organizational formalities to maintain its separate existence;
- (f) maintain separate financial records; and, if consolidated with financial statements of affiliates, include footnotes to the effect that the Trust is a separate legal entity and that its assets are not available to satisfy the claims of affiliates;
- (g) except as provided in the Transaction Documents, pay its own liabilities only out of its own funds;
- (h) maintain an arm's length relationship with its affiliates and the Trustee;
- (i) not hold out its credit or assets as being available to satisfy the obligations of others;
- (j) allocate fairly and reasonably any overhead for shared office space;
- (k) use separate stationery, invoices and checks;
- (l) not pledge its assets for the benefit of any other Person;
- (m) correct any known misunderstanding regarding its separate identity;

² **NTD**: Additional "Transaction Documents" under consideration.

(n) maintain capital as provided in the Plan;

(o) cause the Trust to comply with all requirements of the Delaware Statutory Trust Act and comply with the provisions of this Agreement and its Certificate of Trust;

(p) not acquire any securities of any Trustee; and

(q) advise its agents and other representatives to act at all times, with respect to the Trust, consistently and in furtherance of the foregoing.

Failure of the Trust, or the Trustee on behalf of the Trust, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Trust as a separate legal entity or the limited liability of the Trustee.

Section 11.03 No Recourse

No recourse hereunder or under any documents or instruments delivered in connection herewith shall be had against (a) any former, current or future director, officer, trustee (with respect to each of the Trustee and the Delaware Trustee, solely in its individual capacity), employee, agent, limited partner, manager, member, stockholder, affiliate, beneficial owner or assignee of the Trust, the Trustee, the Delaware Trustee, TK Global LLC, TK Services Inc. or TK Holdings Inc. or (b) any former, current or future director, officer, trustee (with respect to each of the Trustee and the Delaware Trustee, solely in its individual capacity), employee, agent, limited partner, manager, member, stockholder, affiliate (other than the Trust), beneficial owner or assignee of any of the persons or entities under clause (a) of this Section 11.03 (the persons and entities under clauses (a) and (b) of this Section 11.03, the “Covered Persons”) whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Covered Person for any obligation of the Trust under this Trust Agreement or for any claim based on, in respect of or by reason of such obligation or its creation.

Section 11.04 Laws as to Construction

Except to the extent the Bankruptcy Code or Federal Rules of Bankruptcy Procedure are applicable, this Trust Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

Section 11.05 Jurisdiction

The Bankruptcy Court and the courts of the State of Delaware shall have the exclusive jurisdiction with respect to any action relating to or arising from the Trust.

Section 11.06 Severability

If any provision of this Trust Agreement or the application thereof to any Person or circumstance shall be finally determined by a court of competent jurisdiction to be invalid or

unenforceable to any extent, the remainder of this Trust Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and such provision of this Trust Agreement shall be valid and enforced to the fullest extent permitted by law.

Section 11.07 Notices

(a) All notices, requests or other communications to the Parties hereto shall be in writing and shall be sufficiently given only if: (i) delivered in person; (ii) sent by electronic or facsimile communication (as evidenced by an electronic mail return receipt or confirmed fax transmission report, respectively); (iii) sent by registered or certified mail, return receipt requested; or (iv) sent by commercial delivery service or courier. Until a change of address is communicated, as provided below, all notices, requests and other communications shall be sent to the parties at the following addresses or facsimile numbers:

(i) If to the Trustee, to:

[●]
 [●]
 Tel: [●]
 Facsimile: [●]
 Email: [●]

With a copy to:

[●]
 [●]
 Tel: [●]
 Facsimile: [●]
 Email: [●]

(ii) If to the Debtors:

[●]
 [●]
 Facsimile: [●]
 Tel: [●]
 Email: [●]

With a copy to:

Weil, Gotshal & Manges
 767 Fifth Avenue
 New York, NY 10153

Attention: Ronit J. Berkovich, Esq
 Gavin Westerman, Esq
 Tel: +1 (212) 310-8534

+1 (212) 310-8747
Facsimile: +1 (212) 310-8007
Email: Ronit.Berkovich@weil.com
Gavin.Westerman@weil.com

(b) All notices shall be effective and shall be deemed delivered: (i) if by personal delivery, delivery service or courier, on the date of delivery; (ii) if by electronic mail or facsimile communication, on the date of receipt or confirmed transmission of the communication; and (iii) if by mail, on the date of receipt. Any Party from time to time may change its address, facsimile number or other information for the purpose of notices to that Party by giving notice specifying such change to the other Party hereto.

Section 11.08 Fiscal Year

The fiscal year of the Trust will begin on the first day of January and end on the last day of December of each year.

Section 11.09 Headings

The section headings contained in this Trust Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Trust Agreement or of any term or provision hereof.

Section 11.10 Counterparts

This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument, but all together shall constitute one agreement.

Section 11.11 Confidentiality

(a) The Trustee and each successor Trustee (each a "Covered Person") shall, during the period that they serve in such capacity under this Trust Agreement and following either the termination of this Trust Agreement or such individual's removal, incapacity, or resignation hereunder, hold strictly confidential any material, non-public information of or pertaining to any Person to which any of the Trust Assets relates or of which it has become aware in its capacity (the "Information"), except to the extent disclosure is required by applicable law, order, regulation or legal process. In the event that any Covered Person is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigation, demand or similar legal process) to disclose any Information, such Covered Person shall notify the relevant Person reasonably promptly (unless prohibited by law) so that the relevant Person may seek an appropriate protective order or other appropriate remedy or, in its discretion, waive compliance with the terms of this Section 11.11. In the event that no such protective order or other remedy is obtained, or that the relevant Person waives compliance with the terms of this Section 11.11, and that any Covered Person is nonetheless legally compelled to disclose the Information, the Covered Person will furnish only that portion of the Information, which the Covered Person, advised by counsel, is legally required and will give the relevant Person notice (unless prohibited by law) of the Information to be disclosed as far in advance as

practicable and exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Information.

(b) Notwithstanding the foregoing, Covered Persons may share or disclose Information with each of the Trust's and the Trustee's respective attorneys, financial consultants, outside auditors, other professionals, affiliates, members, partners, directors, officers, employees or agents for the purpose of rendering advice and guidance to such Covered Person, *provided that* the Person or entity receiving such disclosure is informed by such Covered Person of the confidential nature of such information and agrees to be bound by the provisions of this Section 11.11.

Section 11.12 Entire Agreement

This Trust Agreement (including the Recitals), the Confirmation Order, and the Plan constitute the entire agreement by and among the Parties hereto and there are no representations, warranties, covenants or obligations except as set forth herein or therein. This Trust Agreement, the Plan, and the Confirmation Order supersede all prior and contemporaneous agreements, understandings, negotiations, discussions, written or oral, of the Parties hereto, relating to any transaction contemplated hereunder. Except as otherwise specifically provided herein, in the Plan or in the Confirmation Order, nothing in this Trust Agreement is intended or shall be construed to confer upon or to give any Person other than the Parties hereto and their respective heirs, administrators, executors, successors, or assigns any right to remedies under or by reason of this Trust Agreement.

Section 11.13 Rules of Interpretation

For purposes of this Trust Agreement, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) the words "herein," "hereof," "hereto," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular section, subsection or clause contained in this Trust Agreement; (c) the rules of construction set forth in section 102 of the Bankruptcy Code will apply; and (d) the term "including" shall be construed to mean "including, but not limited to," "including, without limitation," or words of similar import.

XII

EFFECTIVENESS

This Trust Agreement shall become effective on the later of (a) execution of this Trust Agreement and (b) the Effective Date.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties hereto have either executed and acknowledged this Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers all as of the date first above written.

TK HOLDINGS INC. (for itself and on behalf of the other Debtors)

By:
Title:

[•], AS TRUSTEE

_____, as Trustee

[•], AS DELAWARE TRUSTEE

_____, as Delaware Trustee

EXHIBIT L

**Schedule of Causes of Action (Including Avoidance Actions) not Acquired by Plan Sponsor
or Waived Pursuant to Section 10.11 of Plan**

Contingent and unliquidated claims or causes of action

Debtor Name	Counterparty	Description	Estimated Damages
TK Holdings Inc.	ARC	Multiple issues with Supplied Material - prepetition	\$8,169,732.00
TK Holdings Inc.	ARC	Multiple issues with Supplied Material - postpetition	\$2,000,000.00
TK Holdings Inc.	ATF	Issue with Supplied Material	\$36,077.00
TK Holdings Inc.	Continental	Issue with Supplied Material	\$38,221.00
TK Holdings Inc.	Kern Liebers	Issue with Supplied Material	\$42,937.00
TK Holdings Inc.	Rory Fite	Declaratory Judgment - Requests declaration that the Tennessee Product Liability Act applies to claims	Unknown
Industrias Irvin de Mexico, S.A. de C.V.	Takata Corporation	Various claims and/or causes of action asserted in proof of claim	Unliquidated
Takata de Mexico, S.A. de C.V.	Takata Corporation	Various claims and/or causes of action asserted in proof of claim	Unliquidated
TK Holdings Inc.	Takata Corporation	Various claims and/or causes of action asserted in proof of claim	Unliquidated
TK Holdings Inc.	R. L. Polk & Co.	Issue with PPIC noticing data resulting in the incurrence of costs and expenses associated with the remailing of PPIC postcards	\$1,700,000.00

Note: The above list includes potential claims or causes of action that may ultimately be acquired by the Plan Sponsor pursuant to the U.S. Acquisition Agreement, but which are still under review. Out of an abundance of caution, such items have been included herein.

This schedule is a draft, which remains subject to further modification, amendment, and review.

Potential avoidance actions related to payments or transfers made to creditors within 90 days preceding Petition Date

Debtor Name	Creditor Name	Reasons for payment or transfer	Total Amount or value
TK Holdings Inc.	AMERICAN EXPRESS	Services	\$611,721.85
TK Holdings Inc.	AMERICAN EXPRESS CO.	Services	\$758,880.97
TK Holdings Inc.	BELT-TECH USA INC	Services	\$149,898.99
TK Holdings Inc.	CENTURYLINK	Other: Utilities	\$16,842.88
TK Holdings Inc.	CITY OF MOSES LAKE	Suppliers or vendors	\$7,753.50
TK Holdings Inc.	CITY OF PIQUA, OHIO	Other: Utilities	\$10,822.43
TK Holdings Inc.	CITY PUBLIC SERVICE	Other: Utilities	\$412,543.42
TK Holdings Inc.	CLIFTONLARSONALLEN LLP	Services	\$331,527.10
TK Holdings Inc.	CONSUMERS ENERGY	Other: Utilities	\$16,507.76
TK Holdings Inc.	COR365 INFORMATION SOLUTIONS	Services	\$7,225.79
TK Holdings Inc.	DAVIS POLK & WARDWELL LLP	Services	\$10,447.50
TK Holdings Inc.	DELOITTE	Services	\$7,120.00
TK Holdings Inc.	DNA CONSULTANTS - DARREN	Services	\$7,630.00
TK Holdings Inc.	DONTZIN NAGY & FLEISSIG	Services	\$13,054.23
TK Holdings Inc.	DORAMAXX CONSULTING	Services	\$15,850.00
TK Holdings Inc.	DTE ENERGY	Other: Utilities	\$297,219.86
TK Holdings Inc.	EA&S INVESTMENTS #5-BAB, LLC	Services	\$119,531.25
TK Holdings Inc.	FASI CONSULTING LLC	Services	\$73,516.25
TK Holdings Inc.	GMS LEASING LLC	Services	\$57,672.00
TK Holdings Inc.	GOODSILL ANDERSON QUINN	Services	\$16,908.00
TK Holdings Inc.	GORDON REES SCULLY MANSUKHANI LLP	Services	\$187,753.64
TK Holdings Inc.	GRANT COUNTY TREASURER	Other: Tax	\$227,823.67
TK Holdings Inc.	GREEN MOUNTAIN ENERGY	Other: Utilities	\$7,310.36
TK Holdings Inc.	HILCO VALUATION SERVICES	Services	\$369,507.32
TK Holdings Inc.	HONEYWELL INTERNATIONAL	Suppliers or vendors	\$25,867.61
TK Holdings Inc.	HUMANETICS INNOVATIVE SOLUTIONS	Suppliers or vendors	\$47,495.00
TK Holdings Inc.	JDM SYSTEMS CONSULTANTS	Services	\$24,752.00
TK Holdings Inc.	JTURCHIN LAW & LMCLEOD	Services	\$30,000.00
TK Holdings Inc.	JTURCHIN LAW & MWILLIAMS	Services	\$25,000.00
TK Holdings Inc.	KENNETH N WEINSTEIN LLC	Services	\$30,000.00
TK Holdings Inc.	KPMG LLP	Services	\$123,424.00
TK Holdings Inc.	LAVIN, O'NEIL, CEDRONE & DISIPIO	Services	\$43,042.08
TK Holdings Inc.	LAWOFFICEOFTHOMASWARNICKE	Services	\$20,957.00
TK Holdings Inc.	LC BEGIN & ASSOCIATES	Services	\$29,709.96
TK Holdings Inc.	LIBERTY MUTUAL INSURANCE	Services	\$1,392,970.10
TK Holdings Inc.	MCDONALD HOPKINS PLC	Services	\$59,946.00
TK Holdings Inc.	MEUNIER, CARLIN & CURFMAN LLC.	Services	\$145,337.59
TK Holdings Inc.	MILBANK, TWEED, HADLEY & MCCL	Services	\$23,154.87
TK Holdings Inc.	MILLER CANFIELD PADDOCK S	Services	\$7,461.53
TK Holdings Inc.	N.J. MALIN ASSOCIATES, LP	Suppliers or vendors	\$25,534.82
TK Holdings Inc.	PALACE SPORTS & ENTERTAIN MENT INC	Services	\$36,994.00
TK Holdings Inc.	PARADIGM TAX GROUP	Services	\$10,300.00
TK Holdings Inc.	PILLSBURY WINTHROP SHAW	Services	\$115,537.50
TK Holdings Inc.	PLANTE & MORAN PLLC	Services	\$84,361.41
TK Holdings Inc.	PLYBON & ASSOCIATES INC	Services	\$9,470.00
TK Holdings Inc.	PUBLIC UTILITY DISTRICT OF GRANT COUNTY	Services	\$222,540.18
TK Holdings Inc.	REGUS	Services	\$17,657.94
TK Holdings Inc.	REPUBLIC SERVICES	Services	\$8,910.08
TK Holdings Inc.	RIGHTPOINT CONSULTING LLC	Services	\$21,138.00
TK Holdings Inc.	SAN ANTONIO WATER SYSTEM	Other: Utilities	\$57,069.17
TK Holdings Inc.	SARD VERBINNEN & CO	Services	\$500,000.00
TK Holdings Inc.	SMITHAMUNDSEN LLC	Services	\$6,384.12
TK Holdings Inc.	SQUIRE PATTON BOGGS	Services	\$60,866.62
TK Holdings Inc.	STEPTOE & JOHNSON LLP	Services	\$7,937.50
TK Holdings Inc.	STRASBURGER & PRICE LLP	Services	\$245,857.36
TK Holdings Inc.	SUMITOMO CORP. OF AMERICA	Services	\$2,640,640.00
TK Holdings Inc.	TASS INTERNATIONAL SOFTWARE & SERVICES	Services	\$99,000.00
TK Holdings Inc.	TELADOC INC	Services	\$10,838.42
TK Holdings Inc.	THARRINGTON SMITH LLP	Services	\$7,603.50
TK Holdings Inc.	THE CRAIG WHITE GROUP LLC	Services	\$92,757.00
TK Holdings Inc.	THE DAKO GROUP	Services	\$22,357.55
TK Holdings Inc.	THE ET HORN COMPANY	Suppliers or vendors	\$15,167.40
TK Holdings Inc.	TUGGLE DUGGINS	Services	\$356,651.63
TK Holdings Inc.	UNITED STATES TREASURY	Services	\$7,912.34
TK Holdings Inc.	VECTOR CORPORATION ML	Suppliers or vendors	\$29,181.57
TK Holdings Inc.	VOESTALPINE AUTOMOTIVE COMPONENTS DETTINGEN GMBH	Suppliers or vendors	\$93,629.38
TK Holdings Inc.	VOESTALPINE ROTEC SUMMO CORP	Suppliers or vendors	\$5,055,503.92
TK Holdings Inc.	VOESTALPINE ROTEC SUMMO CORP - APODACA OPERATIONS	Services	\$1,309,025.30

Potential avoidance actions related to payments or transfers made to creditors within 90 days preceding Petition Date

Debtor Name	Creditor Name	Reasons for payment or transfer	Total Amount or value
TK Holdings Inc.	V-SUITES	Services	\$111,138.00
TK Holdings Inc.	WILLIAMS & CONNOLLY LLP	Services	\$237,477.62
TK Holdings Inc.	WILLIS OF NEW YORK INC	Services	\$1,723,194.96
TK Holdings Inc.	WILLIS OF NEW YORK, INC.	Services	\$46,387.60
TK Holdings Inc.	YUKEVICH CAVANAUGH	Services	\$266,926.62

Note: The above list includes potential claims or causes of action that may ultimately be acquired by the Plan Sponsor pursuant to the U.S. Aquisition Agreement, but which are still under review. Out of an abundance of caution, such items have been included herein.

This schedule is a draft, which remains subject to further modification, amendment, and review.

Potential avoidance actions related to payments or transfers made within one year preceding Petition Date to creditors who are or were insiders

Debtor Name	Insider Name	Total Amount Paid
Industrias Irvin de Mexico, S.A. de C.V.	TK HOLDINGS DE MEXICO S. DE R.L. DE C.V.	\$433,089.02
Interiors in Flight Inc.	TK Holdings - NAS	\$653.49
Interiors in Flight Inc.	Takata Protection Systems Inc.	\$39,591.24
Interiors in Flight Inc.	TKH Auburn Hills	\$3,512,857.64
Interiors in Flight Inc.	TKH-EXEC	\$816.33
Strosshe-Mex, S. de R.L. de C.V.	TK HOLDING DE MEXICO	\$64,152,497.29
Strosshe-Mex, S. de R.L. de C.V.	TK HOLDING INC (860)	\$62,735,828.72
Strosshe-Mex, S. de R.L. de C.V.	TK HOLDING INC (574)	\$8,865.90
Strosshe-Mex, S. de R.L. de C.V.	TK HOLDINGS INC AB	\$111,578,582.07
Strosshe-Mex, S. de R.L. de C.V.	TK HOLDINGS INC SB	\$91,923,482.47
Takata Americas	TK Holdings Inc.	\$18,131,703.68
Takata de Mexico, S.A. de C.V.	INDUSTRIAS IRVIN DE MEXICO	\$5,096,008.61
Takata de Mexico, S.A. de C.V.	JAROPAMEX SA DE CV	\$39,450.81
Takata de Mexico, S.A. de C.V.	TAKATA RESTRAINT SYSTEMS	\$1,350,398.96
Takata de Mexico, S.A. de C.V.	TK HOLDINGS DE MEXICO	\$73,835,822.68
Takata de Mexico, S.A. de C.V.	TK HOLDINGS, INC.	\$2,956,157.45
Takata Protection Systems Inc.	Interiors in Flight Inc.	\$238,124.12
Takata Protection Systems Inc.	SCHROTH Safety Products LLC	\$2,612,043.00
Takata Protection Systems Inc.	Takata Automotive Electronics	\$78,508.80
Takata Protection Systems Inc.	Takata Corporation	\$70,812.10
Takata Protection Systems Inc.	TK Holdings - Seat Belt Group	\$4,342.69
Takata Protection Systems Inc.	TK Holdings Inc.	\$1,016,000.42
Takata Protection Systems Inc.	TK Holdings Inc. - NAS	\$194,367.75
Takata Protection Systems Inc.	TKH - Piqua	\$274,268.41
Takata Protection Systems Inc.	TKH Auburn Hills	\$37,467.16
Takata Protection Systems Inc.	TKH Seat Belts	\$15,686.38
Takata Protection Systems Inc.	TKH-Monclova	\$20,440.68
TK China, LLC	Takata (Shanghai) Automotive Component Co., Ltd.	\$28,774,744.49
TK China, LLC	TK Finance, LLC	\$18,131,703.68
TK Finance, LLC	Takata Americas	\$9,039,760.01
TK Finance, LLC	Takata Americas Capital Contribution	\$9,091,943.67
TK Holdings de Mexico S. de R.L. de C.V.	INDUSTRIAS IRVIN DE MEXICO, S.A. DE C.V.	\$43,134,783.18
TK Holdings de Mexico S. de R.L. de C.V.	JAROPAMEX SA DE CV	\$17,281.03
TK Holdings de Mexico S. de R.L. de C.V.	STROSSHE-MEX, S. DE R.L. DE C.V.	\$65,570,568.83
TK Holdings de Mexico S. de R.L. de C.V.	TAKATA DE MEXICO, S.A. DE C.V.	\$86,337,360.42
TK Holdings Inc.	Industrias Irvin	\$43,092,454.67
TK Holdings Inc.	Irvin Automotive	\$492,918.46
TK Holdings Inc.	Takata AG	\$3,358,019.46
TK Holdings Inc.	TAKATA AG ASCHAFFENBURG	\$4,542,432.91
TK Holdings Inc.	TAKATA AG-NILKHEIM PLANT	\$123,867.36
TK Holdings Inc.	TAKATA CORPORATION	\$317,085,042.95
TK Holdings Inc.	Takata DeMexico	\$363,120.55
TK Holdings Inc.	Takata Echigawa	\$790,040.38
TK Holdings Inc.	TAKATA ELTERLEIN	\$1,344,382.87
TK Holdings Inc.	TAKATA -ELTERLIEN	\$882,620.58
TK Holdings Inc.	TAKATA EUROPE GmbH	\$169,251.68
TK Holdings Inc.	TAKATA -FREIBERG	\$3,406,740.44
TK Holdings Inc.	TAKATA PARTS S.R.O.	\$41,884.71
TK Holdings Inc.	TAKATA PETRI (ULM) GMBH	\$32,647.60
TK Holdings Inc.	TAKATA PETRI PARTS S.R.O	\$422,280.22
TK Holdings Inc.	Takata Petri Parts s.r.o.	\$1,554.28
TK Holdings Inc.	TAKATA PETRI SACHSEN GMBH	\$4,923,289.59
TK Holdings Inc.	Takata Protection Systems	\$268,354.01
TK Holdings Inc.	Takata Sachsen	\$2,450,297.61
TK Holdings Inc.	TAKATA SAFETY SYSTEMS	\$3,125,243.26
TK Holdings Inc.	TAKATA SEAT BELTS	\$17,991.57
TK Holdings Inc.	TAKATA SHANGHAI AUTOMOTIVE	\$713,506.20
TK Holdings Inc.	Takata Shanghai Automotive - TSAC	\$573,130.45
TK Holdings Inc.	Takata Shanghai Automotive Safety Sys	\$37,188,727.56
TK Holdings Inc.	Takata ULM	\$25,917.50
TK Holdings Inc.	TakataAutoSafetySystems	\$183,913.23
TK Holdings Inc.	TK China LLC	\$16,677,391.65

Note: The above list includes potential claims or causes of action that may ultimately be acquired by the Plan Sponsor pursuant to the U.S. Acquisition Agreement, but which are still under review. Out of an abundance of caution, such items have been included herein.

This schedule is a draft, which remains subject to further modification, amendment, and review.

EXHIBIT M

PSAN PI/WD Trust Agreement

PSAN PI/WD TRUST AGREEMENT¹**DATED AS OF [●], 2018****PURSUANT TO THE THIRD AMENDED JOINT CHAPTER 11 PLAN OF
REORGANIZATION OF TK HOLDINGS INC.
AND ITS AFFILIATED DEBTORS**

THIS DOCUMENT HAS NOT BEEN APPROVED OR CONSENTED TO BY THE FUTURE CLAIMANTS' REPRESENTATIVE OR THE OFFICIAL COMMITTEE OF TORT CLAIMANTS OR ANY OF THEIR REPRESENTATIVES, AND IS SUBJECT TO REVIEW, NEGOTIATION AND REVISION IN ALL RESPECTS. THE FCR AND TCC HAVE RESERVED ALL RIGHTS WITH RESPECT TO THIS DOCUMENT.

THE OFFICIAL COMMITTEE OF TORT CLAIMANTS RESERVES ALL RIGHTS WITH RESPECT TO ANY PROVISION IN THE TDP WHICH PURPORTS TO ESTABLISH DIFFERING DEBTOR LIABILITY TO ANY TRUST BENEFICIARY BASED UPON THE TYPE, KIND, OF MANUFACTURER OF THE VEHICLE IN WHICH THE BENEFICIARY WAS INJURED. MOREOVER, THE TORT CLAIMANTS COMMITTEE RESERVES ALL RIGHTS WITH RESPECT TO WHETHER THE TRUST BENEFICIARIES HAVE RECEIVED ADEQUATE INFORMATION ABOUT TO MAKE AN INFORMED DECISION ABOUT HOW TO VOTE ON THE PLAN.

¹ No Non-Participating OEM has consented to the TDP, which is the subject of ongoing negotiations and is expected to be modified during the course of proceedings in these cases. Such modifications may be material, including, but not limited to, amendments or additional documents to address the treatment of claims involving vehicles of Non-Participating OEMs to make clear that such claims are not subject to, among other things, the Valuation Schedule, Liquidated Value, Maximum Value, and Minimum Value described in the TDP, and may instead be evaluated, processed and determined pursuant to a process as yet to be determined.

Non-Participating OEMs have not waived and do not waive any and all rights that they may have with respect to the TDP and the transactions contemplated thereby, including objection rights, and, reserve all rights, remedies, defenses and powers available at law or in equity or otherwise. None of the Debtors, Participating OEMs, FCR, Tort Committee, Trustee, or any other parties shall consider any discussions or course of dealings that any Non-Participating OEM or its representatives have had or may have with them or their representatives as a consent to the TDP and nothing in this TDP is intended or shall be deemed or construed in any way to waive, alter or impair the ability of Non-Participating OEMs to supplement, revise, amend or alter in any way the provisions in the TDP.

PSAN PI/WD TRUST AGREEMENT

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PSAN PI/WD TRUST AGREEMENT

This PSAN PI/WD Trust Agreement (this “**Trust Agreement**”), dated as of [●], 2018, and effective as of the Effective Date, is entered in accordance with the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and its Affiliated Debtors, dated as of [●], 2018 (as it may be amended, modified, or supplemented, the “**Plan**”),² by TK Holdings Inc. and its affiliated Debtors (collectively, the “**Debtors**” or the “**Settlers**”), the debtors and debtors-in-possession whose Chapter 11 cases are administered under Case No. 17-11375 (BLS) in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”); the Future Claimants’ Representative (the “**FCR**”); the PSAN PI/WD Trustee (the “**Trustee**”); **[Wilmington Trust, National Association,]** as the Delaware Trustee pursuant to Section 4.10 hereof and any successor Delaware Trustee serving in such capacity (the “**Delaware Trustee**”); and the members of the PSAN PI/WD Trust Advisory Committee (the “**TAC**”) and the PSAN PI/WD OEM Advisory Committee (the “**OAC**”) (together with the TAC, the “**PPTACs**”) identified on the signature page hereof; and

WHEREAS, pursuant to the February 27, 2017 order entered in U.S. v. Takata Corp., Case No. 16-cr-20810-04, the United States District Court for the Eastern District of Michigan (the “**Michigan District Court**”) approved the establishment of a personal injury and wrongful death restitution fund of \$125 million to provide restitution to individuals who suffered or will suffer personal injury caused by the malfunction of Takata airbags (the “**DOJ PI/WD Restitution Fund**”); and

² All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Plan, and such definitions are incorporated herein by reference. All capitalized terms not defined herein or defined in the Plan, but defined in the Bankruptcy Code or Rules, shall have the meanings ascribed to them by the Bankruptcy Code and Rules, and such definitions are incorporated herein by reference.

WHEREAS, on July 31, 2017, the Michigan District Court entered an order appointing Eric D. Green as Special Master (the “**Special Master**”) to administer the DOJ PI/WD Restitution Fund; and

WHEREAS, the Debtors have reorganized under the provisions of Chapter 11 of the Bankruptcy Code in a case filed in the United States Bankruptcy Court for the District of Delaware, administered and known as In re TK Holdings Inc., et al., Case No. 17-11375 (BLS); and

WHEREAS, the Confirmation Order has been entered by the Bankruptcy Court and, unless such requirement was waived as described in the Plan, affirmed by the District Court; and

WHEREAS, the Plan provides, *inter alia*, for the creation of the PSAN PI/WD Trust (the “**PSAN PI/WD Trust**”) in accordance with this Trust Agreement; and

WHEREAS, the Plan provides that, on the Effective Date, the PSAN PI/WD Funds shall be transferred to, vested in and assumed by the PSAN PI/WD Trust; and

WHEREAS, pursuant to the Plan, the PSAN PI/WD Trust is to use the PSAN PI/WD Funds to satisfy and make payments to holders of all PSAN PI/WD Claims against the Debtors and the Protected Parties, and, after the Non-PSAN PI/WD Claims Termination Date, to use the amounts transferred from the IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, and the TKH Claims Reserve, as applicable, to the PSAN PI/WD Trust to satisfy and make payments to holders of the Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PSAN PI/WD Claims; and

WHEREAS, it is the intent of the Debtors, the Trustee, the PPTACs, and the FCR that the PSAN PI/WD Trust be administered, maintained, and operated at all times through mechanisms that provide reasonable assurance that the PSAN PI/WD Trust will compensate all

PSAN PI/WD Claims against the Debtors and the Protected Parties pursuant to the PSAN PI/WD Trust Distribution Procedures (the “**TDP**”) that are attached hereto as **Exhibit 1** in substantially the same manner, and in compliance with the terms of this Trust Agreement; and

WHEREAS, pursuant to the Plan, the PSAN PI/WD Trust is intended to qualify as a “qualified settlement fund” within the meaning of section 1.468B-1 *et seq.* of the Treasury Regulations promulgated under section 468B of the Internal Revenue Code of 1986, as amended (the “**QSF Regulations**”); and

WHEREAS, the Bankruptcy Court has determined that the PSAN PI/WD Trust and the Plan satisfy all the prerequisites for an injunction pursuant to section 105(a) of the Bankruptcy Code with respect to any and all PSAN PI/WD Claims against the Debtors and the Protected Parties, and such injunction has been entered in connection with the Confirmation Order;

NOW, THEREFORE, it is hereby agreed as follows:

SECTION I **AGREEMENT OF TRUST**

1.1 Creation and Name. The Debtors as Settlers hereby create a trust known as the “PSAN PI/WD Trust,” which is the PSAN PI/WD Trust provided for and referred to in the Plan. The Trustee of the PSAN PI/WD Trust may transact the business and affairs of the PSAN PI/WD Trust in the name of the PSAN PI/WD Trust, and references herein to the PSAN PI/WD Trust shall include the Trustee acting on behalf of the PSAN PI/WD Trust. It is the intention of the parties hereto that the PSAN PI/WD Trust created hereby constitutes a statutory trust under Chapter 38 of title 12 of the Delaware Code, 12 Del. C. § 3801 *et seq.* (the “**Act**”) and that this document, together with the bylaws described herein and the TDP, constitute the governing instruments of the PSAN PI/WD Trust. The Trustee and the Delaware Trustee are hereby

authorized and directed to execute and file a Certificate of Trust with the Delaware Secretary of State in the form attached hereto as **Exhibit 2**.

1.2 Purpose.

(a) The purpose of the PSAN PI/WD Trust is to (i) assume the liability for all PSAN PI/WD Claims against the Debtors and the Protected Parties, (ii) administer, process, settle, resolve, liquidate and pay (or direct the foregoing) of such (a) PSAN PI/WD Claims and (b) Other PI/WD Claims³ 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 PSAN PI/WD Claims (collectively, the “**Trust Administered Claims**” and together with the PSAN PI/WD Claims, the “**Trust Claims**”), (iii) preserve, hold, manage and maximize the amounts transferred by the Legacy Trustee from the IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, the TKH Claims Reserve, and the Post-Closing PSAN PI/WD Claims Reserve to the PSAN PI/WD Trust on the Non-PSAN PI/WD Claims Termination Date including, without limitation, by establishing 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 PSAN PI/WD Claims on the Non-PSAN PI/WD Claims Termination Date (the “**Claims Reserves Funds**”), but only to the extent sufficient funds have been transferred by the Debtors and/or the Legacy Trustee to the PSAN PI/WD Trust for such purpose, (iv) preserve, hold, manage and maximize the PSAN PI/WD Funds for use in paying and satisfying PSAN PI/WD Claims that qualify for a recovery under the Plan, all in accordance with the terms of the Plan (including Section 5.10(g) thereof), and the Trust Agreement, PSAN PI/WD Trust Bylaws (as defined below), TDP, Participating

³ [Under discussion and subject to global settlement. Certain OEMs may only want seatbelt claims administered by the trust].

OEM Contribution Agreement(s), Indemnification Agreement (as defined below), PI/WD Insurance Rights Transfer Agreement (as defined below), and PSAN PI/WD Cooperation Agreement (as defined below), including all related exhibits (collectively, the “**Trust Documents**”), and (v) preserve, hold, manage and maximize any and all rights, titles, privileges, interests, claims, demands or entitlements of the Debtors, [TKJP and any other Takata entity] to any proceeds, payments, benefits, causes of action, choses in action, defense or indemnity arising under or attributable to any and all PI/WD Insurance Policies (as defined below), accrued or unaccrued, liquidated or unliquidated, matured or unmatured, disputed or undisputed, fixed or contingent (the “**PI/WD Insurance Rights**”); provided, however, that each PSAN PI/WD Top-Up Amount will 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 Trustee will separately track, account for and maintain each PSAN PI/WD Top-Up Amount contributed by each Participating OEM in separate PSAN PI/WD Top-Up Funds. Any incremental PSAN PI/WD Trust Expenses incurred by the PSAN PI/WD Trust specifically in connection with the consideration and liquidation of the PSAN PI/WD Trust with respect to Participating OEMs shall be borne by such Participating OEMs in accordance with the terms of the applicable Participating OEM Contribution Agreement(s).

(b) 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 in such a way that all holders of valid PSAN PI/WD Claims, are treated equitably and in a substantially similar manner, subject to the terms of the Plan, the Trust Agreement, and the other Trust Documents. From and after the Effective Date, the PSAN PI/WD Claims against the Debtors and the Protected Parties will be channeled to the PSAN

PI/WD Trust pursuant to the Channeling Injunction set forth in Section 10.7 of the Plan and may thereafter be asserted only and exclusively against the PSAN PI/WD Trust. All such PSAN PI/WD Claims will be liquidated and paid in accordance with the Trust Agreement, the TDP, the Plan, the Confirmation Order, and the Other Trust Documents including any Participating OEM Contribution Agreement, if applicable. The PSAN PI/WD Trust will be administered and implemented by the Trustee as provided in this Trust Agreement.

1.3 Transfer of Assets. Pursuant to, and in accordance with, Section 5.10 of the Plan, upon the Effective Date, the PSAN PI/WD Trust will receive the PSAN PI/WD Funds to fund the PSAN PI/WD Trust and resolve all PSAN PI/WD Claims against the Debtors and the Protected Parties and, after the Non-PSAN PI/WD Claims Termination Date, will receive the Claims Reserves Funds to resolve all Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PSAN PI/WD Claims. In all events, the PSAN PI/WD Funds, the Claims Reserves Funds and any other assets to be transferred to the PSAN PI/WD Trust under the Plan will be transferred to the PSAN PI/WD Trust free and clear of any liens, encumbrances, charges, or other claims by the Debtors, the Protected Parties, any creditor, or other entity. The Debtors shall execute and deliver such documents to the PSAN PI/WD Trust as the Trustee reasonably requests to transfer and assign any PSAN PI/WD Funds and the Claims Reserves Funds to the PSAN PI/WD Trust. 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 other purpose other than for the payment, defense or administration of the PSAN PI/WD Claims against the Debtors and the Protected Parties and expenses of the PSAN PI/WD Trust.

1.4 Acceptance of Assets and Assumption of Liabilities.

(a) In furtherance of the purposes of the PSAN PI/WD Trust, the PSAN PI/WD Trust hereby expressly accepts the transfer to the PSAN PI/WD Trust of the PSAN PI/WD Funds and, after the Non-PSAN PI/WD Claims Termination Date, the Claims Reserves Funds in the time and manner as, and subject to the terms, contemplated in the Plan.

(b) In furtherance of the purposes of the PSAN PI/WD Trust, and subject to the terms of this Trust Agreement, the PSAN PI/WD Trust expressly assumes all liabilities and responsibility for all PSAN PI/WD Claims against the Debtors and the Protected Parties, and (ii) all PSAN PI/WD Trust Expenses, and neither the Reorganized Debtors nor any of the other Protected Parties specified in the Plan shall have any further financial or other responsibility or liability therefor, except as otherwise expressly set forth in the Plan, this Trust Agreement and the applicable Participating OEM Contribution Agreement, if applicable. The PSAN PI/WD Trust also accepts responsibility for administering and paying the Trust Administered Claims with the Claims Reserves and other funds transferred to the PSAN PI/WD Trust by the Debtors, the Reorganized Debtors and/or the Legacy Trustee for such purposes. Except as otherwise provided in this Trust Agreement and the TDP, the PSAN PI/WD Trust shall have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding such claims that the Debtors, Reorganized Debtors or the Protected Parties have or would have had under applicable law; provided, however, that no such claims, defenses or rights may be asserted against any Protected Party.

(c) No provision herein or in the TDP shall be construed or implemented in a manner that would cause the PSAN PI/WD Trust to fail to qualify as a “qualified settlement fund” under the QSF Regulations.

(d) Nothing in this Trust Agreement shall be construed in any way to (i) limit the scope, enforceability, or effectiveness of the Channeling Injunction or (ii) subject to the provisions of Section 1.4(b) above, limit the PSAN PI/WD Trust's assumption of all liability for PSAN PI/WD Claims against the Debtors and the Protected Parties.

(e) The PSAN PI/WD Trust shall be bound by the Plan.

(f) Pursuant to Section 5.10(s)(iv) of the Plan and subject to the conditions and limitations set forth therein, the PSAN PI/WD Trust shall enter into an indemnification agreement with respect to the PSAN PI/WD Claims (the "**Indemnification Agreement**"), and shall fulfill its obligations thereunder.

(g) As further described in the TDP, the PSAN PI/WD Trust shall require all holders of PSAN PI/WD Claims to execute a release (the "**Claimant Release**") as a precondition to receiving payment on account of their PSAN PI/WD Claims from the PSAN PI/WD Trust.

(h) The PSAN PI/WD Trust shall have the authority to enter into (i) a transfer agreement (the "**PI/WD Insurance Rights Transfer Agreement**"), attached hereto as **Exhibit 3**, to implement the transfer, assignment and vesting of the PI/WD Insurance Rights as contemplated under the Plan and in Section [___] of the PI/WD Insurance Rights Transfer Agreement (the "**Insurance Rights Transfer**") and (ii) all other documents necessary or appropriate to implement the Insurance Rights Transfer pursuant to the Plan.

1.5 Beneficial Owners. To the extent required by the Act, the beneficial owners (within the meaning of the Act) of the PSAN PI/WD Trust (the "**Beneficial Owners**") shall be deemed to be the holders of PSAN PI/WD Claims, provided that (i) the holders of PSAN PI/WD Claims, as such Beneficial Owners shall have only such rights with respect to the PSAN PI/WD Trust and its assets as are set forth in the Plan, the TDP, the Trust Agreement and the other Trust

Documents, and (ii) no greater or other rights, including upon dissolution, liquidation, or winding up of the PSAN PI/WD Trust, shall be deemed to apply to the holders of PSAN PI/WD Claims in their capacity as Beneficial Owners. The holders of Trust Administered Claims shall not be Beneficial Owners of the Trust. The Beneficial Owners shall also include, as a subrogee of a Beneficial Owner, any Consenting OEM that has settled a PSAN PI/WD Claim with a Beneficial Owner.

SECTION II

POWERS AND TRUST ADMINISTRATION

2.1 Powers.

(a) The Trustee is and shall act as the fiduciary to the PSAN PI/WD Trust in accordance with the provisions of this Trust Agreement and the Plan. The Trustee shall administer the PSAN PI/WD Trust, the PSAN PI/WD Funds, the Claims Reserves Funds, and any other amounts to be received under the terms of the Plan, in accordance with the purposes set forth in Section 1.2 above and in the manner prescribed by this Trust Agreement and, to the extent applicable, the Participating OEM Contribution Agreement(s). Subject to the limitations set forth in this Trust Agreement, the Trustee shall have the power to take any and all actions that in the judgment of the Trustee are necessary or proper to fulfill the purposes of the PSAN PI/WD Trust, including, without limitation, each power expressly granted in this Section 2.1, any power reasonably incidental thereto and any trust power now or hereafter permitted under the laws of the State of Delaware.

(b) Except as required by applicable law or otherwise specified herein, the Trustee need not obtain the order or approval of any court in the exercise of any power or discretion conferred hereunder.

(c) Without limiting the generality of Section 2.1(a) above, and except as limited below, the Trustee shall have the power to:

(i) receive and hold the PSAN PI/WD Funds and, after the Non-PSAN PI/WD Claims Termination Date, the Claims Reserves Funds, and exercise all rights with respect thereto, including the right to vote and sell any securities that are included in the PSAN PI/WD Funds, and the Claims Reserves Funds;

(ii) invest the monies held from time to time by the PSAN PI/WD Trust; provided that the PSAN PI/WD Top-Up Amounts may only be invested, if at all, in accordance with the terms of the Participating OEM Contribution Agreement(s);

(iii) enter into leasing and financing agreements with third parties to the extent such agreements are reasonably necessary to permit the PSAN PI/WD Trust to operate;

(iv) pay liabilities and expenses of the PSAN PI/WD Trust;

(v) establish such funds, reserves and accounts within the PSAN PI/WD Trust estate, as deemed by the Trustee to be useful in carrying out the purposes of the PSAN PI/WD Trust;

(vi) sue and be sued and participate, as a party or otherwise, in any judicial, administrative, arbitral, or other proceeding;

(vii) establish, supervise and administer the PSAN PI/WD Trust in accordance with this Trust Agreement and the TDP and the terms thereof;

(viii) appoint such officers and hire such employees and engage such legal, financial, accounting, investment, auditing, and forecasting, and other consultants and agents as the business of the PSAN PI/WD Trust requires, and delegate to such persons such powers and authorities as the fiduciary duties of the Trustee permit and as the Trustee, in his or

her discretion, deems advisable or necessary in order to carry out the terms of this Trust Agreement;

(ix) subject to the Budget (as defined below)⁴ and Section 4.7 herein, pay reasonable compensation to employees and any consultants, advisors and agents, including those engaged by the PSAN PI/WD Trust for legal, financial, accounting, investment, auditing and forecasting purposes and alternative dispute resolution activities;

(x) subject to the Budget and Sections 4.5, 4.7, 5.5, 5.6, 7.4 and 7.5 herein, compensate the Trustee, the Delaware Trustee, the TAC and the FCR as provided below, and their employees, legal, financial, accounting, investment, and other advisors, consultants, independent contractors, and agents, and reimburse the Trustee, the Delaware Trustee, the TAC's members, and the FCR for all reasonable out-of-pocket costs and expenses incurred by such persons in connection with the performance of their duties hereunder; provided that the compensation provided to the TAC, its members, advisors, consultants, independent contractors, and agents shall further be subject to the Participating OEM Contribution Agreement(s);

(xi) execute and deliver such instruments as the Trustee considers proper in administering the PSAN PI/WD Trust;

(xii) enter into such other arrangements with third parties as are deemed by the Trustee to be useful in carrying out the purposes of the PSAN PI/WD Trust, provided such arrangements do not conflict with any other provision of this Trust Agreement;

(xiii) in accordance with Section 4.6 below, defend, indemnify, and hold harmless (and purchase insurance indemnifying) (A) the Trustee, the Delaware Trustee, the members of the PPTACs and the FCR and (B) the officers and employees of the PSAN PI/WD

⁴ [Budget concepts still under review].

Trust, and any agents, lawyers, advisors, and consultants of the PSAN PI/WD Trust, the PPTACs, the members of the PPTACS or the FCR (collectively, the “**Additional Indemnitees**”), to the fullest extent, as permitted by 12 Del. C. § 3817, after giving application to the provisions of Section 8.11 below, that a statutory trust organized under the laws of the State of Delaware is from time to time entitled to indemnify and/or insure its directors, trustees, officers, employees, agents, advisors, and representatives; provided, however, that notwithstanding anything to the contrary herein, no party shall be indemnified or defended in any way for any liability, expense, claim, damage, or loss for which he or she is ultimately liable under Section 4.4 below;⁵

(xiv) in accordance with Section 1.4(f) above, enter into the Indemnification Agreement and fulfill its obligations thereunder;

(xv) enter into the PSAN PI/WD Cooperation Agreement, attached hereto as **Exhibit 4**, and fulfill its obligations thereunder;

(xvi) delegate any or all of the authority herein conferred with respect to the investment of all or any portion of the PSAN PI/WD Funds and/or the Claims Reserves Funds to any one or more reputable individuals or recognized institutional investment advisors or investment managers without liability for any action taken or omission made because of any such delegation, except as provided in Section 4.4 below; provided that the PSAN PI/WD Top-Up Amounts may only be invested, if at all, in accordance with the terms of the Participating OEM Contribution Agreement(s);

(xvii) consult with the PPTACs and the FCR at such times and with respect to such issues relating to the conduct of the PSAN PI/WD Trust as set forth herein;

⁵ [Trust satisfaction of indemnification obligations in light of structure under review.]

(xviii) make, pursue (by litigation or otherwise), collect, compromise, or settle, in the name of the PSAN PI/WD Trust, any claim, right, action, or cause of action included in the PSAN PI/WD Funds, or the Claims Reserves Funds, including, but not limited to, insurance recoveries before any court of competent jurisdiction;

(xix) purchase such insurance as the Trustee deems appropriate or as required under the Trust Documents, including with respect to any indemnification obligations of the Trust; and

(xx) take any and all actions required by the Plan.

(d) The Trustee shall not have the power to guarantee any debt of other persons.

(e) The Trustee agrees to take the actions of the PSAN PI/WD Trust required hereunder.

(f) The Trustee shall give the PPTACs and the FCR prompt notice of any act performed or taken pursuant to Sections 2.1(c)(iii), (vi), (xii), (xvi), (xviii) or (xix) above, and any act proposed to be performed or taken pursuant to Section 2.2(f) below.

2.2 General Administration.

(a) The Trustee shall act in accordance with the Trust Agreement. The Trustee shall adopt and act in accordance with PSAN PI/WD Trust Bylaws (“**PSAN PI/WD Trust Bylaws**”). To the extent not inconsistent with the terms of this Trust Agreement, the PSAN PI/WD Trust Bylaws shall govern the affairs of the PSAN PI/WD Trust. In the event of any inconsistency between the PSAN PI/WD Trust Bylaws and this Trust Agreement, this Trust Agreement shall govern.

(b) The Trustee shall (i) timely file such income tax and other returns and statements required to be filed and shall timely pay all taxes required to be paid by the PSAN PI/WD Trust out of the PSAN PI/WD Trust Reserve or, if not sufficient, from the corpus of the PSAN PI/WD Trust, provided that in no event shall funds contributed by a Participating OEM for payment of liquidated PSAN PI/WD Claims asserted against such Participating OEM, which such funds are to be held by the Trustee in segregated account(s) pursuant to the applicable Participating OEM Contribution Agreement, be used by the Trustee to pay taxes of the PSAN PI/WD Trust, (ii) comply with all applicable reporting and withholding obligations, (iii) satisfy all requirements necessary to qualify and maintain qualification of the PSAN PI/WD Trust as a qualified settlement fund within the meaning of the QSF Regulations, and (iv) take no action that could cause the PSAN PI/WD Trust to fail to qualify as a qualified settlement fund within the meaning of the QSF Regulations.

(c) The Trustee shall timely account to the Bankruptcy Court as follows:

(i) For the fiscal year 2018 and for each successive fiscal year thereafter until the PSAN PI/WD Trust is terminated pursuant to Section 8.2 below, the Trustee shall cause to be prepared and filed with the Bankruptcy Court⁶, as soon as available, and in any event within one hundred and twenty (120) days following the end of such fiscal year, an annual report (the “**Annual Report**”) containing financial statements of the PSAN PI/WD Trust (including, without limitation, a balance sheet of the PSAN PI/WD Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustee and accompanied by an opinion of such firm as to the fairness of the financial statements’ presentation of the cash and investments available

⁶ [Alternative if the Bankruptcy Cases are closed and any such filing would trigger US Trustee fees or other administrative costs still under review.]

for the payment of claims and as to the conformity of the financial statements with generally accepted accounting principles. The Trustee shall provide a copy of such Annual Report to the PPTACs and the FCR when such reports are filed with the Bankruptcy Court.

(ii) In connection with the filing of the Annual Report, the Trustee shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of claims disposed of during the period covered by the financial statements (the “**Claims Report**”). The Trustee shall provide a copy of the Claims Report to the PPTACs and the FCR when it is filed.

(iii) In connection with the filing of the Annual Report, the Trustee shall also provide to the PPTACs and the FCR, on a confidential basis, a report containing a more detailed summary including the following: (1) the number of claims made, denied and compensated, (2) the number and amount of awards made and the basis for such awards, (3) the number and amount of awards accepted without appeal, (4) the number and amount of awards accepted after appeal, (5) the number and amount of awards not accepted after appeal, (6) the number of IR Claims made, and (7) a description of each award made or denied (the “**Committee Report**”). Should the Trustee receive notice of a legal proceeding in which an individual or entity requests a court or other tribunal to order the Trustee to disclose the Committee Report, the Trustee will provide notice to the PPTACs and the FCR of any such pending proceeding related to the Committee Report, and shall duly advise such court and individual or entity of the terms of the confidentiality provision in this Section 2.2(c)(iii). If disclosure of the Committee Report is required to be made to a court of law, the Trustee, in conjunction with the PPTACs and the FCR, will take all reasonable methods to protect the confidentiality of the provisions within the Committee Report. In addition, the Trustee shall

provide a quarterly report to the FCR containing substantially the same information as the Committee Report presented with respect to the prior calendar quarter, and such other periodic reports as the Trustee and FCR shall agree.

(iv) All materials filed with the Bankruptcy Court by this Section 2.2(c) shall be available for inspection by the public in accordance with procedures established by the Bankruptcy Court.

(d) The Trustee shall cause to be prepared, as soon as practicable prior to the commencement of each fiscal year, a budget (the “**Budget**”) covering the administrative costs and expenses of the PSAN PI/WD Trust (including compensation for the Trustee, Delaware Trustee, FCR and TAC and their members and advisors) for such fiscal year and the succeeding four fiscal years. The initial Budget shall be prepared promptly following the Effective Date. The Trustee shall provide a copy of each Budget to the PPTACs and the FCR. The Budget (including the initial Budget), including any amendments thereto, shall be acceptable to the Participating OEMs and no proposed Budget (or amendment thereto) will be effective without the consent of the Participating OEMs. In any calendar quarter, no amounts shall be expended by the PSAN PI/WD Trust (with the exception of amounts utilized to pay PSAN PI/WD Claims in accordance with the TDP and this Trust Agreement), and the Trustee shall have no authority to spend any such amounts, that are in the aggregate in excess of 110% of the expenditures provided for in the Budget for such calendar quarter.⁷

(e) The Trustee shall consult with the PPTACs and the FCR (i) on the general implementation and administration of the PSAN PI/WD Trust, (ii) on the general implementation

⁷ [Budget concept still under discussion]

and administration of the TDP, and (iii) on such other matters as may be required under this Trust Agreement and the TDP.

(f) The Trustee shall be required to obtain the consent of the FCR and the PPTACs, pursuant to the consent provisions set forth in Sections 5.7(b), 6.7(b) and 7.6(b) below, in addition to any other instances elsewhere enumerated, in order to:

- (i) seek to amend, supplement or modify the Plan in any respect;
- (ii) amend, supplement or modify the TDP in any respect, including, without limitation, in order to establish and/or change the Payment Percentage, the Maximum Annual Payment, Medical Criteria and the evidentiary requirements (each as defined and described in the TDP);
- (iii) establish and/or to change the Claims Materials to be provided to holders of PSAN PI/WD Claims under Section 3 of the TDP;
- (iv) change the form of the releases to be provided pursuant to Section 5.5 of the TDP;
- (v) terminate the PSAN PI/WD Trust pursuant to Section 8.2 below;
- (vi) alter the term and successorship of the FCR or the PPTAC members;
- (vii) alter the methods and manner of auditing the PSAN PI/WD Trust;
- (viii) implement structural changes to the PSAN PI/WD Trust;
- (ix) settle any rights or monetize any assets assigned to the PSAN PI/WD Trust, including, without limitation, the liability of any insurer under any insurance policy or legal action related thereto;

(x) change the compensation of the FCR, the TAC, the Delaware Trustee, or Trustee;

(xi) take actions to minimize any tax on the PSAN PI/WD Funds; provided that no such action prevents the PSAN PI/WD Trust from qualifying as a qualified settlement fund within the meaning of the QSF Regulations or requires an election for the PSAN PI/WD Trust to be treated as a “grantor trust” within the meaning of Section 671 of the Internal Revenue Code of 1986, as amended;

(xii) adopt the PSAN PI/WD Trust Bylaws in accordance with Section 2.2(a) above or thereafter to amend the PSAN PI/WD Trust Bylaws in accordance with the terms thereof;

(xiii) amend any provision of this Trust Agreement, the TDP, any Participating OEM Contribution Agreement or any other Trust Document in accordance with the terms thereof, provided, however, that no such amendments shall be inconsistent with the Plan, other Plan Documents (including the U.S. Acquisition Agreement), and the Indemnity Agreement (as defined in the Plan);

(xiv) acquire an interest in or to merge any claims resolution organization formed by the PSAN PI/WD Trust with another claims resolution organization that is not specifically created by this Trust Agreement or the TDP, or to contract with another claims resolution organization or other entity that is not specifically created by this Trust Agreement or the TDP, or permit any other party to join in any claims resolution organization that is formed by the PSAN PI/WD Trust pursuant to the Trust Agreement or the TDP; provided that such merger, acquisition, contract, or joinder shall not (a) subject any Protected Party to any risk of having any PSAN PI/WD Claim asserted against it or (b) otherwise jeopardize the validity or enforceability

of the Channeling Injunction or any other injunction or release issued or granted in connection with the Plan; and provided, further that (a) the terms of such merger will require the surviving organization to make decisions about the allowability and value of claims in accordance with the TDP and (b) in the case of a merger or acquisition, such merged or acquired entity agrees in writing to be bound by the Plan, just as the PSAN PI/WD Trust is bound by Section 1.4(e) hereof; or

(xv) if and to the extent required by Section 3.6 of the TDP, disclose any information, documents, or other materials to preserve, litigate, resolve, or settle coverage, or to comply with an applicable obligation under an insurance policy or settlement agreement pursuant to Section 3.6 of the TDP.

The PPTACs and the FCR shall not unreasonably withhold any consent required hereunder, and if the OAC, the TAC or the FCR shall withhold any consent required hereunder, at the election of any of them or the Trustee, the dispute shall be resolved in accordance with Section 8.13 of the Trust Agreement, provided, however that no such amendment which would increase the amount of funding would be obligated to provide and the applicable Participating OEM Contribution Agreement may be made without such Participating OEM's consent, which it may withhold in its sole and absolute discretion.

(g) The OAC shall have the right, at its discretion, to assume, control, defend, and settle any and all litigation with respect to a PSAN PI/WD Claim to which the PSAN PI/WD Trust is a party, except where the PSAN PI/WD Trust is a plaintiff and the OAC or any of its members or any Participating OEM is a defendant in such action. For the avoidance of doubt, the OAC shall not have the right to assume, control, defend or settle any insurance coverage action. If there is any conflict between this paragraph and the TDP, the TDP shall control.

(h) The Trustee shall meet with the PPTACs and the FCR no less often than quarterly. The Trustee shall meet with the PPTACs and the FCR between such quarterly meetings at mutually convenient times and locations when so requested by the TAC, the OAC or the FCR.

(i) The Trustee shall consider issues submitted by the TAC, the OAC or the FCR at the Trustee's meetings with the PPTACs and the FCR, if practicable in view of pending business.

2.3 Claims Administration. The Trustee shall promptly proceed to implement the TDP.

2.4 Administration of the Trust if No Participating OEM.⁸ If as of the Initial Distribution Date, (a) no OEM has become a Participating OEM and (b) the PSAN PI/WD Trust's liquid assets (not including estimated future receipts by the PSAN PI/WD Trust) total less than \$40 million in the aggregate, then the Trustee, if requested to do so by the TAC or the FCR, shall promptly develop and propose to the TAC and FCR for their consent, in accordance with Sections 5.7(b) and 7.6(b) respectively, and in consultation with the Consenting OEMs, modifications to this Trust Agreement, the TDP and other Trust Documents to permit the PSAN PI/WD Trust to operate and make distributions to present and future claimants (x) utilizing the processes, procedures, valuations and distribution mechanisms of the DOJ PI/WD Restitution Fund, to the extent appropriate and feasible, or (y) in an alternative manner to which the Trustee, TAC and FCR agree.

⁸ [Consultation/consent rights of the Consenting OEMs/OAC if there is no Participating OEM are under discussion].

SECTION III
ACCOUNTS, INVESTMENTS, AND PAYMENTS

3.1 Accounts.

(a) Pursuant to the terms of the Plan and the Trust Documents, the Trustee shall establish segregated bank accounts to hold the Claims Reserves Funds to pay estimated Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PSAN PI/WD Claims on the Non-PSAN PI/WD Claims Termination Date, but only to the extent sufficient funds have been transferred to the PSAN PI/WD Trust for such purpose. The Trustee shall further establish separate PSAN PI/WD Top-Up Funds with respect to each individual Participating OEM to hold the PSAN PI/WD Top-Up Amounts contributed by such Participating OEM, as provided under the Plan. Subject to the provisions of this Section 3.1(a), the Trustee may, from time to time, create such other accounts and reasonable reserves within the PSAN PI/WD Trust estate as he or she may deem reasonably necessary, prudent, or useful in order to provide for the payment of expenses and payment of PSAN PI/WD Claims and may, with respect to any such account or reserve, reasonably restrict the use of monies therein.

(b) The Trustee shall include a reasonably detailed description of the creation of any account or reserve in accordance with this Section 3.1 and, with respect to any such account, the transfers made to such account, the proceeds of or earnings on the assets held in each such account and the payments from each such account in the accounts to be filed with the Bankruptcy Court and provided to the PPTACs and the FCR pursuant to Section 2.2(c)(i) above.

3.2 Investments. Investment of monies held in the accounts and reserves established by the Trustee shall be administered in a manner consistent with the standards set forth in the Uniform Prudent Investor Act promulgated by the National Conference of Commissioners on Uniform State Laws in 1994.

(a) **Investment Guidelines.** The Trustee shall establish written Investment Guidelines for the PSAN PI/WD Funds and the Claims Reserves Funds, and may modify such Investment Guidelines in his or her discretion, consistent with the requirements of this Section 3.2; provided, that the PSAN PI/WD Top-Up Amounts may only be invested, if at all, in accordance with the terms of the Participating OEM Contribution Agreement(s). The Trustee shall provide copies of the Investment Guidelines to the PPTACs and the FCR, shall review the Investment Guidelines with the PPTACs and the FCR at least annually, and shall promptly advise the PPTACs and the FCR of modifications made thereto.

3.3 Source of Payments.

(a) **Payment of PSAN PI/WD Trust Expenses.** All PSAN PI/WD Trust Expenses shall be, subject to the Budget, payable by the PSAN PI/WD Trust out of the PSAN PI/WD Trust Reserve or, if not sufficient, from the corpus of the PSAN PI/WD Trust, provided that in no event shall funds contributed by a Participating OEM for payment of liquidated PSAN PI/WD Claims asserted against such Participating OEM, which such funds are to be held by the Trustee in segregated account(s) pursuant to the applicable Participating OEM Contribution Agreement, be used by the Trustee to pay any PSAN PI/WD Trust Expenses. None of the Protected Parties, nor the Trustee, the Delaware Trustee, the PPTACs, or the FCR, or any of their officers, agents, advisors, or employees shall be liable for the payment of any PSAN PI/WD Trust Expense or any other liability of the PSAN PI/WD Trust, except to the extent specifically

provided herein with respect to a Participating OEM and the Participating OEM Contribution Agreements, as applicable, provided, however, that nothing herein imposes on the Plan Sponsor Parties any obligation to pay PSAN PI/WD Trust Expenses absent their express consent.

Nothing herein shall be deemed to waive any rights in respect of PSAN PI/WD Claims, PSAN PI/WD Trust Expenses, or any other liability of the PSAN PI/WD Trust.

(b) **Payment of PSAN PI/WD Claims.** The PSAN PI/WD Trust will pay PSAN PI/WD Claims against the Debtors, the Reorganized Debtors and the Protected Parties, up to the full amount of such Claims, in accordance with this Trust Agreement and the TDP, from (i) proceeds (the “**PI/WD Insurance Proceeds**”) of any insurance policies held by any Takata entity that were issued or allegedly issued that do or may afford the Debtors [or any other Takata entity] rights, benefits, indemnity or insurance coverage with respect to any Trust Claim (as defined below) (the “**PI/WD Insurance Policies**”) that have been received by the PSAN PI/WD Trust as allocated in Section 3.3(g) below, if any, (ii) any portion of the IIM Available Cash, SMX Available Cash, TDM Available Cash, or TKH Available Cash allocated to and received by the PSAN PI/WD Trust in accordance with the Plan, and (iii) if applicable, the PSAN PI/WD Top-Up Amounts with respect to any amount remaining to be paid on such PSAN PI/WD Claims after application of the funds described in clauses (i)-(ii) and funds received from the DOJ PI/WD Restitution Fund, provided, however, that any such PSAN PI/WD Top-Up Amounts shall only be utilized to pay Claims related to vehicles sold by the applicable Participating OEM, if any, subject to the terms of the applicable Participating OEM Contribution Agreement. If any applicable PI/WD Insurance Proceeds are not available to pay the PSAN PI/WD Claims at the time they are liquidated as part of the PSAN PI/WD Claims protocol, the applicable Participating OEM shall advance to the PSAN PI/WD Trust all amounts required to make full timely payment

that the holder(s) of such PSAN PI/WD Claims is entitled to receive from the PSAN PI/WD Trust. The PSAN PI/WD Trust shall reimburse the applicable Participating OEM for any such advances solely from the PI/WD Insurance Proceeds allocable in accordance with Section 3.3(g) below to the Claim on which the advance was made.

(c) **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 or as otherwise agreed will be used to pay Administrative Expense PSAN PI/WD Claims in the full amount of such claims, but only to the extent sufficient funds have been transferred to the PSAN PI/WD Trust expressly for such purpose.

(d) **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 will be used to pay Administrative Expense PI/WD Claims in the full amount of such Claims, but only to the extent sufficient funds have been transferred to the PSAN PI/WD Trust expressly for such purpose.

(e) **Payment of Other PI/WD Claims.** [TBD]

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

full amount of such Claims, but only to the extent sufficient funds have been transferred to the PSAN PI/WD Trust for such purpose.

(g) **Allocation of Insurance Proceeds.**

(i) All proceeds recovered under any PI/WD Insurance Policy expressly for PSAN PI/WD Claims, or for any specific PSAN PI/WD Claim, will be allocated to all holders of PSAN PI/WD Claims on a pro rata basis according to the Liquidated Value (as defined in the TDP) of each Claim. A pro rata share of the proceeds will be reserved for future claims based on the estimated Liquidated Value of future PSAN PI/WD Claims at the time that the proceeds are recovered. To the extent that a holder of a PSAN PI/WD Claim has received the full Liquidated Value of his or her PSAN PI/WD Claim through payment by a Participating OEM, such claimant's allocated share of the PI/WD Insurance Proceeds not previously paid by the PSAN PI/WD Trust to such claimant will be refunded to the Participating OEM by the PSAN PI/WD Trust.

(ii) All proceeds recovered under any PI/WD Insurance Policy expressly for Trust Administered Claims, or for any specific Trust Administered Claim will be allocated to the PSAN PI/WD Trust's reserve applicable to such Trust Administered Claim(s). To the extent there is a surplus in any such reserve after all such Claims are paid, such surplus shall become part of the corpus of the PSAN PI/WD Trust available for payment of PSAN PI/WD Claims.

(iii) All proceeds recovered under any PI/WD Insurance Policy that are not specifically related to particular Trust Claims or types of Trust Claims will be allocated to all holders of Trust Claims, including holders of Trust Administered Claims, on a pro rata basis according to the Liquidated Value of their Claim, until such Claims are paid in full. A pro rata

share of the proceeds will be reserved for future PSAN PI/WD Claims based on the estimated Liquidated Value of the future claims at the time that the proceeds are recovered. A pro rata share will be allocated to reserves applicable to Trust Administered Claims solely to the extent that, the Trustee determines, based on the best available information at the time the proceeds are recovered, that existing reserves will be insufficient to pay in full those Trust Administered Claims that are entitled to payment in full under the Plan. To the extent that a holder of a PSAN PI/WD Claim has received the full Liquidated Value of their PSAN PI/WD Claim through payment by a Participating OEM, the claimant's allocated share of the PI/WD Insurance Proceeds not previously paid by the PSAN PI/WD Trust to such claimant will be refunded to the Participating OEM by the PSAN PI/WD Trust.

(h) The Trustee shall include a reasonably detailed description of any payments made in accordance with this Section 3.3 in the Annual Report.

SECTION IV **TRUSTEE; DELAWARE TRUSTEE**

4.1 Number. In addition to the Delaware Trustee appointed pursuant to Section 4.10 hereof, there shall be one (1) initial Trustee, who shall be Eric D. Green, and, for the avoidance of doubt, there shall be at least one (1) Trustee serving at all times.

4.2 Term of Service.

(a) The Trustee shall serve for a term of five (5) years, beginning on the Effective Date. At the end of each five (5) year term, absent extraordinary circumstances or the occurrence of any of the events described in subsections (i) through (iv) in Section 4.2(b) below, the TAC, OAC and FCR shall renew the term of the Trustee for an additional five (5) year term.

(b) Subject to the other provisions of this Section 4, the Trustee shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 4.2(c) below,

(iii) his or her removal pursuant to Section 4.2(d) below, (iv) the termination of the PSAN PI/WD Trust pursuant to Section 8.2 below or (v) the end of his or her term (unless renewed) as described in Section 4.2(a).

(c) The Trustee may resign at any time before the end of his or her term by written notice to the TAC, OAC and FCR. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

(d) The Trustee may be removed at the recommendation of the TAC, the OAC or the FCR, in the event that he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or for other good cause. Good cause shall be deemed to include, without limitation, any substantial failure to comply with the general administration provisions of Section 2.2 above, a consistent pattern of neglect and failure to perform or participate in performing the duties of a Trustee hereunder, or nonattendance at scheduled meetings. Such removal shall require the approval of the Bankruptcy Court and shall take effect at such time as the Bankruptcy Court shall determine.

4.3 Appointment of Successor Trustees.

(a) In the event of the death, resignation or removal of the Eric D. Green as Trustee (for purposes of this Section 4.3, the “**Initial Trustee**”), or in the event the term of service of such Initial Trustee is not renewed as provided in Section 4.2(a), such vacancy shall immediately be filled by [Insert Name] (for purposes of this Section 4.3, the “**Successor Trustee**”), who shall thereafter serve as Trustee pursuant to the terms of the Trust Agreement and other Trust Documents. In the event of the death, resignation or removal of the Successor Trustee, or in the event the term of service of the Successor Trustee is not renewed as provided

in Section 4.2(a), such vacancy shall immediately be filled by [Insert Name] (for purposes of this Section 4.3, the “**Second Successor Trustee**”), who shall thereafter serve as Trustee pursuant to the terms of the Trust Agreement and other Trust Documents. In the event of the death, resignation or removal of the Second Successor Trustee, or in the event the term of service of the Second Successor Trustee is not renewed as provided in Section 4.2(a), such vacancy shall be filled by the TAC, OAC and FCR as set forth herein. The TAC, OAC and FCR will each nominate an individual to serve as successor Trustee (up to a total of three nominees). If the TAC, OAC and FCR agree upon a successor Trustee, then, subject to the approval of the Bankruptcy Court, such individual shall become the Trustee. In the event that the TAC, OAC and the FCR cannot agree on the successor Trustee, the Bankruptcy Court shall make the appointment. Each successor Trustee will be eligible to serve two consecutive five (5) year terms.

(b) Immediately upon the appointment of any successor Trustee pursuant to Section 4.3(a) above, all rights, titles, duties, powers, and authority of the predecessor Trustee hereunder shall be vested in and undertaken by the successor Trustee without any further act. No successor Trustee shall be liable personally for any act or omission of his or her predecessor Trustee.

(c) Each successor Trustee shall serve until the earliest of (i) his or her death, (ii) his or her resignation pursuant to Section 4.2(c) above, (iii) his or her removal pursuant to Section 4.2(d) above, (iv) the end of his or her term as described in Section 4.3(a) above or (v) the termination of the PSAN PI/WD Trust pursuant to Section 8.2 below.

4.4 Liability of Trustee, Members of the TAC and the FCR. The Trustee, Delaware Trustee, the members of the PPTACs, the FCR, and the other individuals identified as

Additional Indemniteses in Section 2.1(c)(xiii) above shall not be liable to the PSAN PI/WD Trust, to any holder of any PSAN PI/WD Claim, or to any other person.

4.5 Compensation and Expenses of Trustee and Delaware Trustee.

(a) The Trustee's compensation and expense reimbursement as described herein shall be payable from the PSAN PI/WD Trust Reserve or, if not sufficient, from the corpus of the PSAN PI/WD Trust, in accordance with the Budget, provided that in no event shall funds contributed by a Participating OEM for payment of liquidated PSAN PI/WD Claims asserted against such Participating OEM, which such funds are to be held by the Trustee in segregated account(s) pursuant to the applicable Participating OEM Contribution Agreement, be used to pay any of the Trustee's compensation and/or expense reimbursement. The Trustee shall cause the PSAN PI/WD Trust to pay the Delaware Trustee such compensation as agreed to pursuant to a separate fee agreement and any reimbursement to which the Delaware Trustee may be entitled under Section 4.5(b) below and in accordance with the Budget.

(b) Subject to the Budget, the PSAN PI/WD Trust will promptly reimburse the Trustee and the Delaware Trustee for all reasonable out-of-pocket costs and expenses incurred by the Trustee or the Delaware Trustee in connection with the performance of their duties hereunder.

(c) The PSAN PI/WD Trust shall include a description of the amounts paid under this Section 4.5 in the Annual Report.

4.6 Indemnification⁹.

(a) The PSAN PI/WD Trust shall indemnify and defend the Trustee, the Delaware Trustee (including its employees, officers, and directors), the members of the PPTACs,

⁹ [Trust satisfaction of indemnification obligations under discussion.]

and the FCR in the performance of their duties hereunder to the fullest extent that a statutory trust organized under the laws of the State of Delaware as permitted by 12 Del. C. § 3817 after giving application to the provisions of Section 8.11 below is entitled to indemnify and defend such persons against any and all liabilities, expenses, claims, damages, or losses incurred by them in the performance of their duties hereunder or in connection with activities undertaken by them prior to the Effective Date in connection with the formation, establishment, or funding of the PSAN PI/WD Trust. The PSAN PI/WD Trust also shall indemnify any of the Additional Indemnitees in the performance of their duties hereunder to the fullest extent that a statutory trust organized under the laws of the State of Delaware is entitled to indemnify and defend such persons against any and all liabilities, expenses, claims, damages, or losses incurred by them in the performance of their duties hereunder or in connection with activities undertaken by them prior to the Effective Date in connection with the formation, establishment, or funding of the PSAN PI/WD Trust. Notwithstanding anything to the contrary herein, no party shall be indemnified or defended in any way for any liability, expense, claim, damage, or loss for which he or she is ultimately liable under Section 4.4 above.

(b) Reasonable expenses, costs and fees (including attorneys' fees and costs) incurred by or on behalf of the Trustee, the Delaware Trustee (including its employees, officers, and directors), members of the PPTACs, the FCR, or any Additional Indemnitee in connection with any action, suit, or proceeding, whether civil, administrative, or arbitative, from which they are indemnified by the PSAN PI/WD Trust pursuant to Section 4.6(a) above, shall be paid by the PSAN PI/WD Trust in advance of the final disposition thereof upon receipt of an undertaking, by or on behalf of the Trustee, the members of the PPTACs, the FCR, or the Additional Indemnitee, to repay such amount in the event that it shall be determined ultimately by final order that the

Trustee, members of the PPTACs, the FCR, or the Additional Indemnitee is not entitled to be indemnified by the PSAN PI/WD Trust.

(c) The Trustee may purchase and maintain reasonable amounts and types of insurance on behalf of an individual who is or was a Trustee, a Delaware Trustee, a member of the PPTACs, the FCR, or an Additional Indemnitee, including against liability asserted against or incurred by such individual in that capacity or arising from his or her status as a Trustee, a Delaware Trustee, a member of the PPTACs, an FCR, an officer or an employee of the PSAN PI/WD Trust, or an agent, lawyer, advisor, or consultant of the PSAN PI/WD Trust, the Delaware Trustee, the members of the PPTACs, or the FCR; provided, however, if either the PPTACs or the FCR requests such insurance on its behalf, the Trustee shall purchase and maintain the insurance.

4.7 Trustee's Employment of Experts; Delaware Trustee's Employment of Counsel.

(a) The Trustee may, but shall not be required to, retain and/or consult with legal counsel, accountants, appraisers, auditors, forecasters, experts, financial and investment advisors, and such other parties deemed by the Trustee to be qualified as experts on the matters submitted to them (the "**Trust Professionals**"), and in the absence of a bad faith violation of the implied contractual covenant of good faith and fair dealing, the written opinion of or information provided by any such party deemed by the Trustee to be an expert on the particular matter submitted to such party shall be full and complete authorization and protection in respect of any action taken or not taken by the Trustee hereunder in good faith and in accordance with the written opinion of or information provided by any such party. The Trustee may retain and reasonably compensate the Trust Professionals without Bankruptcy Court approval, subject to

the terms of this Trust Agreement including the Budget. All fees and expenses of the Trust Professionals incurred in connection with the foregoing shall be payable from the PSAN PI/WD Trust Reserve or if not sufficient from the corpus of the PSAN PI/WD Trust, provided that in no event shall funds contributed by a Participating OEM for payment of liquidated PSAN PI/WD Claims asserted against such Participating OEM, which such funds are to be held by the Trustee in segregated account(s) pursuant to the applicable Participating OEM Contribution Agreement, be used to pay any fees or expenses of the Trust Professionals, provided, further that for the avoidance of doubt, any professionals retained by the Special Master pursuant to the DOJ Restitution Order that are performing services pursuant to the DOJ Restitution Order will be compensated pursuant to the DOJ Restitution Order and not by the PSAN PI/WD Trust or from the PSAN PI/WD Trust Reserve, provided further, that the only costs and fees of the Special Master and his professionals paid by the PSAN PI/WD Trust will be those that are necessary solely due to the Special Master's role as Trustee and that would not have otherwise been provided.

(b) The Delaware Trustee shall be permitted to retain counsel only in such circumstances as required in the exercise of its obligations hereunder and compliance with the advice of such counsel shall be full and complete authorization and protection for actions taken or not taken by the Delaware Trustee in good faith in compliance with such advice.

4.8 Trustee's Independence. Except as otherwise contemplated and disclosed in the Plan, the Trustee shall not, during the term of his or her service, hold a financial interest in, act as attorney or agent for, or serve as any other professional for any entity with a financial interest in the PSAN PI/WD Trust. Further, while acting as Trustee, the Special Master shall be permitted to also act as trustee of the Takata Airbag Restitution Program to maximize efficiency and

prompt payment of valid claims and to avoid unnecessary duplication, confusion and inconsistency of resolution. The Trustee shall not (i) act as an attorney for any claimant who holds a PSAN PI/WD Claim either (a) in connection with such claimant's PSAN PI/WD Claim, or (b) otherwise prior to final payment on account of such PSAN PI/WD Claim, (ii) make any agreement with the holder of any PSAN PI/WD Claim or such holder's representative prior to final payment on account of such PSAN PI/WD Claim applicable after such final payment; or (iii) act as a representative, attorney or consultant for any OEM while serving as Trustee. In addition to the circumstances set forth in Section 4.2(d) of this Trust Agreement, any violation of this Section 4.8 shall be cause for removal of the Trustee. For the avoidance of doubt, this Section shall not be applicable to the Delaware Trustee.

4.9 Bond. The Trustee and the Delaware Trustee shall not be required to post any bond or other form of surety or security unless otherwise ordered by the Bankruptcy Court.

4.10 Delaware Trustee.

(a) There shall at all times be a Delaware Trustee. The Delaware Trustee shall either be (i) a natural person who is at least 21 years of age and a resident of the State of Delaware or (ii) a legal entity that has its principal place of business in the State of Delaware, otherwise meets the requirements of applicable Delaware law to be eligible to serve as the Delaware Trustee, and shall act through one or more persons authorized to bind such entity. If at any time the Delaware Trustee shall cease to be eligible in accordance with the provisions of this Section 4.10, it shall resign immediately in the manner and with the effect hereinafter specified in Section 4.10(c) below. For the avoidance of doubt, the Delaware Trustee will only have such rights and obligations as expressly provided by reference to the Delaware Trustee hereunder.

(b) The Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities of the Trustee set forth herein. The Delaware Trustee shall be a trustee of the PSAN PI/WD Trust for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Act and for taking such actions as are required to be taken by a Delaware Trustee under the Act. The duties (including fiduciary duties), liabilities, and obligations of the Delaware Trustee shall be limited to (i) accepting legal process served on the PSAN PI/WD Trust in the State of Delaware and (ii) the execution of any certificates required to be filed with the Secretary of State of the State of Delaware that the Delaware Trustee is required to execute under Section 3811 of the Act. There shall be no other duties (including fiduciary duties) or obligations, express or implied, at law or in equity, of the Delaware Trustee. To the extent that, at law or in equity, the Delaware Trustee has duties (including fiduciary duties) and liabilities relating to the PSAN PI/WD Trust or the Beneficial Owners, such duties and liabilities are replaced by the duties and liabilities of the Delaware Trustee expressly set forth in this Trust Agreement. The Delaware Trustee shall have no liability for the acts or omissions of any Trustee.

(c) The Delaware Trustee shall serve until such time as the Trustee removes the Delaware Trustee or the Delaware Trustee resigns and a successor Delaware Trustee is appointed by the Trustee in accordance with the terms of Section 4.10(d) below. The Delaware Trustee may resign at any time upon the giving of at least sixty (60) days' advance written notice to the Trustee, provided that such resignation shall not become effective unless and until a successor Delaware Trustee shall have been appointed by the Trustee in accordance with Section 4.10(d) below. If the Trustee does not act within such 60-day period, the Delaware Trustee may

apply to the Court of Chancery of the State of Delaware for the appointment of a successor Delaware Trustee.

(d) Upon the resignation or removal of the Delaware Trustee, the Trustee shall appoint a successor Delaware Trustee by delivering a written instrument to the outgoing Delaware Trustee. Any successor Delaware Trustee must satisfy the requirements of Section 3807 of the Act. Any resignation or removal of the Delaware Trustee and appointment of a successor Delaware Trustee shall not become effective until a written acceptance of appointment is delivered by the successor Delaware Trustee to the outgoing Delaware Trustee and the Trustee, and any fees and expenses due to the outgoing Delaware Trustee are paid. Following compliance with the preceding sentence, the successor Delaware Trustee shall become fully vested with all of the rights, powers, duties and obligations of the outgoing Delaware Trustee under this Trust Agreement, with like effect as if originally named as Delaware Trustee, and the outgoing Delaware Trustee shall be discharged of his or her duties and obligations under this Trust Agreement. The successor Delaware Trustee shall make any related filings required under the Act.

SECTION V

TRUST ADVISORY COMMITTEE

5.1 Members. The TAC shall initially consist of three (3) members selected by the Tort Claimants' Committee to represent the interests of holders of current PSAN PI/WD Claims, and shall be the persons named on the signature page hereof.

5.2 Duties. The members of the TAC shall serve in a fiduciary capacity representing current holders of PSAN PI/WD Claims. The TAC shall not have any fiduciary duties or responsibilities to any party other than holders of present PSAN PI/WD Claims, provided that the TAC shall be entitled to the protections and limitations of duties provided for herein even

with respect to the holders of present PSAN PI/WD Claims. The Trustee must consult with the TAC on matters identified in Section 2.2(e) above and in other provisions herein, and must obtain the consent of the TAC on matters identified in Section 2.2(f) above. Where provided elsewhere in the Trust Agreement or in the TDP, certain other actions by the Trustee are also subject to the consent of the TAC.

5.3 Term of Office.

(a) Members of the TAC shall serve four-year terms. Each member of the TAC shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 5.3(b) below, (iii) his or her removal pursuant to Section 5.3(c) below, (iv) the end of his or her term as provided above, or (v) the termination of the PSAN PI/WD Trust pursuant to Section 8.2 below.

(b) A member of the TAC may resign at any time by written notice to the other members of the TAC, the Trustee, and the FCR. Such notice shall specify a date when such resignation shall take effect, which shall not be less than thirty (30) days after the date such notice is given, where practicable.

(c) A member of the TAC may be removed in the event that he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or a consistent pattern of neglect and failure to perform or to participate in performing the duties of such member hereunder, such as repeated non-attendance at scheduled meetings, or for other good cause. Such removal shall be made at the recommendation of the remaining members of the TAC with the approval of the Bankruptcy Court.

5.4 Appointment of Successor.

(a) If, prior to the termination of service of a member of the TAC other than as a result of removal, he or she elects to serve another term, or has designated in writing an individual to succeed him or her as a member of the TAC, such existing TAC member shall continue to serve as a member of the TAC for another term, or such individual so designated shall be his or her successor, in either event subject to the approval of the remaining members of the TAC. If such member of the TAC does not elect to serve another term, and did not designate an individual to succeed him or her prior to the termination of his or her service as contemplated above, such member's law firm may designate his or her successor, subject to the approval of the remaining members of the TAC. If (i) a member of the TAC does not elect to serve another term and did not designate an individual to succeed him or her prior to the termination of his or her service, and such member's law firm does not designate his or her successor as contemplated above, (ii) he or she is removed pursuant to Section 5.3(c) above, or (iii) a member of the TAC's election to serve another term or a successor designated by a member of the TAC or the member's law firm as contemplated above is not approved by the remaining members of the TAC, then his or her successor shall be appointed by a majority of the remaining members of the TAC or, if such members cannot agree on a successor, by the Bankruptcy Court.

(b) Each successor member of the TAC shall serve until the earlier of (i) the end of the full term of four (4) years for which he or she was appointed if his or her predecessor member of the TAC completed his or her term, (ii) the end of the term of the member of the TAC whom he or she replaced if his or her predecessor member did not complete such term, (iii) his or her death, (iv) his or her resignation pursuant to Section 5.3(b) above, (v) his or her removal pursuant to Section 5.3(c) above, or (vi) the termination of the PSAN PI/WD Trust

pursuant to Section 8.2 below. Nothing in this Trust Agreement shall prevent the reappointment of an individual serving as a member of the TAC for additional terms.

5.5 TAC's Employment of Professionals.

(a) The TAC may but is not required to retain and/or consult legal counsel, accountants, appraisers, auditors, forecasters, experts, and financial and investment advisors, and such other parties deemed by the TAC to be qualified as experts on matters submitted to the TAC (the "**TAC Professionals**"), provided, however that no TAC Professionals may be retained to act on behalf of any individual holder of a PSAN PI/WD Claim or a Trust Administered Claim.

(b) The PSAN PI/WD Trust shall promptly reimburse, or pay directly if so instructed, the TAC for all reasonable fees and costs associated with the TAC's employment of legal counsel pursuant to this provision in connection with the TAC's performance of its duties hereunder. The PSAN PI/WD Trust shall also promptly reimburse, or pay directly if so instructed, the TAC for all reasonable fees and costs associated with the TAC's employment of any other TAC Professional pursuant to this provision in connection with the TAC's performance of its duties hereunder. Such reimbursement shall be treated as a PSAN PI/WD Trust Expense, provided, however that any such reimbursement will be funded solely through contributions to the PSAN PI/WD Trust by Participating OEMs pursuant to the applicable Participating OEM Contribution Agreement(s) in accordance with a funding allocation agreement to be agreed upon by the Participating OEMs, provided, further, however that any such reimbursement shall be subject to compliance with the Budget.

5.6 Compensation and Expenses of the TAC.¹⁰

(a) The members of the TAC shall be entitled to reasonable compensation for their services and shall be reimbursed promptly for all reasonable out-of-pocket costs and expenses incurred in connection with the performance of their duties hereunder. The TAC shall, in its sole discretion, be permitted to procure and maintain insurance in addition to insurance procured and maintained by the PSAN PI/WD Trust, the cost of which shall be paid directly by the PSAN PI/WD Trust. Such compensation, reimbursements or direct payments shall be deemed a PSAN PI/WD Trust Expense, provided, however that any such reimbursement will be funded solely through contributions to the PSAN PI/WD Trust by Participating OEMs in accordance with a funding allocation agreement to be agreed upon by the Participating OEMs, provided, further, however that any such reimbursement shall be subject to compliance with the Budget. The PSAN PI/WD Trust shall include a description of the amounts paid under this Section 5.6 in the Annual Report to be filed with the Bankruptcy Court and provided to the FCR and the TAC pursuant to Section 2.2(c)(i).

5.7 Procedures for Consultation with and Obtaining the Consent of the TAC.

(a) Consultation Process.

(i) In the event the Trustee is required to consult with the TAC pursuant to Section 2.2(e) above or on other matters as provided herein, the Trustee shall provide the TAC with written advance notice of the matter under consideration, and with all relevant information concerning the matter as is reasonably practicable under the circumstances. The Trustee shall also provide the TAC with such reasonable access to the Trust Professionals and other experts retained by the PSAN PI/WD Trust and its staff (if any) as the TAC may

¹⁰ [Discussions ongoing regarding potentially paying TAC expenses provided for in Sections 5.5 and 5.6 out of the corpus of the Trust].

reasonably request during the time that the Trustee is considering such matter, and shall also provide the TAC the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such matter with the Trustee.

(ii) In determining when to take definitive action on any matter subject to the consultation procedures set forth in this Section 5.7(a), the Trustee shall take into consideration the time required for the TAC, if its members so wish, to engage and consult with its own independent advisors as to such matter. In any event, the Trustee shall not take definitive action on any such matter until at least thirty (30) days after providing the TAC with the initial written notice that such matter is under consideration by the Trustee, unless such time period is waived in writing by the TAC or at a meeting where the TAC and Trustee are present.

(b) **Consent Process.**

(i) In the event the Trustee is required to obtain the consent of the TAC pursuant to Section 2.2(f) above or otherwise in the Trust Documents, the Trustee shall provide the TAC with a written notice stating that its consent is being sought, describing in detail the nature and scope of the action the Trustee proposes to take, and explaining in detail the reasons why the Trustee desires to take such action. The Trustee shall provide the TAC as much relevant additional information concerning the proposed action as is reasonably practicable under the circumstances. The Trustee shall also provide the TAC with such reasonable access to the Trust Professionals and other experts retained by the PSAN PI/WD Trust and its staff (if any) as the TAC may reasonably request during the time that the Trustee is considering such action, and shall also provide the TAC the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such action with the Trustee.

(ii) The TAC must consider in good faith and in a timely fashion any request for its consent by the Trustee, and must in any event advise the Trustee, in writing, of its consent or its objection to the proposed action within thirty (30) days of receiving the original request for consent from the Trustee. The TAC may not withhold its consent unreasonably. If the TAC decides to withhold its consent, it must explain in detail its objections to the proposed action. If the TAC does not advise the Trustee, in writing, of its consent or its objections to the action within thirty (30) days of receiving notice regarding such request, the TAC's consent to the proposed actions shall be deemed to have been affirmatively granted.

(iii) If, after following the procedures specified in this Section 5.7(b), the TAC continues to object to the proposed action and to withhold its consent to the proposed action, the Trustee and/or the TAC shall resolve their dispute pursuant to Section 8.13 below. However, the burden of proof, described in Section 8.13 below, with respect to the validity of the TAC's objection and withholding of its consent shall be on the TAC.

SECTION VI
OEM ADVISORY COMMITTEE

6.1 Members. The OAC shall initially consist of the Initial Participating OEM(s), and shall be the entities identified on the signature page hereof.¹¹ Any Consenting OEMs that subsequently become Participating OEMs shall automatically become members of the OAC.

6.2 Duties. The members of the OAC shall represent the interests of only the OEMs. The OAC shall not have any fiduciary duties or responsibilities to any party. The Trustee must consult with the OAC on matters identified in Section 2.2(e) above and in other provisions herein, and must obtain the consent of the OAC on matters identified in Section 2.2(f) above. Where provided elsewhere in the Trust Agreement or in the TDP, certain other actions by the Trustee are also subject to the consent of the OAC.

6.3 Term of Office.

(a) The members of the OAC will serve four (4) year terms. Each member of the OAC shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 6.3(b) below, (iii) his or her removal pursuant to Section 6.3(c) below, (iv) the end of his or her term as provided in this Section 6.3(a), (v) the termination of the PSAN PI/WD Trust pursuant to Section 8.2 below or (vi) a default by the Participating OEM that is affiliated with such member of the OAC under its Participating OEM Contribution Agreement (after a reasonable opportunity to cure such default as provided thereunder).

(b) A member of the OAC may resign at any time by written notice to the other members of the OAC, the Trustee, and the FCR. Such notice shall specify a date when

¹¹ [CG discussing representation of non-Participating OEMs' interests in the trust—possibly by membership on the OAC or formation of a separate committee to consult on such interests.]

such resignation shall take effect, which shall not be less than thirty (30) days after the date such notice is given, where practicable.

(c) A member of the OAC may be removed in the event that he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or a consistent pattern of neglect and failure to perform or to participate in performing the duties of such member hereunder, such as repeated non-attendance at scheduled meetings, or for other good cause. Such removal shall be made at the recommendation of the remaining members of the OAC with the approval of the Bankruptcy Court.

6.4 Appointment of Successor.

(a) If, prior to the termination of service of a member of the OAC other than as a result of removal, he or she elects to serve another term, or has designated in writing an individual to succeed him or her as a member of the OAC, such existing OAC member shall continue to serve as a member of the OAC for another term, or such individual so designated shall be his or her successor, in either event subject to the approval of the remaining members of the OAC. If such member of the OAC does not elect to serve another term, and did not designate an individual to succeed him or her prior to the termination of his or her service as contemplated above, such member's law firm, if any, or a representative of the OEM such member of the OAC represents, may designate his or her successor, subject to the approval of the remaining members of the OAC. If (i) a member of the OAC did not designate an individual to succeed him or her prior to the termination of his or her service and such member's law firm, if any, or the applicable OEM does not designate his or her successor as contemplated above, (ii) he or she is removed pursuant to Section 6.3(c) above, or (iii) a member of the OAC's election to serve another term or a successor designated by a member of the OAC, the member's law firm or

the applicable OEM as contemplated above is not approved by the remaining members of the OAC, then his or her successor shall be appointed by a majority of the remaining members of the OAC or, if such members cannot agree on a successor, by the Bankruptcy Court.

(b) Each successor member of the OAC shall serve until the earlier of (i) the end of the full term of four (4) years for which he or she was appointed if his or her predecessor member of the OAC completed his or her term, (ii) the end of the term of the member of the OAC whom he or she replaced if his or her predecessor member did not complete such term, (iii) his or her death, (iv) his or her resignation pursuant to Section 6.3(b) above, (v) his or her removal pursuant to Section 6.3(c) above, or (vi) the termination of the PSAN PI/WD Trust pursuant to Section 8.2 below. Nothing in this Trust Agreement shall prevent the reappointment of an individual serving as a member of the OAC.

6.5 OAC's Employment of Professionals.

(a) The OAC may but is not required to retain and/or consult legal counsel, accountants, appraisers, auditors, forecasters, experts, and financial and investment advisors, and such other parties deemed by the OAC to be qualified as experts on matters submitted to the OAC (the "**OAC Professionals**"), provided, however that any fees, costs or other expenses of such OAC Professionals shall be solely borne by the OAC, subject to such allocation among members of the OAC as may be agreed to by such members, and shall not be an obligation of the PSAN PI/WD Trust

(b) The PSAN PI/WD Trust shall have no obligation to pay or reimburse any fees and costs associated with the OAC's employment of legal counsel or any other OAC Professional pursuant to this provision in connection with the OAC's performance of its duties hereunder.

6.6 Procuring of Insurance of the OAC. The OAC shall, in its sole discretion, be permitted to procure and maintain insurance in addition to insurance procured and maintained by the PSAN PI/WD Trust. The PSAN PI/WD Trust shall have no obligation to pay or reimburse any fees and costs associated with the OAC's procuring and maintaining of insurance pursuant to this provision in connection with the OAC's performance of its duties hereunder.

6.7 Procedures for Consultation with and Obtaining the Consent of the OAC.

(a) **Consultation Process.**

(i) In the event the Trustee is required to consult with the OAC pursuant to Section 2.2(e) above or on other matters as provided herein, the Trustee shall provide the OAC with written advance notice of the matter under consideration, and with all relevant information concerning the matter as is reasonably practicable under the circumstances. The Trustee shall also provide the OAC with such reasonable access to the Trust Professionals and other experts retained by the PSAN PI/WD Trust and its staff (if any) as the OAC may reasonably request during the time that the Trustee is considering such matter, and shall also provide the OAC the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such matter with the Trustee.

(ii) In determining when to take definitive action on any matter subject to the consultation procedures set forth in this Section 6.7(a), the Trustee shall take into consideration the time required for the OAC, if its members so wish, to engage and consult with its own independent advisors as to such matter. In any event, the Trustee shall not take definitive action on any such matter until at least thirty (30) days after providing the OAC with the initial written notice that such matter is under consideration by the Trustee, unless such time period is waived in writing by the OAC or at a meeting where the OAC and Trustee are present.

(b) **Consent Process.**

(i) In the event the Trustee is required to obtain the consent of the OAC pursuant to Section 2.2(f) above or otherwise in the Trust Documents, the Trustee shall provide the OAC with a written notice stating that its consent is being sought, describing in detail the nature and scope of the action the Trustee proposes to take, and explaining in detail the reasons why the Trustee desires to take such action. The Trustee shall provide the OAC as much relevant additional information concerning the proposed action as is reasonably practicable under the circumstances. The Trustee shall also provide the OAC with such reasonable access to the Trust Professionals and other experts retained by the PSAN PI/WD Trust and its staff (if any) as the OAC may reasonably request during the time that the Trustee is considering such action, and shall also provide the OAC the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such action with the Trustee.

(ii) The OAC must consider in good faith and in a timely fashion any request for its consent by the Trustee, and must in any event advise the Trustee, in writing, of its consent or its objection to the proposed action within thirty (30) days of receiving the original request for consent from the Trustee. The OAC may not withhold its consent unreasonably. If the OAC decides to withhold its consent, it must explain in detail its objections to the proposed action. If the OAC does not advise the Trustee, in writing, of its consent or its objections to the action within thirty (30) days of receiving notice regarding such request, the OAC's consent to the proposed actions shall be deemed to have been affirmatively granted.

(iii) If, after following the procedures specified in this Section 6.7(b), the OAC continues to object to the proposed action and to withhold its consent to the proposed action, the Trustee and/or the OAC shall resolve their dispute pursuant to Section 8.13 below.

SECTION VII THE FCR

7.1 Duties. The initial FCR shall be Roger Frankel so long as he is the Future Claims Representative in the Chapter 11 Cases as of the Effective Date, otherwise the initial FCR shall be identified on the signature page attached hereto. He shall serve in a fiduciary capacity, representing only the interests of the holders of PSAN PI/WD Claims against the Debtors that will be asserted in the future based on injuries arising after the Petition Date, as provided in the Bankruptcy Court's order entered on September 6, 2017, appointing Roger Frankel as Legal Representative for Future Personal Injury Claimants [Docket No. 703]. The FCR shall not have any fiduciary duties or responsibilities to any party other than the holders of future PSAN PI/WD Claims, provided that the FCR shall be entitled to the protections and limitations of duties provided for herein even with respect to the holders of future PSAN PI/WD Claims. The Trustee must consult with the FCR on matters identified in Section 2.2(e) above and in other provisions herein, and must obtain the consent of the FCR on matters identified in Section 2.2(f) above and elsewhere in the Trust Documents. Where provided in the TDP, certain other actions by the Trustee are also subject to the consent of the FCR. The FCR's responsibilities shall include any other FCR duties identified in the TDP.

7.2 Term of Office.

(a) The FCR shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 7.2(b) below, (iii) his or her removal pursuant to Section 7.2(c) below, or (iv) the termination of the PSAN PI/WD Trust pursuant to Section 8.2 below.

(b) The FCR may resign at any time by written notice to the Trustee. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

(c) At the request of the Trustee, the FCR may be removed by the Bankruptcy Court in the event he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or a consistent pattern of neglect and failure to perform or to participate in performing the duties hereunder, such as repeated non-attendance at scheduled meetings, or for other good cause.

7.3 Appointment of Successor. In the event of the death, resignation or removal of Roger Frankel as the initial FCR, such vacancy shall immediately be filled by [Insert Name] (for purposes of this Section 7.3, the “**Successor FCR**”), who shall thereafter serve as FCR pursuant to the terms of the Trust Agreement and other Trust Documents. In the event of the death, resignation or removal of the Successor FCR, such vacancy shall immediately be filled by [Insert Name] (for purposes of this Section 7.3, the “**Second Successor FCR**”), who shall thereafter serve as FCR pursuant to the terms of the Trust Agreement and other Trust Documents. In the event of the death, resignation or removal of the Second Successor FCR, such vacancy shall be filled with an individual nominated by the Trustee, with the consent of the TAC and the OAC, subject to the approval of the Bankruptcy Court. In the event either the TAC or the OAC does not consent to the individual nominated by the Trustee, then the successor FCR shall be appointed by the Bankruptcy Court. Immediately upon any successor FCR filing a vacancy as provided in this Section 7.3, all rights, titles, duties, powers, and authority of the predecessor FCR hereunder shall be vested in and undertaken by the successor FCR without any further act. No successor FCR shall be liable personally for any act or omission of his or her predecessor FCR.

7.4 FCR's Employment of Professionals.

(a) The FCR may, but is not required to, retain and/or consult legal counsel, accountants, appraisers, auditors, forecasters, experts, and financial and investment advisors, and such other parties deemed by the FCR to be qualified as experts on matters submitted to the FCR (the "**FCR Professionals**"), provided, however that no FCR Professionals may be retained to act on behalf of any individual holder of a PSAN PI/WD Claim or a Trust Administered Claim.

(b) The PSAN PI/WD Trust shall promptly reimburse, or pay directly if so instructed, the FCR for all reasonable fees and costs associated with the FCR's employment of legal counsel pursuant to this provision in connection with the FCR's performance of his or her duties hereunder. The PSAN PI/WD Trust shall also promptly reimburse, or pay directly if so instructed, the FCR for all reasonable fees and costs associated with the FCR's employment of any other FCR Professionals pursuant to this provision in connection with the FCR's performance of his or her duties hereunder. Such reimbursement shall be treated as a PSAN PI/WD Trust Expense, provided, however that any such reimbursement shall be subject to compliance with the Budget.

7.5 Compensation and Expenses of the FCR.

(a) Subject to the Budget, the FCR shall receive compensation from the PSAN PI/WD Trust in the form of payment at the FCR's normal hourly rate, as such rate may be adjusted by the FCR from time to time, for services performed. The PSAN PI/WD Trust will promptly reimburse the FCR for all reasonable out-of-pocket costs and expenses incurred by the FCR in connection with the performance of his or her duties hereunder.

(b) The FCR shall, in his or her sole discretion, be permitted to procure and maintain insurance in addition to insurance procured and maintained by the PSAN PI/WD Trust,

the cost of which shall be paid directly by the PSAN PI/WD Trust. Such reimbursement or direct payment shall be deemed a PSAN PI/WD Trust Expense, provided, however that reimbursement shall be subject to compliance with Budget. The PSAN PI/WD Trust shall include a description of the amounts paid under this Section 7.5 in the Annual Report to be filed with the Bankruptcy Court and provided to the FCR and the PPTACs pursuant to Section 2.2(c)(i) above.

7.6 Procedures for Consultation with and Obtaining the Consent of the FCR.

(a) **Consultation Process.**

(i) In the event the Trustee is required to consult with the FCR pursuant to Section 2.2(e) above or on any other matters specified herein, the Trustee shall provide the FCR with written advance notice of the matter under consideration, and with all relevant information concerning the matter as is reasonably practicable under the circumstances. The Trustee shall also provide the FCR with such reasonable access to the Trust Professionals and other experts retained by the PSAN PI/WD Trust and its staff (if any) as the FCR may reasonably request during the time that the Trustee is considering such matter, and shall also provide the FCR the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such matter with the Trustee.

(ii) In determining when to take definitive action on any matter subject to the consultation process set forth in this Section 7.6(a), the Trustee shall take into consideration the time required for the FCR, if he or she so wishes, to engage and consult with his or her own independent advisors as to such matter. In any event, the Trustee shall not take definitive action on any such matter until at least thirty (30) days after providing the FCR with

the initial written notice that such matter is under consideration by the Trustee, unless such period is waived in writing by the FCR or at a meeting where the FCR and Trustee are present.

(b) **Consent Process.**

(i) In the event the Trustee is required to obtain the consent of the FCR pursuant to Section 2.2(f) above or otherwise in the Trust Documents, the Trustee shall provide the FCR with a written notice stating that his or her consent is being sought, describing in detail the nature and scope of the action the Trustee proposes to take, and explaining in detail the reasons why the Trustee desires to take such action. The Trustee shall provide the FCR as much relevant additional information concerning the proposed action as is reasonably practicable under the circumstances. The Trustee shall also provide the FCR with such reasonable access to the Trust Professionals and other experts retained by the PSAN PI/WD Trust and its staff (if any) as the FCR may reasonably request during the time that the Trustee is considering such action, and shall also provide the FCR the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such action with the Trustee.

(ii) The FCR must consider in good faith and in a timely fashion any request for his or her consent by the Trustee, and must in any event advise the Trustee, in writing, of his or her consent or objection to the proposed action within thirty (30) days of receiving the original request for consent from the Trustee. The FCR may not withhold his or her consent unreasonably. If the FCR decides to withhold consent, he or she must explain in detail his or her objections to the proposed action. If the FCR does not advise the Trustee, in writing, of his or her consent or objection to the proposed action within thirty (30) days of receiving the notice from the Trustee regarding such consent, the FCR's consent shall be deemed to have been affirmatively granted.

(iii) If, after following, the procedures specified in this Section 7.6(b), the FCR continues to object to the proposed action and to withhold his or her consent to the proposed action, the Trustee and/or the FCR shall resolve their dispute pursuant to Section 8.13 below. However, the burden of proof, described in Section 8.13 below, with respect to the validity of the FCR's objection and withholding of his or her consent shall be on the FCR.

SECTION VIII **GENERAL PROVISIONS**

8.1 Irrevocability. To the fullest extent permitted by applicable law, the PSAN PI/WD Trust is irrevocable.

8.2 Term; Termination.

(a) The term for which the PSAN PI/WD Trust is to exist shall commence on the date of the filing of the Certificate of Trust and shall terminate pursuant to the provisions of Section 8.2 below.

(b) The PSAN PI/WD Trust shall automatically dissolve on the date (the "**PSAN PI/WD Trust Termination Date**") ninety (90) days after the first to occur of the following events:

(i) the date on which the Trustee decides to dissolve the PSAN PI/WD Trust because (A) he or she deems it unlikely that new PSAN PI/WD Claims will be filed against the PSAN PI/WD Trust, (B) all PSAN PI/WD Claims, the Non-PSAN PI/WD Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PSAN PI/WD Claims duly filed with the PSAN PI/WD Trust have been liquidated and, to the extent possible based upon the funds available to the PSAN PI/WD Trust through the Plan, paid to the extent provided in this Trust Agreement and the TDP or have been disallowed by a final non-appealable order, and (C) twelve (12) consecutive months have elapsed during which no new

PSAN PI/WD Claim, Non-PSAN PI/WD Administrative Expense PI/WD Claim, Administrative Expense PSAN PI/WD Claim, or Post-Closing PSAN PI/WD Claim has been filed with the PSAN PI/WD Trust; or

(ii) if the PSAN PI/WD Trust has procured and has in place irrevocable insurance policies and has established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the PSAN PI/WD Trust in a manner consistent with this Trust Agreement and the TDP, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements and such order becomes a final order; or

(iii) to the extent that any rule against perpetuities shall be deemed applicable to the PSAN PI/WD Trust, the date on which twenty-one (21) years less ninety-one (91) days pass after the death of the last survivor of all of the descendants of the late Joseph P. Kennedy, Sr., father of the late President John F. Kennedy, living on the date hereof.

(c) On the PSAN PI/WD Trust Termination Date, after the payment of all PSAN PI/WD Claims that are entitled to a distribution from the PSAN PI/WD Trust, 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, and the Claims Reserves Funds will be distributed (i) first, to the Special Master for contribution to the DOJ PI/WD Restitution Fund, if it still exists, and (ii) second, if the Special Master's appointment has concluded, to one or more charitable organization(s) exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code to be selected by the Trustee; provided, however that (i) if practicable, the charitable organization(s) (i) shall be related to

vehicle safety, and (ii) the charitable organization(s) shall not bear any relationship to Reorganized TKH within the meaning of Section 468(d)(3) of the Internal Revenue Code. For the avoidance of doubt, nothing herein shall govern the distribution of any remaining value in the DOJ PI/WD Restitution Fund.

(d) Following the dissolution and distribution of the assets of the PSAN PI/WD Trust, the PSAN PI/WD Trust shall terminate and the Trustee (acting alone) shall execute and cause a Certificate of Cancellation of the Certificate of Trust of the PSAN PI/WD Trust to be filed in accordance with the Act. Notwithstanding anything to the contrary contained in this Trust Agreement, the existence of the PSAN PI/WD Trust as a separate legal entity shall continue until the filing of such Certificate of Cancellation. The Trustee shall provide to the Delaware Trustee a certified copy of the Certificate of Cancellation within a reasonable time after the filing of such Certificate of Cancellation. The Certificate of Cancellation need not be signed by the Delaware Trustee.

8.3 Amendments. The Trustee, subject to (i) the consent of each of the TAC, the OAC and the FCR and (ii) Section 2.2 of this Trust Agreement, may modify or amend this Trust Agreement and the PSAN PI/WD Trust Bylaws; provided, however that no such modification, unless the modification is signed by the Delaware Trustee, may adversely affect the rights, duties and obligations of the Delaware Trustee, and no such modification or amendment may, unless the modification or amendment is signed by the TAC, the OAC and the FCR, impair or modify in any way (a) Section 1.4(f) hereof or any rights, benefits, or protections provided to the Indemnified Parties (as defined in the Indemnification Agreement) under the Indemnification Agreement, or (b) the terms of the Claimant Release or the obligation of the PSAN PI/WD Trust to obtain a properly executed Claimant Release as a pre-condition to a claimant receiving a

distribution from the PSAN PI/WD Trust, except the Claimant Release may be modified to include the release of a settling insurer. The Trustee, after consultation with the PPTACs and the FCR, and subject to (i) the consent of the PPTACs and the FCR and (ii) Section 2.2 of this Trust Agreement, may modify or amend the TDP; provided, however that no amendment to the TDP shall be inconsistent with the provisions limiting amendments to the document as provided therein, and in particular the provisions limiting amendment of the Payment Percentage set forth in Section 6.1 of the TDP. Any modification or amendment made pursuant to this Section 8.3 must be done in writing. No amendment to this Trust Agreement, the TDP, or the PSAN PI/WD Trust Bylaws may be made that will in any manner increase the amount of the Participating OEMs' funding obligations to the PSAN PI/WD Trust (either on account of Trust Administrative Expenses or Trust Claims) without the OAC's consent, which the OAC may withhold in its sole and exclusive discretion. Notwithstanding anything contained in this Trust Agreement or the TDP to the contrary, neither this Trust Agreement, the PSAN PI/WD Trust Bylaws, the TDP, nor any document annexed to the foregoing shall be modified or amended in any way that could jeopardize, impair, or modify (i) the applicability of section 105 of the Bankruptcy Code to the Plan and the Confirmation Order, (ii) the efficacy or enforceability of the Channeling Injunction or any other injunction or release issued or granted in connection with the Plan, (iii) the PSAN PI/WD Trust's qualified settlement fund status under the QSF Regulations, (iv) without the written consent of the TAC, OAC and the FCR, Section 1.4(f) hereof or any rights, benefits or protections provided to the Indemnified Parties under the Indemnification Agreement, or (v) without the written consent of the TAC, OAC and the FCR, the terms of the Claimant Release or the obligation of the PSAN PI/WD Trust to obtain a properly executed Claimant Release as a pre-condition to a claimant receiving a distribution from the PSAN PI/WD Trust.

8.4 Meetings and Annual Review.

(a) The PPTACs and the FCR shall have the right to attend all meetings of the Trustee and shall be provided five (5) days' advance notice in writing whenever meetings are scheduled. The Delaware Trustee shall not be required nor permitted to attend meetings relating to the PSAN PI/WD Trust.

(b) The PPTACs shall meet as needed separately or jointly. The Trustee and/or the FCR may participate as requested by the TAC or OAC. Minutes will be maintained at joint meetings of the PPTACs and shall be made available to the Trustee and FCR upon request.

(c) The PPTACs and the FCR shall be responsible for conducting an annual review of the PSAN PI/WD Trust, including by reviewing the materials provided pursuant to Section 2.2(c), to evaluate the PSAN PI/WD Trust's compliance with the Trust Agreement and the other Trust Documents and to provide feedback to the Trustee.

8.5 Severability. Should any provision in this Trust Agreement be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Trust Agreement.

8.6 Notices. Notices to persons asserting claims shall be given by e-mail, followed by first class mail, postage prepaid, at the address of such person, or, where applicable, such person's legal representative, in each case as provided on such person's claim form submitted to the PSAN PI/WD Trust with respect to his or her PSAN PI/WD Claim or Trust Administered Claims.

(a) Any notices or other communications required or permitted hereunder to the following parties shall be in writing and delivered at the addresses designated below, or sent by email or facsimile pursuant to the instructions listed below, or mailed by registered or

certified mail, return receipt requested, postage prepaid, addressed as follows, or to such other address or addresses as may hereafter be furnished in writing to each of the other parties listed below in compliance with the terms hereof.

To the PSAN PI/WD Trust through the Trustee:

[TBD]

with a copy (which alone will not constitute notice) to:

[TBD]

To the Delaware Trustee:

[Wilmington Trust, National Association
1100 North Market Street
Wilmington, Delaware 19890-1605
Attention: Corporate Trust Administration]

To the TAC:

[TBD]

with a copy (which alone will not constitute notice) to:

[TBD]

To the OAC:

[TBD]

with a copy (which alone will not constitute notice) to:

[TBD]

To the FCR:

Roger Frankel
Frankel Wyron, LLP
2500 South Ocean Boulevard
Palm Beach, FL 33480
Telephone: (202) 309-1110
Email: rfrankel@frankelwyron.com

with a copy (which alone will not constitute notice) to:

Richard H. Wyron
Frankel Wyron, LLP
Suite 800
2101 L Street, NW
Washington, DC 20030
Telephone: (202) 367-9127
Email: rwyron@frankelwyron.com

To the Reorganized Debtors:

[TBD]

To the Participating OEMs:

[TBD]

with a copy (which alone will not constitute notice) to:

[TBD]

(b) All such notices and communications if mailed shall be effective when physically delivered at the designated addresses or, if electronically transmitted, when the communication is received at the designated addresses and confirmed by the recipient by return transmission.

8.7 Successors and Assigns. The provisions of this Trust Agreement shall be binding upon and inure to the benefit of the Protected Parties, the PSAN PI/WD Trust, the Trustee, the TAC, the OAC, the FCR, and their respective successors and assigns, except that none of such persons may assign or otherwise transfer any of its rights or obligations, if any, under this Trust Agreement except, in the case of the PSAN PI/WD Trust and the Trustee, as contemplated by Section 2.1 above.

8.8 Limitation on Claim Interests for Securities Laws Purposes. PSAN PI/WD Claims, and any interests therein (a) shall not be assigned, conveyed, hypothecated, pledged, or otherwise transferred, voluntarily or involuntarily, directly or indirectly, except by will or under

the laws of descent and distribution; (b) shall not be evidenced by a certificate or other instrument; (c) shall not possess any voting rights; and (d) shall not be entitled to receive any dividends or interest; provided, however that clause (a) of this Section 8.8 shall not apply to the holder of a claim that is subrogated to any PSAN PI/WD Claim or Trust Administered Claim as a result of its satisfaction of such PSAN PI/WD Claim or Trust Administered Claim.

8.9 Entire Agreement; No Waiver. The entire agreement of the parties relating to the subject matter of this Trust Agreement is contained herein and in the documents referred to herein, and this Trust Agreement and such documents supersede any prior oral or written agreements concerning the subject matter hereof. No failure to exercise or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any further exercise thereof or of any other right, power, or privilege. The rights and remedies herein provided are cumulative and are not exclusive of rights under law or in equity.

8.10 Headings. The headings used in this Trust Agreement are inserted for convenience only and do not in any manner affect the construction of the provisions of this Trust Agreement.

8.11 Governing Law. The validity and construction of this Trust Agreement and all amendments hereto and thereto shall be governed by the laws of the State of Delaware, and the rights of all parties hereto and the effect of every provision hereof shall be subject to and construed according to the laws of the State of Delaware without regard to the conflicts of law provisions thereof which would purport to apply the law of any other jurisdiction; provided, however that the parties hereto intend that the provisions hereof shall control and there shall not be applicable to the PSAN PI/WD Trust, the Trustee, the Delaware Trustee, the TAC, the OAC,

the FCR, or this Trust Agreement, any provision of the laws (statutory or common) of the State of Delaware pertaining to trusts that relate to or regulate in a manner inconsistent with the terms hereof: (a) the filing with any court or governmental body or agency of trustee accounts or schedules of trustee fees and charges, (b) affirmative requirements to post bonds for trustees, officers, agents, or employees of a trust, (c) the necessity for obtaining court or other governmental approval concerning the acquisition, holding, or disposition of real or personal property, (d) fees or other sums payable to trustees, officers, agents, or employees of a trust, (e) the allocation of receipts and expenditures to income or principal, (f) restrictions or limitations on the permissible nature, amount or concentration of trust investments or requirements relating to the titling, storage, or other manner of holding of trust assets, (g) the existence of rights or interests (beneficial or otherwise) in trust assets, (h) the ability of beneficial owners or other persons to terminate or dissolve a trust, or (i) the establishment of fiduciary or other standards or responsibilities or limitations on the acts or powers of trustees or beneficial owners that are inconsistent with the limitations on liability or authorities and powers of the Trustee, the Delaware Trustee, the TAC, the OAC, or the FCR set forth or referenced in this Trust Agreement. Section 3540 of Title 12 of the Delaware Code shall not apply to the Trust.

8.12 Settlers' Representative and Cooperation. The Debtors are hereby irrevocably designated as the Settlers and are hereby authorized to take any action required of the Settlers by the Trustee in connection with this Trust Agreement. The Reorganized Debtors agree to cooperate in implementing the goals and objectives of this Trust Agreement.

8.13 Dispute Resolution. Any disputes that arise under this Trust Agreement or under the TDP among the parties hereto shall be resolved by an alternative dispute resolution (the "ADR") process mutually agreeable to the parties involved. Any party to the ADR process that

is dissatisfied with the decision of the arbitrator(s) may apply to the Bankruptcy Court for a judicial determination of the matter. Any review conducted by the Bankruptcy Court shall be *de novo*. In any case, if the dispute arose pursuant to the consent provision set forth in Section 5.7(b) above (in the case of the TAC), Section 6.7(b) (in the case of the OAC), or Section 7.6(b) above (in the case of the FCR), the burden of proof shall be on the party or parties who withheld consent to show by a preponderance of the evidence that the objection was valid. Should the dispute not be resolved by the ADR process within thirty (30) days after submission of all items needed for a decision in the ADR process, the parties are relieved of the requirement to pursue ADR prior to application to the Bankruptcy Court. If the Trustee determines that the matter in dispute is exigent and cannot await the completion of the ADR process, the Trustee shall have the discretion to elect out of the ADR process altogether or at any stage of the process and seek resolution of the dispute in the Bankruptcy Court.

8.14 Enforcement and Administration. The provisions of this Trust Agreement, the TDP and the other Trust Documents shall be enforced by the Bankruptcy Court pursuant to the Plan. The parties hereby further acknowledge and agree that the Protected Parties and the Indemnified Parties shall have the right to enforce (a) any rights, benefits, or protections provided to the Protected Parties and the Indemnified Parties under the Indemnification Agreement, and (b) the obligation of the PSAN PI/WD Trust to obtain a properly executed Claimant Release as a precondition to a claimant receiving a distribution from the PSAN PI/WD Trust. The parties also acknowledge and agree that the Bankruptcy Court shall have exclusive jurisdiction over the settlement of accounts of the Trustee and over any disputes hereunder not resolved by alternative dispute resolution in accordance with Section 8.13 above.

8.15 Effectiveness. This Trust Agreement shall not become effective until it has been executed and delivered by all the parties hereto.

8.16 Counterpart Signatures. This Trust Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument. Delivery of a counterpart hereof by facsimile or email transmission of an Adobe portable document format file (also known as a “PDF” file) shall be effective as delivery of a manually executed counterpart hereof.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

TAKATA AMERICAS

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

TK FINANCE, LLC

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

TK CHINA, LLC

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

TK HOLDINGS INC.

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

TAKATA PROTECTION SYSTEMS INC.

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

INTERIORS IN FLIGHT INC.

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

TK MEXICO INC.

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

TK MEXICO LLC

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

**TK HOLDINGS DE MEXICO,
S. DE R.L. DE C.V.**

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

**INDUSTRIAS IRVIN DE MEXICO,
S.A. DE C.V.**

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

TAKATA DE MEXICO, S.A. DE C.V.

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

STROSSHE-MEX, S. DE R.L. DE C.V.

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

TAKATA AMERICAS

By: _____
NAME
of [ENTITY]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

TRUSTEE

By: _____
[NAME]

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

**DELAWARE TRUSTEE
WILMINGTON TRUST, NATIONAL
ASSOCIATION**

By: _____

Name: _____

Title: _____

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

FUTURE CLAIMANTS' REPRESENTATIVE

Roger Frankel

[Signature page to PSAN PI/WD Trust Agreement]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

TRUST ADVISORY COMMITTEE

[NAME[S]]

[Signature page to PSAN PI/WD Trust Agreement]

EXHIBIT 1

PSAN PI/WD Trust Distribution Procedures

(Attached)

EXHIBIT 2

Form of Certificate of Trust

**CERTIFICATE OF TRUST
OF THE
PSAN PI/WD TRUST**

This Certificate of Trust of the PSAN PI/WD Trust (the “*Trust*”) is being duly executed and filed by the undersigned trustees of the Trust, to form a statutory trust under the Delaware Statutory Trust Act (12 Del. Code § 3801 *et seq.*) (the “*Act*”).

1. **Name.** The name of the statutory trust formed hereby is:

PSAN PI/WD Trust

2. **Delaware Trustee.** The name and business address of the Delaware Trustee of the Trust in the State of Delaware is:

[Wilmington Trust, National Association, Rodney Square North, 1100 North Market Street
Wilmington, Delaware 19890-1605, Attention: Corporate Trust Administration.]

3. **Effective Date.** This Certificate of Trust shall be effective upon filing.

IN WITNESS WHEREOF, the undersigned have duly executed this Certificate of Trust in accordance with Section 3811(a) of the Act.

<p>TRUSTEE:</p> <p>_____</p> <p>[NAME]</p>	<p>DELAWARE TRUSTEE</p> <p>By: _____</p> <p>Name: _____</p> <p>Title _____</p>
--	--

EXHIBIT 3

Insurance Rights Transfer Agreement

(Attached)

EXHIBIT 4

PSAN PI/WD Cooperation Agreement

(Attached)

EXHIBIT N

PSAN PI/WD Trust Distribution Procedures

PSAN PI/WD TRUST DISTRIBUTION PROCEDURES¹

THIS DOCUMENT HAS NOT BEEN APPROVED OR CONSENTED TO BY THE FUTURE CLAIMANTS' REPRESENTATIVE OR THE OFFICIAL COMMITTEE OF TORT CLAIMANTS OR ANY OF THEIR REPRESENTATIVES, AND IS SUBJECT TO REVIEW, NEGOTIATION AND REVISION IN ALL RESPECTS. THE FCR AND TCC HAVE RESERVED ALL RIGHTS WITH RESPECT TO THIS DOCUMENT.

THE OFFICIAL COMMITTEE OF TORT CLAIMANTS RESERVES ALL RIGHTS WITH RESPECT TO ANY PROVISION IN THE TDP WHICH PURPORTS TO ESTABLISH DIFFERING DEBTOR LIABILITY TO ANY TRUST BENEFICIARY BASED UPON THE TYPE, KIND, OF MANUFACTURER OF THE VEHICLE IN WHICH THE BENEFICIARY WAS INJURED. MOREOVER, THE TORT CLAIMANTS COMMITTEE RESERVES ALL RIGHTS WITH RESPECT TO WHETHER THE TRUST BENEFICIARIES HAVE RECEIVED ADEQUATE INFORMATION ABOUT TO MAKE AN INFORMED DECISION ABOUT HOW TO VOTE ON THE PLAN.

¹ **No Non-Participating OEM has consented to the TDP, which is the subject of ongoing negotiations and is expected to be modified during the course of proceedings in these cases. Such modifications may be material, including, but not limited to, amendments or additional documents to address the treatment of claims involving vehicles of Non-Participating OEMs to make clear that such claims are not subject to, among other things, the Valuation Schedule, Liquidated Value, Maximum Value, and Minimum Value described in the TDP, and may instead be evaluated, processed and determined pursuant to a process as yet to be determined.**

Non-Participating OEMs have not waived and do not waive any and all rights that they may have with respect to the TDP and the transactions contemplated thereby, including objection rights, and, reserve all rights, remedies, defenses and powers available at law or in equity or otherwise. None of the Debtors, Participating OEMs, FCR, Tort Committee, Trustee, or any other parties shall consider any discussions or course of dealings that any Non-Participating OEM or its representatives have had or may have with them or their representatives as a consent to the TDP and nothing in this TDP is intended or shall be deemed or construed in any way to waive, alter or impair the ability of Non-Participating OEMs to supplement, revise, amend or alter in any way the provisions in the TDP.

PSAN PI/WD TRUST DISTRIBUTION PROCEDURES

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PSAN PI/WD TRUST DISTRIBUTION PROCEDURES

SECTION 1

PSAN PI/WD Trust

1.1 Overview

The goal of the PSAN PI/WD Trust (the “Trust”)² is to provide an efficient process to fully, fairly, and swiftly compensate any valid PSAN PI/WD Claim over which the Delaware Bankruptcy Court has jurisdiction as provided in and required by the Plan and the PSAN PI/WD Trust Agreement. The PSAN PI/WD Trust Distribution Procedures (“TDP”) set forth herein apply to all PSAN PI/WD Claims over which the Delaware Bankruptcy Court has jurisdiction. The TDP should be read together with its Exhibits all of which are incorporated herein. The Trustee of the PSAN PI/WD Trust (the “Trustee”) shall implement and administer the TDP in accordance with the Plan, the PSAN PI/WD Trust Agreement, the Participating OEM Contribution Agreement, and the Confirmation Order. Pursuant to the Plan and the PSAN PI/WD Trust Agreement, the Trustee shall administer the Trust and this TDP in consultation with the TAC, OAC, and the FCR. Nothing in these documents is admissible in court to prove the existence or absence of a defect in a Takata PSAN inflator.

² Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the PSAN PI/WD Trust Agreement, or if not defined herein or in the PSAN PI/WD Trust Agreement, in the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and Its Affiliated Debtors (the “Plan”).

The current version of the TDP provides procedures for valuing and paying TABI Claims through the TABI Program, as those terms are defined in Section 2.³ The Trustee, with the consent of the TAC and the FCR, will develop procedures for valuing and paying PSAN PI/WD Claims that are not TABI Claims and over which the Delaware Bankruptcy Court has jurisdiction, based in the best data available to them with respect to such types of claims.

If as of the Initial Distribution Date, (a) no OEM has become a Participating OEM and (b) the PSAN PI/WD Trust's liquid assets (not including estimated future receipts by the PSAN PI/WD Trust) total less than \$40 million in the aggregate, then the Trustee, if requested to do so by the TAC or the FCR, shall promptly develop and propose modifications to this TDP in accordance with Section 2.4 of the Trust Agreement.

1.2 TABI Claim Procedures Generally

In order to liquidate TABI Claims, the TDP establishes the Scheduled Claim Process, which incorporates a schedule (the "Valuation Schedule") of potential PSAN Inflator Defect-related injuries ("Injury Types"), each of which have medical requirements ("Injury Criteria") and values falling between a specific Base (or minimum) value and High (or maximum) value. The Injury Types, Injury Criteria, Base values, High values, and the Scheduled Claim Process have been developed with the intention of satisfying all TABI Claims in light of the best available information considering the Debtors' settlement history, the OEMs' settlement history, the defenses available to the Protected Parties, the individual strengths and weaknesses of each TABI Claim, and the rights that Claimants would have in the court system absent the Chapter 11

³ The procedures references in TDP in Sections 3-5 of this TDP relate only to TABI Claims. All terms defined in Section 2 of the TDP except for Sections 2.4, 2.12, 2.13, 2.14, 2.15, and 2.21 pertain only to TABI Claims and incorporate by reference that definition.

Cases. The TDP also provides for an Individual Review (“IR”) Process for certain TABI Claims that warrant additional consideration, as well as an Appeal Process.

The PSAN PI/WD Trust shall take all reasonable steps to resolve TABI Claims as efficiently and expeditiously as possible at each stage of processing and review by the Trustee and, when applicable, the Appeals Panel (the “TABI Claim Process”).

For TABI Claims that have not been liquidated or released on or before the Effective Date, the PSAN PI/WD Trust shall liquidate TABI Claims that meet the requirements for compensability as set forth in the TDP pursuant to the Scheduled Claim Process and shall value those claims as described in Section 3. Certain TABI Claims may undergo Individual Review as described in Section 4.4(e).

All unresolved disputes concerning the Trustee’s denial of a TABI Claim, or the Trustee’s determination of the proper Injury Type or valuation for a TABI Claim, shall be subject to review in the Appeal Process as defined and set forth in Section 4.5. TABI Claims that cannot be resolved by the Appeal Process and any subsequent conference with the FCR may enter the court system subject to the conditions set forth in Section 4.6.

Claims shall be paid in accordance with the relevant provisions in this TDP and with the PSAN PI/WD Trust Agreement.

SECTION 2

Definitions

2.1 Aggressive Deployment Claim. A TABI Claim that alleges that the Claimant was injured when the airbag deployed with excessive force caused by the PSAN Inflator Defect.⁴ To receive compensation from the PSAN PI/WD Trust, an Aggressive Deployment Claim must meet the compensability requirements set forth in Section 4.3(b).

2.2 Claimant. An individual who asserts a TABI Claim. This definition includes any personal representative or legal representative for the Claimant. [The parties are confirming about the following term: This definition also includes, as a subrogee of a Claimant, any Consenting OEM that has settled a PSAN PI/WD Claim with a Claimant.]

2.3 Claim Parties. For any individual TABI Claim, the Trustee, the Claimant, and the Participating OEM for that claim.

2.4 Claims Administrator. Any person, persons, or third-party retained by the Trustee to assist in the administration of the PSAN PI/WD Trust.

2.5 Claim File. All materials submitted to or created by the Trust related to a particular request to the Trust for compensation as a TABI Claim pursuant to this TDP.

2.6 Claim Submission. All materials submitted in support of a request to the Trust for compensation as a TABI Claim, including the Claim Form, supporting documentation, and physical evidence.

2.7 Compensable Claim. A TABI Claim that meets the compensability requirements in Section 4.3 for either a Rupture Claim or an Aggressive Deployment Claim.

⁴ Throughout this document, the terms “caused by” or similar words mean a contributing cause.

2.8 Enhanced Injury. Injuries suffered by a Claimant that are greater or more severe than those that would have been caused by normal airbag deployment, allegedly as a result of an aggressive airbag deployment caused by the PSAN Inflator Defect.

2.9 Global Adjustment Criteria. Valuation adjustment criteria listed in Section 4.4(b)(2).

2.10 Individual Review (“IR”) or Individual Review Process. A more extensive methodology utilized by the Trustee for valuation of certain TABI Claims outside of the Scheduled Claim Process as set forth in Section ____.

2.11 Individual Review Claim. A TABI Claim valued under the IR Process as set forth in Section ____.

2.12 PSAN PI/WD OEM Advisory Committee (“OAC”). A committee selected in accordance with the terms of the PSAN PI/WD Trust Agreement initially consisting of the Initial Participating OEM and up to two additional Participating OEM members that serve in a fiduciary capacity representing the interests of only the Participating OEMs, with any such members and successor members appointed in accordance with the terms of the PSAN PI/WD Trust Agreement.

2.13 PSAN Inflator Defect. As defined in the Plan, a defect that occurs in certain Takata inflators because of propellant degradation due to environmental exposure.

2.14 PSAN PI/WD Claim. As defined in the Plan, (i) any Claim asserted against the Debtors or the Protected Parties other than the Participating OEMs for alleged personal injury, wrongful death, or other similar Claim or Cause of Action arising out of or relating to an injury or death allegedly caused by a 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, and (ii) a Claim asserted against a Participating OEM for alleged personal injury, wrongful death, or similar Claim or Cause of Action arising out of or relating to a personal injury or death allegedly caused by the PSAN Inflator Defect in a Product sold or supplied to a Participating OEM or any other Person prior to the Petition Date, regardless of whether the injury occurs prepetition or postpetition and such Claim (a) is brought by a citizen of the United States, wherever the injury occurs or (b) arises from an incident occurring in the United States or its territories, whether or not such Claim is brought by a citizen of the United States.

2.15 PSAN PI/WD Trust Advisory Committee (“TAC”). A three-person committee selected in accordance with the terms of the PSAN PI/WD Trust Agreement to serve as fiduciaries of current holders of Claims with any such members and successor members appointed in accordance with the terms of the PSAN PI/WD Trust Agreement. The initial TAC shall be Joe Rice, a representative appointed by the MDL Court, and an at-large representative.

2.16 Rupture Claim. A Claim that alleges that the Claimant was injured during the deployment of an airbag incorporating a Takata PSAN inflator when it produced excessive internal pressure which caused the metal inflator canister to fragment, break apart, or rupture. To receive compensation from the PSAN PI/WD Trust, a Rupture Claim must meet the compensability requirements set forth in Section ___ below.

2.17 Scheduled Claim. A TABI Claim valued under the Scheduled Claim Process as set forth in Section ___.

2.18 Scheduled Claim Process. A methodology utilized by the Trustee for valuation of compensable personal injury and wrongful death Claims in the TABI Program. In the Scheduled Claim Process, the Trustee shall determine the compensable injuries, if any, and

determine a value for those injuries, applying the Valuation Schedule and the relevant Global Adjustment Criteria and Specific Injury Adjustment Criteria as set forth in Section 4.

2.19 Specific Injury Adjustment Criteria. Valuation adjustment criteria associated with particular injuries and listed in the Valuation Schedule.

2.20 TABI Claim. Any Claim asserted against the Debtors and a Participating OEM or a Participating OEM for alleged personal injury, wrongful death, or similar Claim or Cause of Action arising out of or relating to a personal injury or death allegedly caused by the PSAN Inflator Defect in a product sold or supplied to a Participating OEM or any other person prior to the Petition Date, regardless of whether the injury occurs before or after the Petition Date, and that is either (1) brought by a citizen of the United States, wherever the injury occurs, or (2) arises from an incident occurring in the United States or its territories, whether or not such Claim is brought by a citizen of the United States. All TABI Claims are channeled into the PSAN PI/WD Trust.

2.21 Trustee. The individual selected to administer the Takata Vehicle Manufacturer Recovery Fund. The Trustee will receive and administer the funds paid into the PSAN PI/WD Trust, make determinations regarding compensability and valuation of TABI Claims submitted to the Trust, distribute funds to eligible Claimants, and undertake such other responsibilities as set forth in this TDP and the PSAN PI/WD Trust Agreement. The initial Trustee will be Eric D. Green so long as he is the Special Master to administer the DOJ PI/WD Restitution Fund, and any successor Trustee shall be appointed in accordance with the PSAN PI/WD Trust Agreement.

2.22 Valuation Schedule. The schedule used in the Scheduled Claim Process which identifies certain injuries potentially associated with the PSAN Inflator Defect, organizes those

injuries into appropriate Injury Types, assigns each Injury Type a Scheduled Value with both Base and High values, and provides specific Injury Criteria for each Injury Type.

SECTION 3

Submission of TABI Claim Forms

3.1 General Requirements for Submitting a Claim Form

Each individual alleging an injury must submit either a wrongful death Claim Form or a personal injury Claim Form, depending on the type of injury alleged.⁵ Claim Forms and Claim Form Instructions will be made available on the _____ website, and will describe the compensability criteria, claims valuation protocol, eligibility criteria for IR, and the procedure for requesting IR. An individual who seeks review of her claim pursuant to the Individual Review Process shall indicate that request on the Claim Form. The Claim Forms will also inform individual submitting Claim Forms that by requesting IR, they consent to an Independent Medical Examination (IME) and the inspection of the subject vehicle and its components by the Participating OEM pursuant to the protocols referenced in this TDP and Exhibits.

Claim Forms must be completed in their entirety and signed either by the injured individual or her legal representative. In signing a Claim Form, the signer will certify, under penalty of perjury, that the information provided in the Claim Form and all supporting documentation is complete, true, and accurate to the best of her knowledge. Legal

⁵ If an injured individual asserting a Claim dies prior to receiving compensation from the Trust, the legal representative of the estate shall immediately notify the Trust and shall be allowed to amend her Claim Form to seek compensation for wrongful death, if appropriate.

representatives must supply proof of their representative capacity, such as a power of attorney, an appointment as guardian or attorney *ad litem*, a retention agreement, or the equivalent. All Claim Forms must be supported with proper documentation as set forth in the Claim Form Instructions.

3.2 Distribution of the Claim File

The Trustee shall provide a copy of the Claim File to a designated representative of the relevant Participating OEM within 10 business days of receipt of a complete Claim Form and supporting documentation. If additional information is submitted pursuant to a Deficiency Notice, or the OEM submits information or reports, or the Trustee generates information for the Claim File, the Trustee shall promptly provide such information to the Claim Parties. Nothing herein shall prevent an OEM from conducting an inspection of any vehicle or its component where a rupture is alleged, upon consent of the owner of the vehicle, as part of its regulatory reporting requirements or ongoing agreements to provide information to the federal government. If the injured individual owns the subject vehicle and is represented by counsel, any request to inspect the vehicle or inflator must be made through her counsel. Any such inspection of the subject vehicle or inflator by an OEM does not affect any Participating OEM's right to inspect the subject vehicle or inflator at a later time as part of the TABI Claim Process as provided herein.

3.3 Trustee Request for Vehicle and Inflator Information from OEM

The Trustee may request information from the OEM concerning the manufacturer of the inflator, age and type of the inflator, whether the inflator in the subject vehicle is the original equipment inflator or a replacement, and vehicle registration history. Any submission by a Participating OEM made pursuant to this Section does not affect the Participating OEM's right to

submit information in the Scheduled Claim Process, Individual Review Process, or Appeal Process identified below. Copies of information submitted pursuant to this provision will be simultaneously provided to the party who submitted the Claim Form.

3.4 Withdrawal of Claim Submissions

A party who submitted a Claim Form may withdraw her submission at any time prior to receiving compensation from the Trust upon written notice to the Trustee. The party must re-file a Claim Form for her injuries, if at all, within one year of withdrawal of the initial Claim Form or at another time with the express permission of the Trustee. Failure to re-file the claim within the time provided will result in the loss of all legal rights to pursue the TABI Claim against the Trust or any Participating OEM absent a finding by the Trustee of good cause shown.

3.5 Confidentiality of Claim Submissions

Except as provided herein, all materials in a Claim File shall be treated as made in the course of settlement discussions between the party who submitted a Claim Form and the PSAN PI/WD Trust, and intended by the Trustee, FCR, TAC, and OAC to be confidential and to be protected by all applicable state and federal privileges, including, but not limited to, those directly applicable to settlement discussions. The PSAN PI/WD Trust shall preserve the confidentiality of Claim Submissions, and shall disclose the contents thereof only for the following purposes: (i) processing the claim for an award from the PSAN PI/WD Trust, (ii) legitimate business use associated with administering the Trust, including the prevention of fraud and/or the resolution of liens, (iii) providing a copy to the Participating or Non-Participating OEM to whom the Claim Form relates as provided herein, or to any issuer of a PI/WD Insurance Policy solely for the purpose of pursuing insurance coverage relating to Trust Claims and provided that such issuer of a PI/WD Insurance Policy agrees to maintain the confidentiality of

the submissions, and (iv) other necessary, regulatory, and judicial requirements or processes. Furthermore, the Trustee shall immediately provide the Claimant and the relevant Participating or Non-Participating OEM a copy of any subpoena served upon the PSAN PI/WD Trust. The Trustee, on his own initiative or at the request of the Claimant, shall take all necessary and appropriate steps to preserve any and all available privileges.

SECTION 4

Resolution of TABI Claims

4.1 Review by the Trustee Generally

The process for the Trustee to determine compensation, if any, for a claim is a three-step process:

1. Is the claim a TABI Claim and, therefore, channeled through the Trust?
2. Does the claim meet the compensability requirements for payment as a Rupture Claim or an Aggressive Deployment Claim?
3. What is the full, fair, and reasonable compensation either within the Scheduled Claim Process or as part of the Individual Review Process?

The TABI Program shall compensate only for injuries caused by a rupture or aggressive deployment. The Claimant will have no recourse in the tort system against the Trust or a Participating OEM to litigate any TABI Claim except as specifically described herein.

[The parties are negotiating language related to certain aspects of the evidence to be considered by the Trustee.]

4.2 Is the Claim a TABI Claim?

The Trustee will verify that any individual submitting a Claim Form has submitted sufficient evidence to show (i) that she is a United States citizen or permanent resident at the time of the accident or (ii) that the accident occurred in the United States or its territories.

4.3 Claim Compensability

4.3(a) Rupture Claims

For a claim to be a compensable Rupture Claim, the Claimant must present evidence of the following:

1. Deployment of a Takata PSAN inflator,
2. Physical evidence of rupture of the inflator canister to be demonstrated either by vehicle-based evidence, or by occupant-based evidence.
 - Vehicle-based evidence requires the following:
 - a. Ruptured inflator canister or metal fragments; or
 - b. Photographs of ruptured inflator canister or metal fragments; or
 - c. Cushion with evidence of cuts consistent with inflator rupture; or
 - d. Photographs of cushion with evidence of cuts consistent with inflator rupture.

or

- Occupant-based⁶ evidence requires one of the following:
 - a. Photographs of injuries consistent with inflator rupture; or

⁶ An occupant includes any person performing maintenance on the vehicle, whether inside the vehicle or not.

- b. Medical records documenting removal of metal fragments embedded in occupant; or
 - c. Medical records identifying injuries consistent with inflator rupture;
3. Evidence that the rupture was a contributing cause to the Claimed injury or injuries.

4.3(b) Aggressive Deployment Claims

For a Claim to be a compensable Aggressive Deployment Claim, the Claimant must present evidence of the following:

1. A delayed deployment of a Takata PSAN dual-stage inflator.⁷
2. The inflator and vehicle are available for inspection, or representative evidence of inflator and vehicle in post-accident condition.
3. The Claimant's injuries were caused by interaction with the airbag as it was deploying; and the injuries were enhanced such that they were greater than the typical injuries an occupant would receive from an interaction with an airbag as it deploys normally.
4. Over-pressurization of the inflator. In determining whether over-pressurization has occurred, the Trustee may consider:
 - a. The age of the inflator;
 - b. The region in which the vehicle has been registered; and

⁷ If significant scientific or engineering data emerges, including tests and/or studies of field events, or becomes available in the future, a party (Claimant or the Participating OEM against whom the claim is asserted) can seek revision of the compensability criteria for non-rupture claims—including the “delayed” and “dual-stage” requirements. The Trustee, with the consent of the TAC, OAC, and FCR, may modify or expand the compensability criteria to appropriately compensate Claimants harmed by the PSAN Inflator Defect.

- c. Evidence of over-pressurization of the inflator, including but not limited to:
 - i. Evidence establishing expansion/yielding of the housing of the relevant inflator design indicating aggressive deployment; and
 - ii. Other proof as subsequently accepted by the Trustee as credible evidence of aggressive deployment.

The determination that an airbag had a delayed deployment shall be demonstrated by the SRS (“Supplemental Restraint System”) Electronic Control Unit, or equivalent electronic unit, readout and interpretation, if available. If not available, the Claimant may present other evidence to demonstrate the delayed deployment criteria. The Claimant may request that the Participating OEM conduct a download of the SRS unit. If requested, the Trustee shall promptly notify the Participating OEM of the VIN and location of the vehicle. The Participating OEM shall conduct a download of the SRS unit and provide the results to the Trustee who shall provide them to the Claimant. The Participating OEM shall also provide information sufficient for the Claimant to determine whether the unit commanded a delayed or simultaneous deployment of the airbag inflator. The download will be conducted pursuant to the protocol set forth in Exhibit ___.

The Trustee or Participating OEM may require the Claimant to make the vehicle, inflator, or other components available for inspection pursuant to the protocol set forth in Exhibit ___. After an inspection, the Participating OEM or Claimant may submit a report regarding the alleged aggressive deployment to the Trustee.

4.4 Valuation of Claims

4.4(a) In General

If the Trustee determines that a Claim is compensable, he shall value it pursuant to the Scheduled Claim Process, unless the Claimant requests, and the Claim qualifies for, IR, or the

Trustee concludes, upon reviewing the Claim Submission, that consideration under IR is necessary to fairly and fully compensate the Claimant.

If the Trustee determines the Aggressive Deployment Claim to be compensable, then the Claimant may receive compensation for only the Enhanced Injury based on the Valuation Schedule. Compensation for the Enhanced Injury is to be determined by the Trustee, who shall use the Valuation Schedule for the injuries as guidance in determining the appropriate award, if any.

4.4(b) Scheduled Claim Process

Under the Scheduled Claim Process, the Trustee will determine which Injury Type(s) was sustained by the Claimant as a result of the PSAN Inflator Defect and assign a value to each Claim consistent with this section. Compensation for multiple Injury Types shall be combined or “stacked” as described herein. The Trustee may not award compensation for any injury unless the Claimant has presented evidence demonstrating that the Injury Criteria for the claimed Injury Type(s) are met and that the injury was caused by the PSAN Inflator Defect.

4.4(b)(1) Injury Types

Each Compensable Claim shall be assigned an Injury Type(s) for the injury or injuries alleged and supported by the evidence submitted in the Claim Form. The Valuation Schedule is organized into Groups of Injury Types as shown here:

- Group 1: Lacerative Injuries
 - Minor Bruising
 - Neck or Back Injuries
 - Torso/Limb Lacerative Injuries
 - Head/Facial/Neck Lacerative Injuries
 - Skull/Facial/Neck Fractures
 - Permanent eye injury not resulting in any degree of legal blindness
 - Loss of Vision in One Eye
 - Loss of Vision in Two Eyes

- Group 2: Traumatic Brain Injury
 - Mild TBI
 - Moderate TBI
 - Severe TBI
- Group 3: Other Laceration-Related Injury
 - Larynx or Vocal Cord Injury
 - Vascular Complications
 - Nerve Damage or Facial or Limb Paralysis
- Group 4: Hearing Injury
 - Non-permanent Hearing Injury
 - Permanent Hearing Injury
 - Permanent Hearing Loss or Impairment
- Ungrouped Injury Types
 - Non-permanent eye injury
 - Other Broken/Fractured Bones
 - Internal Injuries
 - Injury to Pregnancy
 - Dental Injury

4.4(b)(2) Scheduled Claim Valuation

To determine the Scheduled Value for a Compensable Claim, first, the Trustee shall review the Claimant's submission, identify the Injury Types claimed by the Claimant and then determine which of the Injury Type(s) claimed, if any, were caused by the PSAN Inflator Defect, subject to the above criteria for Rupture and Aggressive Deployment Claims. Each Injury Type is assigned a value range (Base to High) in the Valuation Schedule. The default value for a Claimant's injury is the Base value for the corresponding Injury Type, but may be increased based on the Global Adjustment Criteria listed below in this section and the Specific Injury Adjustment Criteria listed in the Valuation Schedule.

Second, if the Claimant's compensable injuries fall into more than one Injury Type within a single Group, the Claimant will receive compensation for those injuries within the range of the most valuable of those Injury Types. As noted below, the existence of multiple injuries

within the same Group is a Global Adjustment Criterion that justifies increasing a Claimant's compensation amount within the range.

Third, if the Claimant's compensable injuries fall into more than one Group and/or Ungrouped Injury Type, compensation for each Group and/or Ungrouped Injury Type will be added together ("stacked") to determine the total compensation amount for the Claimant. For stacked injuries, the minimum scheduled value will be the sum of the Base value for each Group and/or Ungrouped Injury Type for which the Claimant has a Compensable Claim and meets the applicable Injury Criteria. However, the Trustee may stack no more than three different Groups and/or Ungrouped Injury Types (using the highest three) when calculating the total compensation amount. The total compensation amount represents the total and complete value that will be paid to the Claimant for his injuries. Nothing in this Agreement, Plan or the TDP interferes with a Claimant's obligation, if any, to pay attorney's fees.

Beginning in 2019, and every other year thereafter, the scheduled values, both Base and High, shall be adjusted upward by the percentage increase in the Core Consumer Price Index (CPI) from the value for the prior year, but such adjustment will never fall below 2% and never exceed 5%.

The Trustee may adjust the compensation amount within the Valuation Schedule based on Global Adjustment Criteria and Specific Injury Adjustment Criteria where appropriate.

Global Adjustment Criteria include:

- Life expectancy, age, and pre-accident health of Claimant
- Existence and age of dependents
- Past and future economic loss (excluding medical and/or funeral expenses) and household services calculated to present value

- Past and future medical expenses calculated to present value – using Core CPI from prior year
- Severity and/or permanency of injury
- Any unique effect of the injury on the Claimant’s quality of life
- Pain and suffering
- Existence of multiple injuries not separately compensated
- Existence of bystander Claims under applicable law
- Existence of loss of consortium Claims under applicable law

Potential Specific Injury Adjustment Criteria are identified in the Valuation Schedule.

4.4(c) Valuation Schedule

Fatality

Compensation for a fatality is not stackable (i.e., a Claimant who receives compensation for a Fatality will not receive separate compensation for any other Injury Type).

Injury Type	Values	Injury Criteria
Fatality	Base: \$2,000,000 High: \$5,000,000	Specific Injury Adjustment Criteria for a Fatality include miscarriage. ⁸ For a Fatality, all Global Adjustment Criteria apply.

⁸ If the fatality of a pregnant mother also results in miscarriage of an unborn fetus, the Trustee may consider this fact in determining the level of compensation for the death of the mother if such claim is compensable under applicable law.

Group 1: Lacerative Injuries

Claimant receives compensation in the range of most valuable Injury Type in this Group for which he qualifies, if any. That compensation is stackable with compensation for injuries in other Groups.

Injury Type	Values	Injury Criteria
Minor Bruising	Base: \$10,000 High: \$50,000	Minor bruising, contusions, or swelling. A minor bruise or contusion is a temporary bruise under the skin (subcutaneous) that might also involve deep bruising of the muscles (intramuscular). It does <u>not</u> include bruising of the bones (periosteal).
Neck or Back Injuries	Base: \$25,000 High: \$1,000,000	A neck or back injury or aggravation to existing neck or back injury confirmed by a medical opinion of a board-certified physician. To receive compensation for nerve-related vertebrae damage requires medical documentation by a board-certified neurologist or neurosurgeon of the severity of the injury.
Torso/Limb Lacerative Injuries ⁹	Base: \$25,000 High: \$750,000	Abrasions, cuts, lacerations, contact burns, scarring, or other damage to the soft tissue of the torso or limbs, beyond minor bruising. ¹⁰ Includes bruising of the bones (periosteal).

⁹ Specific Injury Adjustment Criteria for all lacerative injury categories include but are not limited to the following: number or severity of these and other injuries; visibility when clothed; surgical or non-surgical removal of metal fragments from skin; surgical drain; surgical scar repair; number of surgeries; infection; hypertrophic scars; keloid scars; atrophic scars; disfigurement; sensory, and/or autonomic impairment or weakness; and neuropathy. If the Claimant is seeking compensation for sensory and/or autonomic impairment or weakness or neuropathy, then that injury must be supported by diagnosis of a board-certified neurologist or neurosurgeon. Relevant properties of scars include size, thickness, reduced pliability, pigmentation, pain, innervation, pruritus, texture, vascularity, irregularities, hatchmarks, location, surface area, depth, and thickness. Claimant may submit a scar severity rating prepared by a qualified medical professional, and if applicable submit ratings on a rating scale, including

Injury Type	Values	Injury Criteria
Head/Facial/Neck Lacerative Injuries	Base: \$50,000 High: \$1,250,000	Lacerations, disfigurement, abrasions, cuts, contact burns, scarring, or other damage to the soft tissue of the head (including scalp, face, and ears) and/or neck, beyond minor bruising. Includes bruising of the bones (periosteal).
Head/Facial/Neck Fractures	Base: \$100,000 High: \$1,500,000	Fracture of skull, mandible, facial bones, and/or neck. Specific Injury Adjustment Criteria include need for surgical treatment, hospitalization, and severity of lacerations and scarring.
Permanent eye injury not resulting in any degree of legal blindness	Base: \$100,000 High: \$1,250,000	Permanent eye injury diagnosed by a board-certified ophthalmologist, including but not limited to permanent diminished vision. Claimant may submit evidence of eye injury severity based on 2015 AIS or Ocular Trauma Score (OTS). Specific Injury Adjustment Criteria include injury severity based on recognized trauma scale, need for additional medical care supported by board-certified ophthalmologist, inability for the impairment to be corrected, overall vision of Claimant.
Loss of Vision in One Eye	Base: \$1,750,000 High: \$5,000,000	Diagnosis of uncorrectable legal blindness in one eye at the time of evaluation by a board-certified ophthalmologist. The Claimant's overall vision in both eyes pre- and post-trauma should be considered when determining appropriate compensation.

but not limited to the Stony Brook, Vancouver, the Manchester Scar Scale, and POSAS scales. Scarring may be from lacerations, burns, and/or any subsequent treatments.

¹⁰ For all lacerative injury categories, “soft tissue” includes oral and nasal tissue, muscles, ligaments, and tendons.

Injury Type	Values	Injury Criteria
Loss of Vision in Two Eyes	Base: \$3,000,000 High: \$5,000,000	Diagnosis of uncorrectable legal blindness in both eyes at the time of evaluation by a board-certified ophthalmologist. The Claimant's overall vision in both eyes pre- and post-trauma should be considered when determining appropriate compensation. For the avoidance of doubt, if a Claimant already was legally blind in one eye, and the event resulted in legal blindness in the other eye, this category governs.

Group 2: Traumatic Brain Injury

Claimant receives compensation in the range of the most valuable Injury Type in this Group for which s/he qualifies, if any. That compensation is stackable with compensation for injuries in other Groups.

Traumatic Brain Injury Type	Values	Injury Criteria
Mild Traumatic Brain Injury (Concussion)	Base: \$25,000 High: \$300,000	Requires: (1) Diagnosis of a traumatic brain injury ("TBI") ¹¹ by a board-certified or treating physician; and (2) supporting medical documentation establishing the degree and severity of the TBI.

¹¹ Mild TBI is defined as a loss or alteration of consciousness for less than thirty minutes, post-traumatic amnesia of less than one hour where observable in light of the claimant's multiple injuries, demonstrated and documented focal neurologic deficits that may or may not be transient, and/or Glasgow Coma Score (GCS) of 13-15, an AIS-Head of 1, or other TBI rating tool typically relied on by a neurologist. Mild TBI is also known as concussion. See Daniel Friedland, Peter Hutchison, *Classification of Traumatic Brain Injury*, Advances in Clinical Neuroscience and Rehabilitation (July 27, 2013), <http://www.acnr.co.uk/2013/07/classification-of-traumatic-brain-injury>.

Traumatic Brain Injury Type	Values	Injury Criteria
Moderate Traumatic Brain Injury	Base: \$250,000 High: \$750,000	Requires: (1) Diagnosis of a moderate TBI ¹² and supporting medical documentation establishing the degree and severity of the TBI by a board-certified neurologist, neuropsychiatrist, or neuropsychologist; and (2) a Life Care Plan written by a qualified medical professional where applicable for claims being made for current or future attendant care calculated to present value.
Severe Traumatic Brain Injury	Base: \$1,000,000 High: \$3,000,000	Requires: (1) Diagnosis of a severe TBI ¹³ and supporting medical documentation establishing the degree and severity of the TBI by a board-certified neurologist, neuropsychiatrist, or neuropsychologist; and (2) a Life Care Plan written by a qualified medical professional where applicable for claims being made for current or future attendant care calculated to present value.

Group 3: Other Laceration-Related Injury

Claimant receives compensation in the range of most valuable Injury Type in this Group for which s/he qualifies, if any. That compensation is stackable with compensation for injuries in other Groups.

Other Laceration-Related Injury Type	Values	Injury Criteria
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¹² Moderate TBI entail loss of consciousness for greater than thirty minutes, post-traumatic amnesia for greater than one hour where observable in light of the claimant's multiple injuries, and additional ratings the neurologist concludes supports the diagnosis, which could include a GCS of 9-12, an AIS-Head of 2, or other TBI rating tool typically relied on by a neurologist. *Id.*

¹³ Severe TBI entail all of the moderate criteria listed above, and requires additional ratings the neurologist concludes supports the diagnosis, which could include a GCS of 8 or lower, an AIS-Head of 3 or higher, or other TBI rating tool typically relied on by a neurologist.

Other Laceration-Related Injury Type	Values	Injury Criteria
Larynx or Vocal Cord Injury	Base: \$150,000 High: \$2,500,000	<p>Larynx, trachea, or vocal cord injury (including injuries that result in partial loss of voice) confirmed by a medical opinion of a board-certified physician.</p> <p>Specific adjustment criteria can include level of severity of laryngeal trauma on Schaefer Classification system.</p> <p>Compensation for permanent loss of voice must be supported by diagnosis by a board-certified ear, nose, and throat physician.</p> <p>If such physician diagnoses total loss of voice, the Claimant has an automatic right to IR.</p>
Vascular Complications	Base: \$50,000 High: \$400,000	Diagnosis of injury caused by loss of blood or damage to circulatory system confirmed by a medical opinion of a board-certified physician.
Nerve Damage, Facial or Limb Paralysis	Base: \$50,000 High: \$2,500,000	<p>Nerve damage or paralysis of facial or limb muscles including motor impairment. This category does not include nerve-related vertebrae injuries to the neck or back.</p> <p>To receive compensation for this injury, the claimant must submit medical documentation of the severity and permanency of the injury by a board-certified neurologist or neurosurgeon.</p> <p>Specific Injury Adjustment Criteria would include the degree and location of nerve damage (e.g., facial, loss of use of limb/hand).</p>

Group 4: Hearing Injury

Claimant receives compensation in the range of most valuable Injury Type in this Group for which s/he qualifies, if any. That compensation is stackable with compensation for injuries in other Groups.

Hearing Injury Type	Values	Injury Criteria
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Hearing Injury Type	Values	Injury Criteria
Non-permanent Hearing Injury	Base: \$10,000 High: \$125,000	Tinnitus, inner ear pain, temporary hearing loss, balance issues, or other ear related injuries such as eardrum damage, supported by a qualified physician.
Permanent Hearing Injury	Base: \$100,000 High: \$1,500,000	Permanent moderate to severe tinnitus, inner ear pain, slight, mild, or moderate hearing loss, mildly or moderately diminished speech recognition, balance issues, or other ear related injuries such as eardrum damage, confirmed by a board-certified ear, nose, and throat (“ENT”) physician.
Permanent Hearing Loss or Impairment	Base: \$150,000 High: \$3,000,000	Permanent diminishment of hearing and/or reduced speech recognition confirmed by a board-certified ear, nose, and throat (“ENT”) physician. Specific Injury Adjustment Criteria include pre-accident hearing status, classification by an ENT of severity of hearing loss using recognized dB scale, severe diminished speech recognition, and the effect of auditory aids mitigation and ongoing speech/hearing therapy.

Stackable Injury Types Not in a Group

Claimant receives compensation in the applicable range for each of the Injury Types below for which s/he qualifies, if any. Compensation for these Injury Types is stackable with compensation for all Groups.

Injury Type	Values	Injury Criteria
Non-permanent eye injury	Base: \$10,000 High: \$175,000	Non-permanent eye injury diagnosed by a physician, including but not limited to non-permanent diminished vision. Claimant may submit evidence of eye injury severity based on 2015 AIS or Ocular Trauma Score (OTS). Specific Injury Adjustment Criteria include injury severity based on recognized trauma scale, need for additional medical care supported by physician, and overall vision of Claimant.

Injury Type	Values	Injury Criteria
Other Broken/Fractured Bones	Base: \$25,000 High: \$175,000	Broken or fractured bones other than skull and facial bones. Specific Injury Adjustment Criteria include need for surgical treatment, and consideration that the likelihood of limb fractures from rupture event is extremely rare and likelihood of lower extremity fractures caused by airbag deployment is extremely rare unless occupant is out of position.
Internal Injuries	Base: \$50,000 High: \$500,000	Damage to the internal organs, such as collapsed lung, spleen, kidney, damage to diaphragm, etc. confirmed by a medical opinion of a board-certified physician.
Injury to Pregnancy	Base: \$100,000 High: \$2,000,000	Miscarriage, complications to pregnancy, or injury to fetus confirmed by a medical opinion of a board-certified obstetrician. This category is only applicable where the mother is not deceased. If the mother's case is a fatality, then the fatality category governs. Additionally, see footnote ___ above.
Dental Injury	Base: \$25,000 High: \$125,000	Loss of one or more teeth or other dental injury. Specific Injury Adjustment Criteria include number and location of teeth damaged or lost, number and duration of treatments to replace the teeth or get implants, position of teeth, projected future cost of replacing the implants, and impact on everyday life.

4.4(d) Loss of Consortium and Bystander Claims

The Trustee may increase a Claimant's compensation within the applicable range(s) based on the availability of a Loss of Consortium and/or Bystander Claim under the applicable law of any jurisdiction in which the claim could be properly filed. The Trustee shall take into

account whether the claim would be permitted by the relevant state law most favorable to the Claimant that could be applied to the claim in the tort system.

A Claimant may request consideration for either or both of these Global Adjustment Criteria with submission of a Claim, and submit supporting documentation at that time. If the Trustee finds that either or both of these Global Adjustment Criteria are applicable, he will determine a single value for the Claim and apportion the amount between the person directly injured and the third party or parties. Any third party (such as a Bystander or Loss of Consortium claimant) for whom compensation was provided must provide a Claimant Release.

4.4(e) Individual Review Process

IR has been established as a potential means to address wrongful death Claims and those personal injury cases in which the Claimant demonstrates that (a) the combination of injuries sustained is not contemplated by the Scheduled Claim Process, (b) the Claimant's injury and/or damages require a more comprehensive review, or (c) the injuries and damages would not be compensated adequately, or at all, through the application of the Scheduled Claim Process.

Considerations for setting the compensation amount include the Global Adjustment Criteria and the Specific Injury Adjustment Criteria for the injuries suffered. Even if a Claimant meets the criteria for IR, the Trustee may determine that compensation within the Valuation Schedule is appropriate and award compensation within the valuation range for the Claimant's injuries.

4.4(e)(1) IR Eligibility

If the Claimant wishes her Claim to be evaluated under IR, she shall request such review on her Claim Form. The Trustee may also choose to consider a Claim under IR on his own initiative. By proceeding under IR, the Claimant consents to an Independent Medical Examination ("IME") and agrees to produce the subject vehicle and/or inflator, if available, for

inspection pursuant to Exhibit _____. Once IR is initiated, the Trustee will make an initial determination as to whether the Claim is a Compensable Claim and, if so, whether it meets the threshold criteria for IR. If the Trustee determines that a Claim is appropriate for IR, he will notify the Claimant and the Participating OEM and identify the basis for his determination. The Trustee will forward the Claim Materials to the Participating OEM. If the Trustee determines the Claim is a Compensable Claim but not appropriate for IR, the Trustee will continue his evaluation of the Claim under the Scheduled Claim Process.

When the Claimant requests IR, the Claimant must demonstrate one of the following to qualify:

- A fatality;
- Loss of vision resulting in legal blindness in both eyes;
- Special Damages (meaning economic damages related to the Claimant's injuries, including but not limited to, funeral costs, lost earning capacity, and past and future medical care supported by a qualified expert) that exceed \$1.5M in net present value;
- An AIS 5 rated injury;
- A moderate or severe TBI;
- Over 50% loss of use of limb or hand;
- Permanent profound hearing loss considering the Specific Adjustment Criteria identified for Permanent Hearing Loss above;
- Permanent injury to a fetus that survives to childhood;
- Spinal injury resulting in partial or full paralysis; or
- An injury or combination of injuries not contemplated by the Valuation Schedule and the Scheduled Claim Process.

4.4(e)(2) Participating OEM Submission

The Participating OEM may submit a report in response to the Claimant's IR Claim as described in Exhibit ____.

4.4(f) Trustee Report

After evaluating each Claim Submission, the Trustee shall make determinations regarding the compensability and valuation, if any, for the Scheduled Claim or IR Claim. The Trustee will prepare a written report indicating his findings and citing the Claim Submission evidence in support. The determinations of the Trustee are deemed final, binding, and non-appealable unless the Claimant timely appeals in compliance with the procedures set forth in Section ____ below. The Trustee, FCR, TAC, and OAC have intentionally and willingly limited appeals to the process in Section 4.5 and do not allow appeals to any court.

4.5 Appeal Process

The TDP provides a process for the appeal of a Claim under the conditions set forth in this Section.

4.5(a) Appeals Panel

Appeals shall be conducted by a single Reviewer. The Appeals Panel shall be composed of twelve Reviewers ("the Appeals Panel") unanimously agreed upon by the Trustee, OAC, TAC, and FCR. Each individual appeal shall be conducted by a single Reviewer. Each Reviewer must be a court certified mediator/arbitrator. On the Effective Date, the following persons will be members of the Appeals Panel: [list]

Vacancies on the Appeal Panel shall be filled by nominations from Trustee, TAC, and OAC, in turn, subject to unanimous approval of the Trustee, FCR, TAC, and OAC. Each Reviewer will serve a two-year term subject to renewal with the unanimous consent of the

Trustee, FCR, TAC, and OAC. The Trustee, FCR, TAC, and OAC will make reasonable efforts to have Reviewer representation from all National Highway Safety Administration (“NHTSA”) Zones;¹⁴ at least three of the members must be from Zone A. Each Reviewer shall attend a training session(s) to be conducted by representatives of the TAC and OAC upon appointment and before participating in any appeal.

4.5(b) Selection of Reviewer for an Appealed Claim

Appeals shall be conducted by a single Reviewer. For any given appeal, the Reviewer shall be chosen at random from the Appeals Panel. [The TAC’s proposal that the assigned Reviewer must have his principal place of business in the same NHTSA Zone as the Claimant’s residence is under consideration.] Neither the Participating OEM nor the Claimant may challenge the choice of the Reviewer who hears any given appeal.

4.5(c) Appeal Process for Scheduled Claims

Claimants have the right to appeal the decision of the Trustee on the compensability of the claim or the compensation awarded for their Scheduled Claim. The Participating OEM does not have a right to appeal the determination of a Scheduled Claim. To appeal a Scheduled Claim determination, the Claimant must first complete the Scheduled Claim Process. The determination of the Trustee is deemed final and binding on the parties unless the Claimant provides a written Notice of Appeal as described in Exhibit ____, within 20 days of receipt of the Trustee’s Report, except for Claims held by representatives of deceased or incompetent Claimants for which court or probate approval of the Trustee’s offer is required.

¹⁴ NHTSA Zones are defined in the May 4, 2016 Amendment to the November 2015 Consent Order.

The Trustee shall forward a copy of the written Notice of Appeal to the Appeals Panel and the Participating OEM within 10 days of receipt of the notice. Within 30 days of receipt of the Notice of Appeal, the Trustee shall randomly assign a Reviewer to the Claim, notify the Claim Parties, and provide the assigned Reviewer and Participating OEM with a copy of the complete Claim Submission. Within 30 days after the Notice of Appeal, the Claimant may submit an application for an appeal of no more than 10 double-spaced pages setting forth the reasons for the appeal to the Reviewer. The Participating OEM shall receive a copy of any appeal submission and may provide a written response of no more than 10 double-spaced pages within 30 days. The Participating OEM may present evidence only in response to the issues raised by the Claimant on appeal. For example, if the Claimant does not challenge the Trustee's determination of injury causation on appeal, but only challenges the compensation amount, the Participating OEM against whom the appeal is brought may only submit evidence on the amount of compensation and cannot challenge the Trustee's decision on injury causation. If the Claimant appeals the Trustee's determination of injury causation, the Participating OEM may submit evidence regarding injury causation.

The Reviewer may only consider the evidence submitted to the Trustee in evaluating the appeal, except in the case where the appeal concerns the Trustee's denial of compensation for a submitted Claim, in which case the Participating OEM may submit evidence supporting the Trustee's decision that a Claim is not a Compensable Claim. The Reviewer shall review only those determinations appealed by the Claimant in the Notice of Appeal.

The Reviewer shall affirm the compensability and valuation determinations of the Trustee [standard of review to be agreed upon].¹⁵ The Reviewer shall provide a written report setting forth the reasons for any reversal of compensability or increase or decrease of the Trustee's award. The Reviewer may not value an appealed Scheduled Claim outside the Valuation Schedule. The review of compensability shall be done in adherence to Section 4 of this TDP. If the Reviewer reverses a denial of compensation and finds the Claim to be a Compensable Claim, the Claim will be returned to the Trustee for valuation.

The Reviewer shall notify the Claim Parties of her decision within a reasonable time after all submissions are received and, if applicable, provide any written report to the Claim Parties. The determination of the Reviewer will be final and binding unless, within 20 days of notification of the determination, the Claimant submits a written notification of intent to reject the determination. Upon receipt of such notification, the FCR shall hold a conference with the Claimant and the Participating OEM. Within ten days after that conference, the Claimant may submit written confirmation to the Trustee of her rejection of the award and intent to proceed in the tort system. If the Claimant does not confirm his intent to reject the award within that ten-day period, the Reviewer's offer will be deemed final and binding on all parties.

4.5(d) Appeal Process for Individual Review Claims

The Appeals Process for TABI Claims subject to IR shall be the same as the Appeal Process for Scheduled Claims with two exceptions: (1) the Participating OEM may appeal the

¹⁵ The Reviewer must affirm unless she determines that the Trustee "has made a clear error of judgment, or has applied an incorrect . . . standard." *Alexander v. Fulton County*, 207 F.3d 1303, 1326 (11th Cir. 2000).

Trustee's compensability and valuation determinations, and (2) the Claimant may appeal the Trustee's denial of the Claimant's request for IR. The Trustee's denial of the Claimant's request for IR must be affirmed [standard of review to be agreed upon]. The review of compensability shall be done in adherence to Section 4.3 of this TDP. If the Reviewer reverses the Trustee's denial of the Claimant's request for IR, the TABI Claim shall be returned to the Trustee for evaluation under the IR Process as described above.

4.6 Litigation in Tort System

After the Claimant has exhausted the Claim Process, including a review and determination by the Trustee, an appeal, and a conference with the FCR, if the Claimant is dissatisfied with the offer made, he may pursue relief in an appropriate jurisdiction of law pursuant to the terms of this TDP.

4.6(a) Proceeding in the Tort System

Any Claim must be filed in a state or federal court in the United States by the Claimant within 120 days of the date that the Claimant submits written rejection of the final claim award. The Claim must be filed in her own right and name and not as a member or representative of a class, and no such lawsuit may be consolidated with any other lawsuit. Claims arising out of a single incident may be brought together in a single action.

Any trial will be limited to the issues of injury causation and valuation/damages only. [The parties are considering a template jury instruction/stipulation which would be utilized in the tort system to implement the language and intent of the parties of 4.6(a) of the TDP. Further, the parties are negotiating possible language in that stipulation for certain claims in certain jurisdictions that may be lost upon death of the Claimant during the processing of their claim.] The Trust in such litigation shall not assert as a defense Claimant's conduct, including

contributory or comparative negligence in causing the underlying accident, or notice of recall, or the statute of limitations or statute of repose defenses. The Claimant shall not assert any cause of action, seek discovery related to, or present any evidence related except as to causation and damages. The Claimant shall not seek conduct-based discovery nor present conduct-based evidence at trial. Punitive or exemplary damages cannot be sought and will not be payable. Except as provided herein, the laws of the applicable jurisdiction will govern all claims filed pursuant to this Section.¹⁶

4.6(b) Payment of Claims in the Tort System

If a TABI Claim proceeds in the tort system under the provisions of this TDP and is subsequently liquidated by either a settlement and/or a jury verdict, the liquidated amount shall be paid by the Trust in the following manner.

[The parties are negotiating a payment schedule, where applicable, for all tort system claims whether resolved by judgment or settlement.]

SECTION 5

General Guidelines for Liquidating and Paying Claims

5.1 Payment of Claims

Once an award is deemed final, the Trustee will initiate the distribution process. The Trustee shall pay the Claimant, subject to the terms of this TDP and the PSAN PI/WD Trust

¹⁶ The Alabama wrongful death statute shall not apply to any Claims filed in the any jurisdiction pursuant to the terms of this TDP. See Ala. Code § 6-5-410 (1975) and Ala. Code § 6-5-391 (1975). Rather, in any wrongful death case in which Alabama law would govern, the Parties agree that the law of the State of Georgia effective as of the date of this TDP will govern the determination of compensation for those wrongful death cases.

Agreement, the Claim in the amount so offered. Distributions for valid Claims to Claimants not represented by an attorney will be issued by checks mailed to the Claimant's address of record via certified U.S. Mail, which will be negotiable for 90 days. If the Claimant is represented by an attorney, the distribution may be issued by check or by electronic payment to the attorney.

In determining all award amounts, the Trustee will take into account all known outstanding medical liens, if any, currently owed by the Claimant. The Claimant will undertake to resolve and if not done, the Trustee will take over the process as detailed in Ex. _____. The Trustee will retain the services of a Lien Resolution Administrator to identify, resolve, and satisfy, in accordance with applicable law, certain Claimant repayment obligations, including, but not limited to, Medicare (Parts A and B), Medicaid, and other governmental liens.

Where the Claimant is deceased or has been determined to be incompetent, and the settlement and payment of her Claim must be approved by a court of competent jurisdiction or through a probate process prior to acceptance of the Claim by the Claimant's representative, an offer made by the Trustee on the Claim shall remain open so long as proceedings before that court or in that probate process remain pending; provided that the Trustee has been furnished with evidence that the settlement offer has been submitted to such court or to the probate process for approval prior to the expiration of the time to accept the offer. If the offer is ultimately approved by the court or through the probate process and accepted by the Claimant's representative and the Trustee receives written notice of the approval and acceptance, the Trustee shall pay, subject to the terms of this TDP and the PSAN PI/WD Trust Agreement, the Claim in the amount so offered.

5.2 Order of Payment

The Trustee shall attempt to pay all Compensable Claims on an efficient and fair basis. In making decisions on compensability and compensation amounts, the Trustee may evaluate and pay Claims on an ongoing basis, even if this means later submitted Claims are evaluated or paid before earlier submitted Claims.

5.3 Costs Considered

Notwithstanding any provisions of this TDP to the contrary, the Trustee shall always give appropriate consideration to the cost of investigating and uncovering invalid Claims so that the payment of valid Claims is not further impaired by such processes with respect to issues related to the validity of the medical or inflator defect evidence supporting a Claim. The Trustee shall also have the latitude to make judgments regarding the amount of transaction costs to be expended by the PSAN PI/WD Trust so that valid Claims are not unduly further impaired by the costs of additional investigation. Nothing herein shall prevent the Trustee, in appropriate circumstances, from contesting the validity of any Claim against the PSAN PI/WD Trust whatever the costs, or to decline to accept medical evidence from sources that the Trustee have determined to be unreliable pursuant to the Claims Audit Program described in Section [___] above.

5.4 Discretion to Vary the Amounts of Payments

There can be no guarantee of any specific level of payment to Claimants. However, the Trustee shall use his best efforts to treat similar Claims in substantially the same manner, consistent with his duties as Trustee, the purposes of the PSAN PI/WD Trust, and the practical limitations imposed by the inability to predict the future with precision.

5.5 Claimant Releases [This Section is subject to review by Honda and the TAC.]

As a condition for payment from TABI Program, all individuals who apply for compensation from TABI Program must execute and submit to the Trustee a release (the “Claimant Release”) in the form provided by the Trustee. The Claimant Release shall be signed and submitted by a Claimant when submitting a Claim Form.

By signing the Claimant Release, the individual Claimant will agree to release the Trust, the Trustee, and the FCR (the “Released Parties”) from any and all past, present and future claims, counterclaims, actions, rights or causes of action, liabilities, suits, demands, damages, losses, payments, judgments, debts, dues, sums of money, costs and expenses (including, without limitation, attorneys’ fees and costs), accounts, reckonings, bills, covenants, contracts, controversies, agreements, obligations, or promises, in law or in equity, contingent or non-contingent, known or unknown, suspected or unsuspected, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, whether direct, representative, class or individual in nature, in any forum that an applicant had, have, or may have in the future (a “Released Claim”) arising out of, in any way relating to or in connection with the Takata Vehicle Manufacturer Airbag Recovery Program and the discharge of the Trustee’s duties and responsibilities under the PSAN PI/WD Trust Agreement.

Upon final determination of the Claim, the Release shall identify the injury category for which compensation is awarded, and where applicable allocation among related claims, estopping the Claimant from seeking any further relief for that injury regardless of defect theory. If the Claimant is awarded compensation for an Aggressive Deployment Claim, the Release will identify the specific enhanced injury and percentage of the injury deemed enhanced. Nothing in this Protocol or any subsequent order approving this Protocol precludes the Claimant from seeking recovery in the tort system for any portion of an injury not compensated. The Claimant

is responsible for promptly securing any court approval required in the applicable jurisdiction for any awards made as necessary to complete the Release. If the Claimant is awarded compensation for any loss of consortium or bystander claims, all beneficiaries of such claims shall also execute the Release, barring the assertion of those indirect or third-party claims in the tort system.

The Release will also require the Claimant to (i) acknowledge and agree that the Claimant remains solely responsible for resolving all open Government Payors' and Non-Government Payors' liens, rights of reimbursement, and other claims (collectively, "Liens"); (ii) provide the Trustee with authority for his Lien Resolution Administrator to seek resolution of Liens; (iii) provide evidence of negotiation and payment of all Liens with respect to payment of all Liens not resolved by the Trustee's Lien Resolution Administrator; (iv) agree to indemnify and hold harmless the Trustee in connection with all Liens and any future Liens; and (v) and agree that the Trustee will not be liable for any act, or failure to act, of the Lien Resolution Administrator retained in connection with the Takata Vehicle Manufacturer Airbag Recovery Program.

The Trustee shall have the discretion to modify the form and substance of the releases to be provided by the Claimants to the PSAN PI/WD Trust and the Protected Parties in order to maximize recovery for Claimants against other tortfeasors without increasing the risk or amount of claims for indemnification or contribution from the PSAN PI/WD Trust or the Protected Parties with respect to the PSAN PI/WD Trust. As a condition to making any payment to a Claimant, the PSAN PI/WD Trust shall obtain, for the benefit of the PSAN PI/WD Trust and the Protected Parties, a general, partial, or limited release as appropriate in accordance with the applicable state or other law. The Trustee may, with consent of the TAC, OAC and FCR, (i)

adopt a form of release and (ii) modify any form of release that has previously been approved by the PSAN PI/WD Trust Advisory Committees and the Future Claims Representative.

5.6 Third Party Services

Nothing in this TDP shall preclude the PSAN PI/WD Trust from contracting with another claims resolution organization to provide services to the PSAN PI/WD Trust so long as decisions about the categorization and value of Claims are based on the relevant provisions of this TDP, including the Injury Levels, Scheduled Values, Base and High Values, and Injury Criteria set forth above.

SECTION 6

Payment Percentage and Periodic Estimates

[SECTION TO BE REVIEWED AND COMMENTED ON BY TKH; TO APPLY TO CLAIMS AGAINST TKH AND OTHER PROTECTED PARTIES; SUBJECT TO APPROVAL BY TAC AND OEMs]

6.1 PSAN PI/WD Trust's Determination of the Payment Percentage

There is inherent uncertainty regarding Debtors' and Participating OEMs' total PSAN Inflation-related liabilities, as well as the total value of the assets available to the PSAN PI/WD Trust to pay Claims (other than the assets contributed by any Participating OEM). Consequently, there is inherent uncertainty regarding the amounts that holders of Claims shall receive. To seek to ensure substantially equivalent treatment of all present and future Claims, the Trustee must determine from time to time the percentage Liquidated Value Claimants will be likely to receive on account of their Claims absent any contribution from a Participating OEM (the "Payment Percentage"). The Payment Percentage shall apply to liquidated Claims described in Section 4.2 .

To the extent the Claimant has established a Claim for which a Participating OEM is liable, the Participating OEM shall contribute to the Trust, and the Trust shall pay to the

Claimant, the difference between full Liquidated Value and the Liquidated Value reduced by the Payment Percentage (the “Participating OEM Contribution”).

Promptly after the PSAN PI/WD Trust is established, the Trustee, with the consent of the TAC, OAC, and FCR, shall set an initial Payment Percentage (the “Initial Payment Percentage”). The Payment Percentage shall be calculated in accordance with Section 6.4..

Except as otherwise provided in (a) Section 4.1(b) for Claims involving deceased or incompetent Claimants for which approval of the PSAN PI/WD Trust’s offer by a court or through a probate process is required and (b) the paragraph below with respect to Released Claims, no holder of any Claim shall receive a payment that exceeds the Liquidated Value of the claim times the Payment Percentage in effect at the time of payment; provided, however, that if there is a reduction in the Payment Percentage, the Trustee, in his sole discretion, may cause the PSAN PI/WD Trust to pay a Claim based on the Payment Percentage that was in effect prior to the reduction if such Claim was filed and actionable with the PSAN PI/WD Trust ninety (90) days or more prior to the date the Trustee proposed the new Payment Percentage in writing to the PSAN PI/WD Trust Advisory Committee(s) and the Future Claimants’ Representative (the “Proposal Date”) and the processing of such claim was unreasonably delayed due to circumstances beyond the control of the Claimant or the Claimant’s counsel, but only if such claim had no deficiencies for the ninety (90) days prior to the Proposal Date.

If a redetermination of the Payment Percentage has been proposed in writing by the Trustee to the PSAN PI/WD Trust Advisory Committee(s) and the Future Claimants’ Representative but has not yet been adopted, the Claimant shall receive the lower of the current Payment Percentage or the proposed Payment Percentage. However, if the proposed Payment Percentage is the lower amount but is not subsequently adopted, the Claimant shall thereafter

receive the difference between the lower proposed amount and the higher current amount. Conversely, if the proposed Payment Percentage is the higher amount and is subsequently adopted, the Claimant shall thereafter receive the difference between the lower current amount and the higher adopted amount. In either event, however, no supplemental payments will be made to a Claimant who has already received a Participating OEM Contribution.

Notwithstanding anything contained herein, if the proposed Payment Percentage is lower than the current Payment Percentage, a Claimant whose Claim was liquidated prior to the Proposal Date and who either (a) transmitted¹⁷ an executed release to the PSAN PI/WD Trust prior to the Proposal Date or (b) with respect to those claimants who had received releases fewer than thirty (30) days prior to the Proposal Date, transmitted an executed release to the PSAN PI/WD Trust within thirty (30) days of the Claimant's receipt of the release (the claims described in (a) and (b) are collectively referred to herein as the "Released Claims") shall be paid based on the current Payment Percentage (the "Released Claims Payment Percentage"). For purposes hereof, (a) a Claimant represented by counsel shall be deemed to have received a release on the date that the Claimant's counsel receives the release, (b) if the PSAN PI/WD Trust transmits a release electronically, the release shall be deemed to have been received on the date the PSAN PI/WD Trust transmits the offer notification, and (c) if the PSAN PI/WD Trust places the release in the U.S. mail, postage prepaid, the release shall be deemed to have been received three (3) business days after such mailing date. A delay in the payment of the Released Claims for any reason, including delays resulting from limitations on payment amounts in a given year pursuant

¹⁷ For purposes of this sentence, "transmitted" is defined as the date/time postmarked if submitted by mail or the date/time uploaded if submitted electronically.

to Sections 2.4 hereof, shall not affect the rights of the holders of the Released Claims to be paid based on the Released Claims Payment Percentage.

At least thirty (30) days prior to proposing in writing to the TAC, OAC and FCR a change in the Payment Percentage, the Trustee shall issue a written notice to Claimants or Claimants' counsel indicating that the Trustee is reconsidering such Payment Percentage.

There is uncertainty surrounding the value of the PSAN PI/WD Trust's assets in the future. There is also uncertainty surrounding the totality of the Claims to be paid over time. If the value of the PSAN PI/WD Trust's future assets increases significantly and/or if the value or volume of Claims actually filed with the PSAN PI/WD Trust is significantly lower than originally estimated, the PSAN PI/WD Trust shall use those proceeds and/or claims savings, as the case may be, first to maintain the Payment Percentage then in effect.

If the Trustee, with the consent of the TAC, OAC, and the FCR, makes a determination to increase the Payment Percentage due to a material change in the estimates of the PSAN PI/WD Trust's future assets and/or liabilities, the Trustee shall also make supplemental payments to claimants who previously liquidated their claims against the PSAN PI/WD Trust and received payments based on a lower Payment Percentage; provided, however, that no supplemental payments will be made to a Claimant who has already received a Participating OEM Contribution. The amount of any supplemental payment shall be the liquidated value of the claim in question times the newly adjusted Payment Percentage, less all amounts previously paid to the claimant with respect to the claim.

The PSAN PI/WD Trust's obligation to make a supplemental payment to a claimant shall be suspended in the event the payment in question would be less than \$100.00, and the amount of the suspended payment shall be added to the amount of any prior supplemental

payment/payments that was/were also suspended because it/they would have been less than \$100.00. However, the PSAN PI/WD Trust's obligation shall resume, and the PSAN PI/WD Trust shall pay any such aggregate supplemental payments due the claimant at such time that the total exceeds \$100.00.

6.2 Determination of the Maximum Annual Payment and Maximum Available Payment

After calculating the Payment Percentage, the PSAN PI/WD Trust shall model the cash flow, principal, and income year-by-year so that they will be utilized over the entire life of the PSAN PI/WD Trust in a manner that ensures that all present and future holders of Claims are compensated in amounts reflecting the same the Payment Percentage. In each year, based upon the model of cash flow, the PSAN PI/WD Trust shall be empowered to pay out the portion of its funds payable for that year according to the model (the "Maximum Annual Payment"). The PSAN PI/WD Trust's distributions to all claimants for that year shall not exceed the Maximum Annual Payment. When the PSAN PI/WD Trust determines that offers have reached the Maximum Annual Payment in a given year, the PSAN PI/WD Trust shall continue processing claims but shall not give new offers or releases until the next year.

The Payment Percentage and the Maximum Annual Payment figures are based on projections over the lifetime of the PSAN PI/WD Trust. As noted in Section 2.3 above, if such long-term projections are revised, the Payment Percentage may be adjusted accordingly, which would result in a new model of the PSAN PI/WD Trust's anticipated cash flow and a new calculation of the Maximum Annual Payment. However, year-to-year variations in the PSAN PI/WD Trust's flow of claims or the value of its assets, including earnings thereon, will not necessarily mean that the long-term projections are inaccurate; they may simply reflect normal

variations, both up and down, from the smooth curve created by the PSAN PI/WD Trust's long-term projections. If, in a given year, however, asset values, including earnings thereon, are below projections, the PSAN PI/WD Trust may need to distribute less in that year than would otherwise be permitted based on the Maximum Annual Payment derived from long-term projections.

Accordingly, the applicable Maximum Annual Payment for a given year may be temporarily decreased if the present value of the assets of the PSAN PI/WD Trust as measured on a specified date during the year is less than the present value of the assets of the PSAN PI/WD Trust projected for that date by the cash flow model described in the foregoing paragraph. The PSAN PI/WD Trust shall make such a comparison whenever the Trustee becomes aware of any information that suggests that such a comparison should be made and, in any event, no less frequently than once every six months. If the PSAN PI/WD Trust determines that as of the date in question, the present value of the PSAN PI/WD Trust's assets is less than the projected present value of its assets for such date, then it will remodel the cash flow year-by-year to be paid over the life of the PSAN PI/WD Trust based upon the reduced value of the total assets as so calculated and identify the reduced portion of its funds to be paid for that year, which will become the "Temporary Maximum Annual Payment." Additional reductions in the Maximum Annual Payment can occur during the course of that year based upon subsequent calculations. If in any year the Maximum Annual Payment was temporarily reduced as a result of an earlier calculation and, based upon a later calculation, the difference between the projected present value of the PSAN PI/WD Trust's assets and the actual present value of its assets has decreased, the Temporary Maximum Annual Payment shall be increased to reflect the decrease in the differential. In no event, however, shall the Temporary Maximum Annual Payment exceed the original Maximum Annual Payment. As a further safeguard, the PSAN PI/WD Trust's

distribution to all Claimants for the first nine months of a year shall not exceed 85% of the Maximum Annual Payment determined for that year. If on December 31 of a given year, the original Maximum Annual Payment for such year is not in effect, the original Maximum Annual Payment for the following year shall be reduced proportionately.

In distributing the Maximum Annual Payment, the PSAN PI/WD Trust shall first allocate the amount in question to (a) [any Claims liquidated prior to the Effective Date,] (b) any Claims (i) based on an injury incurred prior to the Effective Date and (ii) subsequently filed with the PSAN PI/WD Trust within one (1) year following the date the PSAN PI/WD Trust first accepts for processing the proof of claim forms and other materials required to file a claim with the PSAN PI/WD Trust,¹⁸ which are liquidated by the PSAN PI/WD Trust (“Existing Claims”), and (c) Exigent Hardship PI/WD Claims (as defined in Section 4.3(b) below).

Should the Maximum Annual Payment be insufficient to pay all such claims in full, the available funds shall be paid in proportion to the aggregate value of each group of claims and the available funds allocated to each group of claims shall be paid to the maximum extent to claimants in the particular group based on their place in their respective FIFO Payment Queue. Claims in any group for which there are insufficient funds shall maintain their place in the FIFO Payment Queue and shall be carried over to the next year. If there is a decrease in the Payment Percentage prior to the payment of such claims, any such claims shall nevertheless be entitled to be paid at the Payment Percentage that they would have been entitled to receive but for the

¹⁸ Exceptions to the satisfaction of this one-year filing requirement may be made where a claimant can show an inability to file within the one-year period caused by extraneous factors beyond the claimant’s control.

application of the Maximum Annual Payment. The remaining portion of the Maximum Annual Payment (the “Maximum Available Payment”), if any, shall then be allocated and used to satisfy all other liquidated Claims; provided, however, that if the Maximum Annual Payment is reduced during a year pursuant to the provisions above, the Maximum Available Payment shall be adjusted accordingly. The Trustee, with the consent of the TAC and OAC, may offer the option of a reduced Payment Percentage to holders of claims in return for prompter payment (the “Reduced Payment Option”).

6.3 Uncertainty of the Total PSAN-Related Personal Injury Liabilities

As discussed above, there is inherent uncertainty regarding the Protected Parties’ total PSAN Inflater-related tort liabilities, as well as the total value of the assets available to the PSAN PI/WD Trust to pay Claims. Consequently, there is inherent uncertainty regarding the amounts that holders of Claims shall receive. To ensure substantially equivalent treatment of all present and future Claims, the Trustee must determine from time to time the percentage of full liquidated value that holders of present and future Claims will be likely to receive, i.e., the “Payment Percentage” described in Section 2.3 above and Section 4.2 and Section 4.3 below.

6.4 Computation of Payment Percentage

As provided in Section 2.3 above, the Trustee, with the consent of the TAC, OAC, and FCR, shall establish the Initial Payment Percentage after the Plan’s Effective Date. The Payment Percentage shall be subject to change pursuant to the terms of these TDP and the PSAN PI/WD Trust Agreement if the Trustee, after consultation with the TAC, OAC and FCR, determines that an adjustment is required. No less frequently than once every two (2) years, commencing with the first day of January occurring after the Effective Date, and whenever the amount of offers in a year exceed the Maximum Annual Payment, the Trustee shall reconsider the then-applicable

Payment Percentage to assure that it is based on accurate, current information and may, if necessary after such reconsideration, change the Payment Percentage after consultation with the TAC, OAC, and FCR. The Trustee shall also reconsider the Payment Percentage at shorter intervals if he deems such reconsideration to be appropriate or if requested to do so by the TAC, OAC or FCR. In any event, no less frequently than six (6) months, commencing on the date when the PSAN PI/WD Trust begins to accept claims, the Trustee shall compare the liability forecast on which the Payment Percentage is based with the actual claims filing and payment experience of the PSAN PI/WD Trust to date. If the results of the comparison call into question the ability of the PSAN PI/WD Trust to rely upon the current liability forecast, the Trustee shall reconsider the Payment Percentage.

The Trustee must base his determination of the Payment Percentage on current estimates of the number, types, and values of present and future Claims, the value of the assets then available to the PSAN PI/WD Trust for payment of Claims, all anticipated administrative and legal expenses, and any other matters that are reasonably likely to affect the sufficiency of funds to pay a comparable percentage of full value to all present and future holders of Claims. When making these determinations, the Trustee shall exercise common sense and flexibly evaluate all relevant factors to determine a conservative Payment Percentage that will guarantee to the greatest extent reasonably possible, that the PSAN PI/WD Trust will pay a comparable percentage of Liquidated Value to all present and future holders.

6.5 Applicability of the Payment Percentage

Except as provided in this Section 4.3, no holder of a Claim shall receive a payment that exceeds the liquidated value of the claim times the Payment Percentage in effect at the time of the payment. Except as otherwise provided in (a) Section 5.19c) for Claims involving deceased

or incompetent Claimants for which the PSAN PI/WD Trust's offer must be approved by a court or through a probate process and (b) the paragraph below with respect to Released Claims, no holder of any Claim shall receive a payment that exceeds the liquidated value of the claim times the Payment Percentage; provided, however, that if there is a reduction in the Payment Percentage, the Trustee, in his discretion, may cause the PSAN PI/WD Trust may cause the PSAN PI/WD Trust to pay a Claim based on the Payment Percentage that was in effect prior to the reduction if such Claim was filed and actionable with the PSAN PI/WD Trust ninety (90) days or more prior to the date the Trustee proposed the new Payment Percentage in writing to the TAC, OAC, and FCR ("Proposal Date") and the processing of such claim was unreasonably delayed due to circumstances beyond the control of the Claimant or the Claimant's counsel, but only if such claim had no deficiencies for the ninety (90) days prior to the Proposal Date.

If a redetermination of the Payment Percentage has been proposed in writing by the Trustee to the TAC, OAC and FCR, but has not yet been adopted, the claimant shall receive the lower of the current Payment Percentage or the proposed Payment Percentage. However, if the proposed Payment Percentage was the lower amount but was not subsequently adopted, the claimant shall thereafter receive the difference between the lower proposed amount and the higher current amount. Conversely, if the proposed Payment Percentage was the higher amount and was subsequently adopted, the Claimant shall thereafter receive the difference between the lower current amount and the higher adopted amount.

SECTION 7

Miscellaneous

7.1 Amendments

Except as otherwise provided herein, the Trustee may amend to any provisions of this TDP (including, without limitation, amendments to conform this TDP to advances in scientific or medical knowledge or other changes in circumstances), provided that (i) he or she first obtains the unanimous consent of the TAC, the OAC and the FCR pursuant to the consent process set forth in Section [__] of the PSAN PI/WD Trust Agreement; (ii) the right to adjust the Payment Percentage is governed by Section [__] above; and (iii) such amendments, modifications, deletions, or additions do not impact the Channeling Injunction and are not otherwise inconsistent with the Confirmation Order or the Plan. Nothing herein is intended to preclude the TAC, the OAC or the FCR from proposing to the Trustee, in writing, amendments to this TDP. Any amendment proposed by the TAC or the FCR shall remain subject to Section [__] of the PSAN PI/WD Trust Agreement. The Trustee, after consultation with the TAC, OAC, and the FCR, may make changes as necessary for the administration of the PSAN PI/WD Trust, so long as those changes do not amend the terms of this TDP, the PSAN PI/WD Trust Agreement, the Channeling Injunction, Confirmation Order, or the Plan.

7.2 Extensions of Time

Upon written request, the Trustee may in his discretion grant extensions of time for any deadline or time limit identified herein to any Claimant or Participating OEM.

7.3 Severability

Should any provision contained in this TDP be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this TDP.

7.4 Governing Law

Administration of this TDP shall be governed by, and construed in accordance with, the laws of the State of Delaware. The law governing the determination of Claims in the case litigation in the tort system shall be the law of the Claimant's Jurisdiction as described in Section [] above.

7.5 Claims Audit Program

The TDP includes an audit program to assist in the prevention of consideration of suspicious evidence included in any Claimant Submission.

7.5(a) Trustee Audit

The Trustee may select Claims for audit if the Trustee determines, based upon experience with the claims process, that the Claim Submission may contain fraudulent documentation or intentional misrepresentations of material fact relating to the Claim. If the Trustee selects a Claim for audit, the Trustee shall promptly notify the Claimant and Participating OEM of the selection of the claim for audit, the specific reasons the Trustee suspects a Claimant or Participating OEM has submitted fraudulent documentation or made intentional misrepresentations of material fact, and which specific documents or statements are alleged to be suspect. The Participating OEM and Claimant shall, within 30 days, submit to the Trustee, documentation establishing the accuracy and reliability of the documentation or misrepresentation the Trustee has put at issue. If, after completing an audit, the Trustee determines that the Claimant or Participating OEM has not intentionally supplied false evidence or made intentional misrepresentation of material fact, the Trustee shall proceed to evaluate and pay the Claim.

If, after completing an audit, the Trustee determines that the Claimant or POEM has intentionally supplied false evidence or made intentional misrepresentation of material fact, the

Trustee shall notify them both. The Claimant or POEM still suspected may then respond, within 15 days, with any evidence indicating that it has not intentionally submitted fraudulent documentation or has not made an intentional misrepresentation of material fact. Alternatively, for the Claimant, he shall be given an opportunity to withdraw claim . If the Trustee accepts such additional evidence or explanation, the Trustee shall proceed to evaluate and pay the Claim. If the Claimant or POEM does not respond to the Trustee's notice, or if the Trustee, after considering the response, does not alter its determination, the Trustee shall exclude any such suspect evidence. The ultimate determination of compensability and valuation for that Claim will be subject to the Appeals Process in the same manner as any other Scheduled or IR Claim, as applicable. If the Appeal Panel upholds the Trustee's determination that the audited Claimant or POEM intentionally supplied false or fraudulent information material to the Claim, the Trustee may require the Claimant or POEM to pay the costs associated with the audit. In addition, the Trustee may report the alleged fraudulent conduct to the Bankruptcy Court or to law enforcement.

7.5(b) OAC-TAC Financial Audit

The OAC and TAC shall have the right, beginning on the first January after the Effective Date, and each January thereafter, to jointly cause an annual audit to of the Trust's operations including payment of claims to be performed by a Certified Public Accountant upon the financial records of the Trust. Complete copies of such audits shall be provided to the Court, the Trust Parties, OAC, TAC, and FCR. This annual audit would be only undertaken if the OAC and TAC so agree.

7.5(c) OAC and TAC General Audit

The OAC or the TAC shall be entitled to individually audit and review all aspects of the PSAN PI/WD Trust, including but not limited to its operations, claims processing procedures, and results. The Trustee shall provide to the auditing party, at their sole discretion and expense, such information and documentation as they request. The Trustee shall cooperate with the auditing party in connection with any such audit, including but not limited to providing the OAC reasonable access to the Trustee and Claims Administrator's personnel for interviews and reasonable direct access to any computer hardware, software, or data used or maintained by the PSAN PI/WD Trust. Such an audit shall be at the sole discretion and expense of the auditing party. The auditing party may – and shall be entitled to as part of its audit rights – make recommendations to the Trustee, OAC, TAC, and FCR, as applicable, concerning the PSAN PI/WD Trust, including but not limited to the PSAN PI/WD Trust's Claims processing operations. Any dispute between the Trustee, OAC, TAC, and FCR arising from the recommendations of an auditing party shall be subject to the dispute resolution procedures set forth in Section 8.13 of the PSAN PI/WD Trust Agreement.

Exhibit A

Claim Protocol

Exhibit B
Claim Form

Exhibit C

Vehicle Inspection Protocol

EXHIBIT O

Participating OEM Contribution Agreement

THIS DOCUMENT HAS NOT BEEN APPROVED OR CONSENTED TO BY THE FUTURE CLAIMANTS' REPRESENTATIVE OR THE OFFICIAL COMMITTEE OF TORT CLAIMANTS OR ANY OF THEIR REPRESENTATIVES, AND IS SUBJECT TO REVIEW, NEGOTIATION AND REVISION IN ALL RESPECTS. THE FCR AND TCC HAVE RESERVED ALL RIGHTS WITH RESPECT TO THIS DOCUMENT.

THE OFFICIAL COMMITTEE OF TORT CLAIMANTS RESERVES ALL RIGHTS WITH RESPECT TO ANY PROVISION IN THE TDP WHICH PURPORTS TO ESTABLISH DIFFERING DEBTOR LIABILITY TO ANY TRUST BENEFICIARY BASED UPON THE TYPE, KIND, OF MANUFACTURER OF THE VEHICLE IN WHICH THE BENEFICIARY WAS INJURED. MOREOVER, THE TORT CLAIMANTS COMMITTEE RESERVES ALL RIGHTS WITH RESPECT TO WHETHER THE TRUST BENEFICIARIES HAVE RECEIVED ADEQUATE INFORMATION ABOUT TO MAKE AN INFORMED DECISION ABOUT HOW TO VOTE ON THE PLAN.

PARTICIPATING OEM CONTRIBUTION AGREEMENT¹

This PSAN PI/WD Contribution Agreement (the "Agreement") is effective as of the Effective Date, between the Initial Participating OEM signatory hereto (the "Trust Funder"), and the PSAN PI/WD Trust, a qualified settlement fund created pursuant to the Third Amended Joint Chapter 11 Plan of Reorganization of TK Holdings Inc. and Its Affiliated Debtors (as confirmed, the "Plan"). All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Plan and such definitions are incorporated herein by reference.²

WHEREAS, on June 25, 2017 (the "Petition Date"), each of the Debtors commenced cases under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the "Bankruptcy Code") by filing voluntary petitions for relief with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, pursuant to the terms of the Plan, Eric Green (the "Trustee") has been appointed as the initial trustee of the PSAN PI/WD Trust;

WHEREAS, as of the Petition Date, the Debtors and the Trust Funder had been named as defendants in personal-injury and wrongful-death actions seeking recovery for damages allegedly caused by the defective PSAN Inflators;

¹ Preliminary Draft; Subject to Material Change and Approval By Restructuring Support Parties.

² [Any election by a Consenting OEM to become a Participating OEM (and an Initial Participating OEM) is subject in all respects to (i) the confirmation and effectiveness of the Plan in form and substance acceptable to the Participating OEM(s), (ii) the entry of the Confirmation Order by the Bankruptcy Court and, if required, the District Court (solely with respect to the Channeling Injunction) in form and substance acceptable to the Participating OEM(s), (iii) negotiation and execution of definitive documents governing the PSAN PI/WD Trust and the payment of such Participating OEM(s)' PSAN PI/WD Top-Up Amount, including, without limitation, the Participating OEM Contribution Agreement, the PSAN PI/WD Trust Agreement, and the PSAN PI/WD TDP, in each case in form and substance acceptable to the Participating OEM(s), and (iv) the appointment of Eric Green as the PSAN PI/WD Trustee or, if Eric Green declines or is unable to fill the appointment, the appointment of an initial PSAN PI/WD Trustee (if applicable) or a PSAN PI/WD Trustee that is acceptable to the Participating OEM(s).]

WHEREAS, the Plan calls for the creation of the PSAN PI/WD Trust and the assumption by the PSAN PI/WD Trust of all liability for PSAN PI/WD Claims asserted against the Trust Funder;

WHEREAS, the Plan was confirmed by the Bankruptcy Court on _____, 2018;

WHEREAS, pursuant to the Plan, the Trust Funder is to contribute certain amounts to the PSAN PI/WD Trust for payment of the (1) PSAN PI/WD Top-Up Amounts, which shall be utilized in the manner specified in section 5.10(g) of the Plan to satisfy PSAN PI/WD Claims against the Trust Funder that are allowed in accordance with the PSAN PI/WD TDP, and (2) PSAN PI/WD Trust Expenses solely to the extent such expenses are not satisfied from the PSAN PI/WD Trust Reserve; and

WHEREAS, the Trustee and the Trust Funder are entering into this Agreement to establish the means by which the Trust Funder will contribute such amounts to the PSAN PI/WD Trust.

NOW, THEREFORE, it is hereby agreed as follows:

1. PAYMENT OF PSAN PI/WD TOP-UP AMOUNTS

- 1.1. For purposes of this Agreement, “Net Liquidated Value” of a PSAN PI/WD Claim means the Liquidated Value (as defined in the PSAN PI/WD TDP) of such PSAN PI/WD Claim against the Trust Funder after application of (i) any applicable PSAN PI/WD Insurance Proceeds, (ii) any portion of the IIM Available Cash, SMX Available Cash, TDM Available Cash, or TKH Available Cash allocated to the PSAN PI/WD Funds and allocated to such PSAN PI/WD Claim, (iii) any payments received on account of such PSAN PI/WD Claim from the DOJ PI/WD Restitution Fund.
- 1.2. The PSAN PI/WD Trust shall liquidate PSAN PI/WD Claims in the manner set forth in the PSAN PI/WD TDP and the PSAN PI/WD Trust Agreement. Except for those PSAN PI/WD Claims asserted against the Trust Funder that are liquidated or settled in the tort system, the effective date of any liquidation of a PSAN PI/WD Claim asserted against the Trust Funder shall be the last day of the calendar quarter in which the award with respect to the PSAN PI/WD Claim becomes final. PSAN PI/WD Claims asserted against the Trust Funder that are liquidated or settled in the tort system shall be paid in accordance with the schedule set forth in the PSAN PI/WD TDP; provided, however, that in no event shall the Trust Funder have any obligation to pay more than the Net Liquidated Value of any PSAN PI/WD Claim against it. No earlier than two (2) business days after the conclusion of each calendar quarter, the PSAN PI/WD Trust shall provide the Trust Funder a confidential, written accounting (the “Quarterly Accounting”) of the PSAN PI/WD Claims asserted against the Trust Funder that were liquidated during such calendar quarter. With respect to each PSAN PI/WD Claim, the Quarterly Accounting shall include the name of the Claimant (as defined in the PSAN PI/WD TDP), Injury Type (as defined in the PSAN PI/WD TDP), Liquidated Value, Net Liquidated Value and process used to liquidate the PSAN PI/WD Claim.

- 1.3. The Trust Funder shall pay in full the aggregate Net Liquidated Value of all PSAN PI/WD Claims asserted against it and included in the Quarterly Accounting within thirty (30) calendar days of receipt of the Quarterly Accounting; provided, however, that with respect to any PSAN PI/WD Claim liquidated or settled in the tort system, the Trust Funder shall only be required to pay the Net Liquidated Value of such claim required to be paid during the relevant calendar quarter in accordance with the schedule set forth in the PSAN PI/WD TDP. Any payments shall be made by wire transfer of immediately available funds to a segregated account established by the Trustee to hold amounts contributed to the PSAN PI/WD Trust by the Trust Funder for payment of liquidated PSAN PI/WD Claims. Payments made by the Trust Funder shall be held by the PSAN PI/WD Trust in a segregated account established solely for the purpose of paying the Net Liquidated Value of PSAN PI/WD Claims asserted against the Trust Funder, and any such amounts paid by the Trust Funder shall not be commingled with any other funds contributed to the PSAN PI/WD Trust. In addition, no amounts paid by the Trust Funder shall be utilized to pay, in whole or in part, claims asserted with respect to any other OEM's vehicles. For this purpose, the Trustee shall designate to the Trust Funder, not later than two (2) business days prior to the date specified for any payment, the segregated account to which such contribution is to be made. If any date on which a payment is due shall fall on a Saturday, Sunday or day on which banks in New York, New York, are permitted to be closed, then the payment due on such date shall be payable on the next calendar day that is not a Saturday, Sunday or day on which banks in New York, New York, are permitted to be closed.
- 1.4. If the Claimant has not received a recovery from the DOJ PI/WD Restitution Fund as of the effective date of the liquidation of the Claimant's PSAN PI/WD Claim, the PSAN PI/WD Trust shall require such Claimant, in order to receive payment from the PSAN PI/WD Trust, to assign such PSAN PI/WD Claim to the Trust Funder, and the Claimant shall acknowledge the Trust Funder's sole and exclusive right to seek a payment from the DOJ PI/WD Restitution Fund on account of such PSAN PI/WD Claim.³ In addition, if, after payment by the Trust Funder of the Net Liquidated Value of any PSAN PI/WD Claim, the PSAN PI/WD Trust receives any PSAN PI/WD Insurance Proceeds with respect to such claim, the PSAN PI/WD Trust shall remit any such amounts to the Trust Funder within thirty (30) calendar days of the date of such receipt.

2. FUNDING OF ADMINISTRATIVE EXPENSES⁴

- 2.1. The Trust Funder shall pay, in accordance with the terms hereof, (a) its proportionate share of the costs and expenses incurred by the PSAN PI/WD Trust in connection

³ [Assignment and subrogation issues under review.]

⁴ [Discussions are ongoing regarding the payment of some or all of the Trust Expenses described in this Section 2 from the corpus of the Trust rather than as set forth herein].

- with (i) the administration of the PSAN PI/WD Trust solely to the extent the PSAN PI/WD Trust Reserve is insufficient (“Trust Shortfall Expenses”) and (ii) the PSAN PI/WD Trust’s obligations under the PSAN PI/WD Trust Agreement to pay the costs and expenses incurred by the TAC (the “TAC Expenses” and together with the Trust Shortfall Expenses, the “Proportionate Expenses”); and (b) the incremental costs and expenses specifically incurred by the PSAN PI/WD Trust in connection with the consideration and liquidation of PSAN PI/WD Claims asserted against Trust Funder (the “Claims Expenses” and together with the Proportionate Expenses, the “Trust Funder Expenses”). Other than the payment of the Trust Funder Expenses solely as set forth herein, the Trust Funder shall have no obligation to pay any other costs or expenses associated with the PSAN PI/WD Trust.
- 2.2. The Trust Funder’s Proportionate Expenses for any period of time contemplated hereunder shall be equal to the aggregate amount of the Trust Shortfall Expenses and TAC Expenses for such period of time multiplied by a fraction (a) the numerator of which is the aggregate Liquidated Value of all PSAN PI/WD Claims against the Trust Funder that were resolved during such period of time, and (b) the denominator of which is the aggregate Liquidated Value of all PSAN PI/WD Claims against all Participating OEMs that were resolved during the period of time.
- 2.3. The Trust Funder shall pay all Trust Funder Expenses solely in accordance with the Budget (as defined in the PSAN PI/WD Trust Agreement) and shall pay such Trust Funder Expenses only if such Budget has been approved by the OAC.
- 2.4. On the Effective Date of the Plan, the Trust Funder shall transfer to the PSAN PI/WD Trust \$[____]⁵, which is expected to be sufficient to satisfy all Trust Funder Expenses incurred by the PSAN PI/WD Trust during the first calendar quarter of the PSAN PI/WD Trust’s operation (plus any stub period if the Effective Date falls on a date other than the first day of calendar quarter). Thereafter, within five (5) business days of the conclusion of any calendar quarter, the PSAN PI/WD Trust shall submit to the Trust Funder an itemized statement (“Expense Statement”) setting forth, on a line item basis, the amount of expenditures the PSAN PI/WD Trust incurred during the prior calendar quarter (and any applicable stub period) and the sources of payment (including whether such payments were made from the PSAN PI/WD Trust Reserve or amounts funded by the Trust Funder), a reconciliation of such expenses to the Budget, the expected expenditures during the upcoming calendar quarter, the amount of expected funding from the PSAN PI/WD Trust Reserve for such expenditures, the anticipated Trust Funder Expenses, if any, during such calendar quarter and the net payment (the “Net Payment Amount”), if any, of the Trust Funder Expenses due during the calendar quarter. Within five (5) business days of receiving the Expense Statement, the Trust Funder shall remit to the PSAN PI/WD Trust the Net Payment Amount, unless the Net Payment Amount is disputed. The Trust Funder shall provide

⁵ [Amount to be equal to estimated Trust Funder Expenses during first quarter and stub period.]

- written notice of any such dispute regarding the Net Payment Amount to the Trustee within five (5) days after receipt of the Expense Statement (the “Objection Deadline”). In the event a written objection is made prior to the Objection Deadline by the Trust Funder, the Trustee shall provide the Trust Funder with copies of detailed invoices supporting the Trust Funder Expenses, and the Trust Funder and Trustee shall meet within fifteen (15) calendar days of the delivery of such supporting documentation to resolve the objection. If the objection is not resolved within thirty (30) calendar days after the Trustee’s receipt of a written objection from the Trust Funder, the objection shall be resolved in accordance with the dispute resolution procedures set forth in Section 8.13 of the PSAN PI/WD Trust Agreement.
- 2.5. The Net Payment Amount shall be made by wire transfer of immediately available funds to such segregated account or accounts as shall be established by the PSAN PI/WD Trustee at any time, and from time to time, to hold amounts contributed to the PSAN PI/WD Trust to pay Trust Funder Expenses. For this purpose, the Trustee shall designate to the Trust Funder, not later than forty-eight (48) hours prior to the date specified for any contribution, the account or accounts (together with appropriate wire instructions) to which such contribution is to be made. If any date on which a payment is due shall fall on a Saturday, Sunday or day on which banks in New York, New York, are permitted to be closed, then the payment due on such date shall be payable on the next calendar day that is not a Saturday, Sunday or day on which banks in New York, New York, are permitted to be closed.
- 2.6. Notwithstanding any provision contained herein, the Trust Funder may prepay the Trust Funder Expenses at any time based upon the expected Net Payment Amount set forth in the Budget.
- 2.7. All obligations of the Trust Funder to fund the Trust Funder Expenses shall cease on the earlier to occur of (i) the last day of the calendar quarter in which the last PSAN PI/WD Claim against the Trust Funder has been liquidated (as certified in writing by the Trustee), and (ii) the termination of the PSAN PI/WD Trust.

3. DEFAULT PROVISIONS

- 3.1. Provided that the PSAN PI/WD Trustee and PSAN PI/WD Trust comply with each of their obligations set forth herein, in the PSAN PI/WD Trust Agreement and the PSAN PI/WD TDP, if the Trust Funder fails to make any payment required by this Agreement (as of the dates indicated herein, or, if later, the date on which the respective amount owed for any particular payment can be definitively calculated, including, without limitation, pursuant to the dispute provisions in this Section 2.4), the Trust Funder shall be in default of its respective funding requirements to the PSAN PI/WD Trust. The Trustee shall provide the Trust Funder with written notice of any such default (a “Default Notice”), and the Trust Funder shall have fifteen (15) business days after receipt of a Default Notice to cure any such default. If the Trust Funder fails to timely cure the default within fifteen (15) business days after receiving a Default Notice from the Trustee, the order issuing the Channeling Injunction shall

terminate solely as to the Trust Funder for all PSAN PI/WD Claims against the Trust Funder that are then pending or for injuries that occur on any date thereafter.

4. GENERAL PROVISIONS

- 4.1. Any notices or other communications required or permitted hereunder shall be in writing and shall be delivered by overnight courier, hand delivery or facsimile to:

If to the PSAN PI/WD Trust through the Trustee:

[XXXX]

with a copy to (which copy shall not constitute notice):

[XXXX]

If to the Trust Funder:

[XXXX]

with a copy to (which copy shall not constitute notice):

[XXXX]

Any notice required or permitted to be provided under this Agreement shall be in writing and deemed given one (1) day after the notifying party delivers the written notice to an overnight carrier.

- 4.2. The entire agreement of the parties relating to the subject matter of this Agreement is contained herein, and this Agreement and such documents shall supersede any prior oral or written agreements concerning the subject matter hereof. In the event of any inconsistency between this Agreement and the Plan, the Plan shall control.
- 4.3. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware without giving effect to its principles of conflicts of law.
- 4.4. The parties mutually agree that the Bankruptcy Court, or such other court of competent jurisdiction after the Debtors' chapter 11 cases are closed, shall retain jurisdiction to enforce and effectuate this Agreement, and the parties consent to personal jurisdiction and venue in the Bankruptcy Court, or such other court of competent jurisdiction after the Debtors' chapter 11 cases are closed.
- 4.5. The recital provisions set forth at the beginning of this Agreement are expressly incorporated herein as terms and conditions of this Agreement.
- 4.6. This Agreement may be amended or modified only by a written instrument signed by all parties to this Agreement.

- 4.7. To the extent that any provision of this Agreement may be held to be invalid or legally unenforceable by a court of competent jurisdiction, the parties agree that the remaining provisions of this Agreement shall not be affected and shall be given full force and effect.
- 4.8. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns.
- 4.9. Each party shall bear its own attorneys' fees and costs with respect to this Agreement.
- 4.10. The parties hereto have participated jointly in this negotiation and drafting of the Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if jointly drafted by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.
- 4.11. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute one and the same instrument. Facsimile signatures shall be deemed originals.
- 4.12. This Agreement shall terminate upon [the PSAN PI/WD Trust Termination Date as defined in the PSAN PI/WD Trust Agreement].

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement this ____ day of _____, 2018.

PSAN PI/WD TRUST

By: _____
Name: _____
Title: _____

The Trust Funder

By: _____
Name: _____
Title: _____

EXHIBIT P

Ankura PSAN PI/WD Claim Estimation Reports

EXHIBIT P-1

U.S. PSAN PI/WD Report

**Forecast of the Indemnity Cost to Resolve All Pending and
Future Claims Against TKH Related to Airbags with Defective
TKH Inflators**

United States, Puerto Rico and the U.S. Virgin Islands

Prepared by Thomas Vasquez, Ph.D.

Ankura Consulting Group

January 23, 2018

Expert Report of Thomas Vasquez, Ph.D.

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Expert Report of Thomas Vasquez, Ph.D.

Certain TK Holdings (Takata) inflators placed in airbags are subject to rupturing or other related malfunctions when deployed. These airbags incorporate non-desiccated Phase-Stabilized Ammonium Nitrate (PSAN) inflators. By October 2017 there were approximately 257 known rupture deployments resulting in at least 13 deaths and numerous other injuries.¹ The National Highway Transportation Safety Administration (NHTSA) has recalled about 44 million vehicles.²

I was asked by Counsel representing Takata to provide a forecast of the indemnity³ required to resolve all current and future personal injury claims in the U.S. related to the malfunction of Takata airbag inflators.⁴ The estimate is made under the assumption that Takata remains solvent and able to pay claims.⁵

Ankura Consulting Group has been compensated for my time on this matter at my customary rate of \$680 per hour. This compensation is not contingent in any way upon the outcome of this proceeding. My CV with legal and testimony experience is provided in Appendix I.

Executive Summary

Takata produced a wide range of inflators – some have experienced significant numbers of ruptures and others none. The rupture rate varies considerably based on the type of inflator/propellant, the age of the inflator and the location of the vehicle (due to ambient heat and humidity). At the end of 2016, there were approximately 44 million vehicles subject to recall (41 million vehicles equipped with airbags containing non-desiccated PSAN inflators and another approximately 3 million vehicles containing PSAN inflators using calcium sulfate desiccant).⁶ While a significant number of these vehicles were already fixed, the stock of the remaining recalled vehicles will gradually decrease over time due to the NHTSA recall program and normal retirement and/or abandonment.

¹ The count of 257 ruptures was provided by Takata. The count of 13 deaths is taken from claimant allegations filed in complaints against Takata. It is likely that the number of deaths associated with ruptures is in excess of 13 since at this point there are only 166 confirmed ruptures in the claimant allegations.

² Some of the recalls while announced, start in later years.

³ “Indemnity” in this report refers to money that would be paid to a claimant to resolve his claim and does not include any defense costs or attorney’s fees.

⁴ The geographic scope of this report is the U.S., Puerto Rico, and the U.S. Virgin Islands.

⁵ The Consenting OEMs (as defined in the proposed chapter 11 plan of reorganization of TK Holdings Inc. and its affiliated debtors (Bankr. D. Del. Case No. 17-11375 (BLS) [Docket No. 1629] (the “Plan”)) have not reviewed, endorsed, or adopted Ankura’s estimate of PSAN PI/WD Claims (as defined in the Plan). Such estimate shall not be binding on the Consenting OEMs in any respect, and the Consenting OEMs reserve all rights to challenge, contest, or object to such estimate in the Chapter 11 Cases (as defined in the Plan), in any other litigation or proceeding, or otherwise.

⁶ There were a total of 67 million with PSAN inflators, but approximately 23 million of the inflators included 13X desiccants and/or 2004L propellants that have not yet been recalled. To date, PSAN inflators using 2004 propellants with 13X desiccants and PSAN inflators using 2004L propellants have not been recalled.

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There are four key elements that determine the estimated indemnity cost to Takata:

1. The number of vehicles in operation with non-desiccated PSAN inflators (the number of At Risk vehicles);
2. The number of accidents with a ruptured air bag deployment involving the At Risk vehicles;
3. The number of claims filed against the company and the percent of claims dismissed, and
4. The average amount of indemnity paid to claims with substantiated claims.

Table S-1 provides a summary of the total cost of resolving all pending and future airbag related Personal Injury claims against Takata. The table provides an estimate under eight alternative scenarios: (1) two alternative calculations concerning the inclusion of amounts paid by defendants other than Takata, (2) two alternative assumptions concerning the level of certain key forecasting parameters and (3) two alternative assumptions concerning the appropriate historical period to base the forecast of average indemnity.

1. Two forecasts are provided to reflect the source of historical payments made to resolve airbag related claims. Historically, airbag related claims have been settled by a combination of payments from Takata, OEMs and other parties in the litigation.⁷ The top part of the table corresponds to the total estimated payments when all Defendants (including Takata) are considered. To calculate these, the average amount paid to resolve claims is computed as the sum of the average amount paid by all Defendants. The bottom part of the table limits the amount paid to solely the amount paid by Takata. To calculate these, the average amount paid to resolve claims includes only the amount paid by Takata. To date, Takata has paid approximately 67% of the indemnity and other defendants the remaining 33.
2. Certain forecasting parameters cannot be known with certainty. The percent of vehicles that have a completed recall, the accident rate, the airbag deployment rate, and the rupture rate are subject to variation. To account for this uncertainty, the forecast provides a High and Low scenario. The High scenario is 30% higher than the Low scenario. This difference reflects my judgement concerning the reasonable range of forecast parameters.
3. The average indemnity paid to settled claims has increased dramatically since the early years of the tort. The average amount paid by all defendants on claims settled after 2014 was more than three times the average amount paid by all defendants on claims settled 2014 and earlier. Accordingly, two alternative assumptions about the average indemnity paid to resolve pending and future claims were explored: the average paid over all years to date (2006-2017) and the average over the most recent years (2015-2017).

⁷ In some cases multiple parties contribute a share of the settlement value and in other cases a single party pays the entire settlement.

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Finally, the table provides the indemnity costs both in nominal terms (the sum of all undiscounted future payments) as well as in net present value terms. Using the recent years' average indemnity, the nominal amount paid by all defendants to resolve all pending and future claims varies from approximately \$1.1 billion (Low Scenario) to \$1.4 billion (High Scenario). The amount paid by only Takata varies from approximately \$0.7 billion (Low Scenario) to \$1.0 billion (High Scenario).

Table S-1
Total Indemnity Cost of Resolving All Pending and
Future Airbag Related Claims Against Takata
(Dollars in Millions)

<u>Entity/Average Indemnity</u>	<u>High</u>		<u>Low</u>	
	<u>Nominal</u>	<u>NPV</u>	<u>Nominal</u>	<u>NPV</u>
All Defendants				
All Year Settlements	\$1,250	\$1,030	\$960	\$790
Recent Year Settlements	\$1,430	\$1,180	\$1,100	\$910
Takata Only				
All Year Settlements	\$830	\$690	\$640	\$530
Recent Year Settlements	\$950	\$780	\$730	\$600

Note: Recent years use the average indemnity paid in 2015-2017

High/Low designation an indication of the reasonable range of forecast assumptions

2.5% inflation and 1% real discount rate

The methodology used to determine At Risk vehicles over time is a life cycle model that is initiated at mid-2017 with a stock of At Risk vehicles and statistically follows each vehicle over time. The initial stock is obtained using state vehicle registration data as of October 2016 and adjusted to reflect mid-2017 status. During the second half of 2017, the stock of At Risk vehicles declines due to a number of factors including completed recalls, accidents and abandonments. The vehicle stock is reduced by these factors to yield the stock of At Risk vehicles at the end of 2017. This process is repeated every year, and each vehicle is followed until it gets 25 years old.

Table S-2 provides a summary of the key forecasting results. It provides a summary of vehicles at risk, accidents, accidents with frontal airbag deployments, and ruptures.

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Table S-2**Estimated Number of Ruptures by Year (or Calendar Year Period)
High Scenario**

Calendar Year Period	Vehicles At Risk Non-Desiccated PSAN Inflators (millions)	Accidents (thousands)	Accidents with Frontal Airbag Deployment (thousands)	Ruptures
2017	29.3	1,185	54	84
2018	26.3	998	45	78
2019	22.1	894	41	70
2020	17.7	768	35	64
2021	15.3	678	31	60
2022-2026	11.3	511	23	46
2027-2031	6.3	258	12	22
2032-2036	2.3	87	4	7
2037-2041	0.4	16	1	1
2042-2045	0.0	1	0	0
Total		8,883	404	735

Note: Vehicles at Risk at the beginning of year, or beginning of period, after completed recalls and abandonments

For periods involving multiple years, annual average number of vehicles, accidents, airbag deployments and ruptures are shown

At the petition date, there were a total of 302 pending (open or known, yet-to-be filed) claims

The remainder of the report describes the methodology and data sources in detail.

Section 1: Methodology

The model provides annual forecasts of the indemnity cost of resolving all currently unpaid airbag related personal injury claims filed against Takata. There are two categories of claims – pending claims (claims already filed against Takata that are unresolved as of the Petition Date⁸) and future claims (claims related to injuries that are anticipated to occur after the Petition Date).

Pending Claims

There are 302 pending claims.⁹ The indemnity cost of resolving these claims requires an estimation of the number of claims resolved without payment of indemnity, the number of paid

⁸ June 25, 2017

⁹ To be precise, there are 106 open claims (already filed but pending), and 196 known yet to-be-filed claims. I include both of them in my definition of pending claims.

Expert Report of Thomas Vasquez, Ph.D.

claims by type of injury and the average amount of indemnity required to resolve the paid claims. The total indemnity cost of resolving all pending claims is the sum across all paid claims.

Future Claims

The indemnity cost of resolving future claims requires all the steps needed for pending claims plus an estimation of the annual number of claims anticipated to be filed in the future. The number of future claims depends on the number of injuries related to an airbag rupture¹⁰. The forecast of injuries is produced using a life-cycle model that identifies At Risk vehicles and follows the vehicles through their useful life, assumed to be 25 years. Each year a calculation is made for each vehicle to determine whether the vehicle is in an accident, if the accident causes an airbag deployment, if the airbag deployment results in a rupture, and if so, if the rupture causes any injuries. If none of those events occur, the vehicle is either abandoned, has a replacement of the recalled airbag, or the vehicle is aged one year and the process is repeated for the next year. The calculations are repeated each year until all At Risk vehicles are older than 25 years.

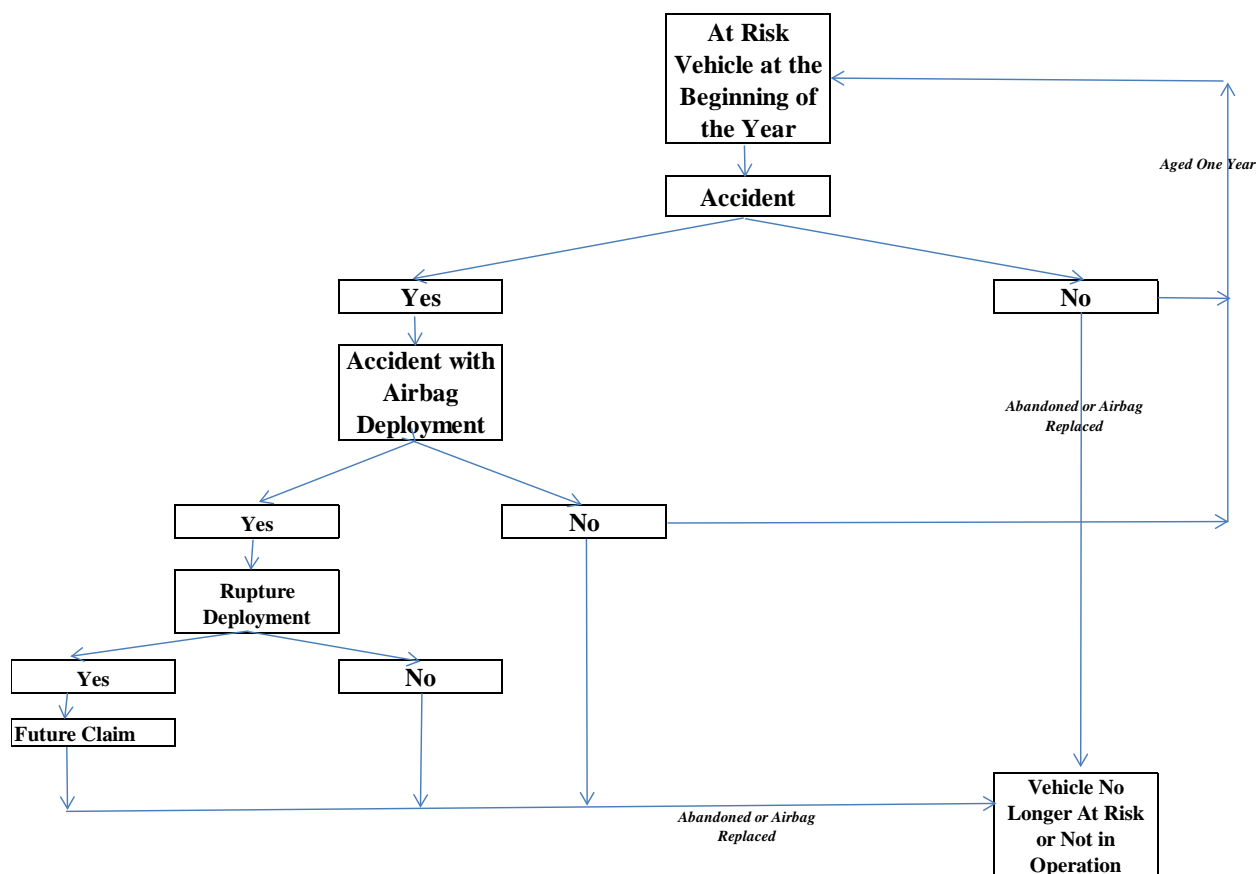
Chart M-1 provides a flow chart of the methodology for forecasting future claims.

¹⁰ Generally, the number of claims is not precisely matched to the number of injuries. Not all injured individuals will file a claim and it is likely that many individuals not injured by a ruptured airbag will nonetheless file a claim.

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Chart M-1

Methodology for Forecasting Future Claims



A vehicle is no longer At Risk if the airbag is replaced or the vehicle is abandoned (no longer in operation). If the vehicle is repaired through one of the recall campaigns, it is assumed that all of its airbags containing recalled PSAN inflators are replaced and the vehicle is no longer At Risk. A vehicle is also considered no longer At Risk if it is in an accident with an airbag deployment, regardless of rupture.

All parameters used in the forecasting model, including the rates of accident, airbag deployment, and inflator rupture, are empirically determined from data provided by Takata, government sources, or other third-party sources. Each component of the methodology is described in detail below.

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At Risk Vehicles

The model is initiated with the stock of vehicles in operation midway through 2017¹¹. The first step is to identify the vehicles with Takata airbags that have been named for recall or that may be eventually recalled. The vehicles with Takata airbags were identified by matching the textual descriptions provided by NHTSA in its recall program with the vehicle platform descriptions provided in the vehicle registration data. Appendix F provides an example of the matching process for one specific vehicle platform. This matching process was conducted for all recalled vehicles.

The second step was to determine the type of inflator used in the airbag. While all the inflators considered by the model are PSAN inflators, there are different types of PSAN inflators and the rupture rates of Takata airbags vary across the different inflators - all recalled inflators use 2004 propellants.¹²

The following is a list of all PSAN inflators with 2004 propellants considered by the model:

- Programmable Smokeless Driver Inflator (PSDI)
 - Alpha inflators (inflators manufactured in early years – generally in 2000 and 2001 – including propellants manufactured on the “Stokes Press”)
 - Beta inflators – all other PSDI inflators
- Non-PSDI PSAN inflators with 2004 propellants
 - Inflators without desiccants (“non-desiccated inflators”)
 - Inflators with Calcium Sulfate (CaSO₄) desiccants
 - Inflators with desiccants other than CaSO₄ (not yet subject to NHTSA recall)

PSDI Alpha inflators were produced at the Moses Lake facility from approximately June 2000 through February 2001. The shape of the propellant resembled a “batwing” and it was pressed using the so-called Stokes Press, which allegedly did not have sufficient compaction force, and produced propellants that had insufficient density. These inflators are tracked separately since their rupture rate is significantly higher than the rupture rate of all other PSAN 2004 inflators including so-called PSDI Beta inflators that were produced later using different production methods.

¹¹ IHS Markit provided detailed information on vehicles registered in the U.S., by make, model, trim, model year, and state of registration. The data is referred to as “Polk Data”, as the information used to be marketed by a company named R. L. Polk & Co. which was acquired and became a subsidiary of IHS Markit in 2013. The data includes passenger cars and light-duty trucks, but excludes, among other things, motorcycles and large trucks. The data reflects registrations as of October 1, 2016. The number of registered vehicles is extrapolated to mid-2017 using historical trends.

¹² Later production included 2004L propellants. In the test data, no ruptures have been recorded to date for these later inflators or for any PSAN inflators with desiccants.

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The identification of vehicles with different types of inflators was accomplished using a combination of information supplied by certain OEMs¹³, inflator production counts by type of inflator and by year of sale supplied by Takata and recall descriptions included in documents obtained from NHTSA.

Table 1-1 shows the number of vehicles by type of inflator at the end of 2016 before accounting for completed recalls. In total, there were approximately 66.9 million vehicles with PSAN inflators on the road at the end of 2016. Of these, 44.5 million had PSAN inflators with 2004 propellants, while another 22.3 million had PSAN inflators with 2004L propellants. Nearly all vehicles with 2004 propellants have been recalled – including all non-desiccated inflators and inflators with Calcium Sulfate desiccants. Only the 2004 inflators with 13X desiccants have not been recalled.

Table 1-1

Vehicles in the US at the End of 2016 with At Risk Takata Inflators

Inflator Type	Vehicles (Millions)
Recalls Announced for Non-Desiccated Inflators	
PSDI	
Alpha	1.0
Beta	2.8
Total, PSDI	3.8
Non-PSDI	37.5
Total, Non-Desiccated	41.2
Recalls Announced for Desiccated Inflators (Calcium Sulfate)	2.9
Grand Total, All Recalled Vehicles	44.1

Not-Recalled PSAN Inflators	
13X	0.4
2004L	22.3
Subtotal, Not Recalled	22.7
Grand Total, All Vehicles with PSAN Inflators	66.9

Note: Some inflators were are not subject to recall until 2018

Counts are the number of Vehicles "At Risk" before reducing for completed recalls

¹³ Information was supplied by Honda, Toyota, Subaru, Mitsubishi, Fiat Chrysler Automobiles ("FCA"), Volkswagen, Nissan, Ford, and Mazda. The information supplied by some of the companies was limited.

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Both NHTSA and Takata recognize that temperature and humidity affect the probability of rupture and have created geographic areas to differentiate higher and lower risk areas. These areas are called Zones. Appendix C provides maps that compare the NHTSA Zones with the Takata Zones. I believe that the Zone designation used by Takata is a better representation of the relative risk of airbag rupture than NHTSA's.¹⁴ However, as explained later, I distinguish Florida from the rest of the states in Zone 1. The term Zone used in this report refers to the four geographic areas identified by Takata plus Florida as its own separate zone. Table 1-2 and 1-3 show the total number of vehicles that had Takata airbags at the time they were sold, registered at the end of 2016. The figures account for abandonments, but not for completed recalls.

Table 1-2
At Risk Vehicles at the End of 2016 (Before Accounting for Completed Recalls)
by Zone and Type of Inflator

Zone	Vehicles with PSAN Inflators Subject to Recall (millions)					Vehicles with PSAN Inflators Not Subject to Recall (millions)			Total Vehicles with PSAN Inflators
	Non-PSDI		CaSO4		Total	13X		Total	
	PSDI Alpha	PSDI Beta	Non- Desiccated 2004	Desiccated 2004		Desiccated 2004	2004L Propellant		
Florida	0.1	0.2	2.4	0.2	2.8	0.0	1.6	1.7	4.5
1 (ex Florida)	0.2	0.4	7.4	0.5	8.5	0.1	4.0	4.1	12.6
2	0.4	1.0	12.1	0.9	14.4	0.1	7.0	7.1	21.5
3	0.3	0.8	10.8	1.0	12.9	0.1	7.0	7.1	20.0
4	0.1	0.3	4.8	0.4	5.5	0.0	2.7	2.8	8.3
Total	1.0	2.8	37.5	2.9	44.1	0.4	22.3	22.7	66.9

Note: An estimated 7.9M additional vehicles with PSAN Inflators will be sold from 2017-2020

Table 1-2 shows vehicles by Zone and inflator type. Table 1-3 is similar, but shows vehicles by OEM and inflator type. Vehicles that include inflators with 2004L propellants were not tracked at the same level of detail as vehicles with recalled inflators – therefore the OEM for all the 2004L vehicles is shown as “unknown.”

¹⁴ Zone 1 is the highest risk Zone and accounts for the overwhelming share of the ruptures recorded to date. The higher the number of the zone the lower the risk. The primary difference between Takata's and NHTSA's designations is that NHTSA classifies California in Zone A while Takata classifies California in Zone 2. (That is, NHTSA considers California to be in the highest risk area.)

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Table 1-3
At Risk Vehicles at the End of 2016 (Before Accounting for Completed Recalls)
by OEM and Type of Inflator

OEM	Subject to Recall (millions)					Not Subject to Recall (millions)			Total Vehicles with PSAN Inflators
	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated 2004	CaSO4 Desiccated 2004	Total	13X Desiccated 2004	2004L Propellant	Total	
BMW	0.0	0.0	1.8	0.0	1.8	0.0	n/a	0.0	1.8
FCA	0.0	0.0	6.2	0.0	6.2	0.0	n/a	0.0	6.2
FORD	0.0	0.0	1.2	2.4	3.6	0.0	n/a	0.0	3.6
GM	0.0	0.0	6.6	0.0	6.6	0.0	n/a	0.0	6.6
HONDA	1.0	2.8	8.7	0.0	12.5	0.0	n/a	0.0	12.5
NISSAN	0.0	0.0	0.9	0.5	1.4	0.3	n/a	0.3	1.7
SUBARU	0.0	0.0	2.0	0.0	2.0	0.0	n/a	0.0	2.0
TOYOTA	0.0	0.0	6.2	0.0	6.2	0.0	n/a	0.0	6.2
Remaining OEM's	0.0	0.0	3.8	0.0	3.9	0.1	n/a	0.1	4.0
UNKNOWN	0.0	0.0	0.0	0.0	0.0	0.0	22.3	22.3	22.3
Total	1.0	2.8	37.5	2.9	44.1	0.4	22.3	22.7	66.9

Note: An estimated 7.9M additional vehicles with PSAN Inflators will be sold from 2017-2020

Completed Recalls

The basis for the estimate of the number of completed recalls are NHTSA's "Recall Quarterly Reports"¹⁵, NHTSA's Online Reports on recall completion rates¹⁶, and data provided by the OEMs.¹⁷ Information on every Takata airbag recall campaign initiated by each OEM was compiled. There were approximately 100 recall campaigns, however, many of these recalls were superseded by others, and/or expanded upon later. Of the approximately 100 campaigns, NHTSA published at least one quarterly progress report for 52 of them.¹⁸ The progress reports included data on the total population of recalled inflators, and the total number of remedied, unreachable, and removed inflators.¹⁹

In all cases, NHTSA reports the number of completed recalls of inflators – not vehicles. Since some vehicles have multiple inflators, it is necessary to adjust the inflator count to reflect vehicle counts. The conversion of inflator counts to vehicle counts relied on a combination of Polk vehicle registration data and information from NHTSA. From NHTSA, I obtained a complete list of the vehicles (by make, model, and model year) that had a recalled Takata inflator. For each of the vehicles on this list, NHTSA also disclosed which of the frontal airbags were under

¹⁵ NHTSA's Recall Quarterly Reports can be retrieved from: <http://www.safercar.gov>

¹⁶ NHTSA's Online Reports can be found here: <https://www.nhtsa.gov/recall-spotlight/takata-air-bags#takata-air-bags-completion-rates>

¹⁷ Recall counts were supplied by Honda, Toyota, Subaru, Volkswagen, Fiat Chrysler Automobiles ("FCA"), Mitsubishi, Ford, Nissan, GM, and Mazda.

¹⁸ NHTSA did not publish quarterly progress reports for many of the early recalls and for many of the regional (as opposed to national) recalls. However, the total number of inflators repaired over the course of these recalls were later included in other progress reports. Thus, while the vehicles repaired may be undercounted in the earlier years, these vehicles are later included in the reports when the early recalls are superseded by other recalls and progress reports for those are published.

¹⁹ Unreachable and removed inflators are associated with vehicles that were abandoned.

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recall (driver-side, passenger-side, or both). This list was matched with the Polk vehicle registration data to obtain nationwide counts for each vehicle on the recall list. Finally, by aggregating the vehicle counts by the number of recalled airbags, I calculated the average number of Takata inflators in the recalled vehicles manufactured by each OEM. These OEM-specific averages, along with NHTSA's Online and Quarterly Reports, were used to calculate the number of vehicles, by year and OEM, that had a completed recall.

Table 1-4
Completions of Vehicles Recalled, 2010-2017 Q2
(thousands)

OEM	2010	2011	2012	2013	2014	2015	2016	2017 (Q1-Q2)	Recalls Completed (2010-2017 Q2)
BMW	-	-	-	6	34	77	68	79	264
Daimler Trucks North America	-	-	-	-	-	-	0	0	1
Daimler Vans USA	-	-	-	-	-	-	0	5	5
FCA	-	-	-	-	-	406	632	220	1,258
Ford	-	-	-	-	0	26	234	153	413
GM	-	-	-	-	-	1	0	238	239
Honda	124	136	272	199	219	3,878	934	1,068	6,831
Jaguar Land Rover North America	-	-	-	-	-	-	-	-	-
Mazda	-	-	-	-	4	3	3	197	206
Mercedes-Benz	-	-	-	-	-	-	4	6	10
Mitsubishi	-	-	-	-	1	10	3	13	27
Nissan	-	-	-	-	16	260	25	142	444
Subaru	-	-	-	-	1	17	49	352	419
Toyota	-	-	-	140	94	560	904	186	1,884
Volkswagen	-	-	-	-	-	-	-	83	83
Total	124	136	272	345	370	5,237	2,858	2,744	12,085

Table 1-4 provides a summary of vehicles with a completed recall by OEM and year from 2010 through the end of the second quarter of 2017. After consideration from the OEMs and Takata, I decided to model recall completions prior to 2017 by Zone, rather than Priority Group. More precisely, I assumed that completed recalls for any given OEM occur in Florida until 75% of the recalled vehicles of that OEM in Florida are no longer At Risk. This process continues for Zone 1, then Zone 2, etc. Recall completions that occur in 2017 and later rely on Priority Groups.

Table 1-5 shows the stock of At Risk vehicles in mid-2017, by Zone and inflator, after accounting for recall completions, abandonments, and sales of new vehicles with PSAN inflators.

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Table 1-5
At Risk Vehicles mid-2017 (After Accounting for Completed Recalls)
by Zone and Type of Inflator

Zone	Vehicles with PSAN Inflators Subject to Recall (millions)					Vehicles with PSAN Inflators Not Subject to Recall (millions)			Total Vehicles with PSAN Inflators
	PSDI Alpha	PSDI Beta	Non-PSDI		Total	13X Desiccated 2004	2004L Propellant	Total	
			Non- Desiccated 2004	CaSO4 Desiccated 2004					
Florida	0.0	0.0	1.0	0.2	1.2	0.0	2.0	2.0	3.2
1 (ex Florida)	0.0	0.1	3.8	0.5	4.4	0.1	4.6	4.7	9.1
2	0.1	0.2	9.4	0.9	10.5	0.1	8.8	8.9	19.5
3	0.1	0.2	10.0	1.0	11.2	0.1	8.4	8.5	19.7
4	0.1	0.1	4.4	0.4	4.9	0.1	3.1	3.1	8.0
Total	0.2	0.6	28.5	2.9	32.2	0.4	26.8	27.3	59.5

Note: An estimated 2.9M additional vehicles with PSAN Inflators will be sold from 2018-2020

Lifecycle Model

The model starts with the stock of At Risk Vehicles mid-2017 and reduces this stock each year due to recall completions and abandonments. As evidenced by past vehicle recalls, not all owners respond to recalls and for those that do respond there is a significant lag from the recall date to the actual completion of the replacement/repair. It is not possible at this time to rely on actual recall information to determine the ultimate response rate and the lag for the Takata airbag recall. I rely on the limited information that is available as well as earlier studies²⁰ of recall rates to estimate the effectiveness of the Takata airbag recall.

It does seem clear that the response to the Takata airbag recall is significantly higher than other recalls. While the completed recall rate is currently at only 47%, it is likely to increase over time. The completed recall rate for Honda vehicles is approximately 65%.^{21,22} Recall completions after 2016 are calculated in the following way:

- Completion rates follow a three-year gradual increase, and no completion occurs thereafter.

²⁰ The studies I looked at include (1) "Safety Recalls Completion", NHTSA & SAE International, retrieved from: <http://www.sae.org/events/gim/presentations/2012/timian.pdf>, (2) "Recall Completion Rates Steadily Improving", WardsAuto, retrieved from <http://wardsauto.com/print/industry/recall-completion-rates-steadily-improving?page=1>, (3) "Completion Rates vary Depending on the Age of the Vehicle Recalled", Auto Alliance, retrieved from <https://autoalliance.org/safety/recalls>, (4) Stout Risius Ross study, presented at the 4th Annual Automotive Industry Warranty and Recall Symposium

²¹ Figures correspond to 10/27/2017 status. Calculations are based on recall campaigns that have already started. Recall campaigns that have been announced but not started yet are not included in the calculations (because figures for those campaigns were not available). Thus, these rates overstate the current completion status.

²² Source: NHTSA website, <https://www.nhtsa.gov/recall-spotlight/takata-air-bags#takata-air-bags-completion-rates>.

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- For non-Honda vehicles that were recalled in 2017, recall completion rates by the end of the years 2017, 2018, and 2019 will be 30%, 45%, and 55%, respectively.
- For Honda vehicles with a non-PSDI inflator that were recalled in 2017, recall completion rates by the end of the years 2017, 2018, and 2019 will be 40%, 55%, and 70%, respectively.
- For Honda vehicles with a PSDI inflator that were recalled in 2017, recall completion rates by the end of the years 2017, 2018, and 2019 will be 50%, 70%, and 85%, respectively.
- For vehicles that are going to be recalled in 2018, 2019, or 2020, these percentages reflect the completion status by the end of the first, second, and third year after recall.

Vehicle Abandonment Rates

Abandonment rates were computed using the year-to-year change in the number of registered vehicles over time. Using registration data for the years 2014, 2015 and 2016, the change in the number of registered vehicles from 2014 to 2015 and from 2015 to 2016 was calculated for each model-year, separately for small-sized and large-sized vehicles. Because of the timing of the data purchase, there was a very small population of brand new model-year vehicles, and therefore those vehicles were removed from the calculations. Although many OEMs begin selling their newest model year vehicles in the middle of the previous calendar year, I did not consider a vehicle to be of age 0 until the following calendar year. The change in registrations by model-year was then divided by the prior year stock of vehicles to yield an abandonment rate by the age of the vehicle. As expected, the calculation shows that the annual rate of abandonment increases as vehicle age increases.²³

Table 1-6
Vehicle Abandonment Rates by Vehicle Age and Platform

Vehicle Age Group	Large Platform Vehicles		Small Platform Vehicles	
	Average Annual Abandonment Rate ¹	Remaining Vehicles (End Age of Group)	Average Annual Abandonment Rate ¹	Remaining Vehicles (End Age of Group)
Age 5 and Younger	0.26%	98.48%	0.74%	95.65%
Age 6 to 10	1.55%	91.09%	2.54%	84.10%
Age 11 to 15	5.02%	70.38%	7.69%	56.30%
Age 16 to 20	8.87%	44.24%	13.95%	26.54%
Age 21 to 25	9.62%	26.68%	14.19%	12.34%

¹Calculated by averaging the annual abandonment rates within each age group

²³ Very high-end cars might be an exception, but their numbers are so low that they do not have a material effect on the average abandonment rate.

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While approximately 27% of the large vehicles and 12% of the small vehicles are still in operation at the end of the 25th year since the initial sale, I do not track any vehicles beyond their 25th year. I believe that the abandonment rates for vehicles over the age of 25 is less reliable than for younger vehicles. In addition, all else equal, the accidents/ruptures occur far into the future limiting its effect on the net present value of total costs. Appendix E shows the actual abandonment rates by year derived from vehicle registration data.

Recall Completions: Temporary vs Permanent

When recalls are completed, the newly installed airbag has either a Takata-made inflator or an inflator made by other manufacturers. Completions that involve a new replacement inflator made by Takata are viewed as temporary fixes, because those inflators can fail again sometime in the future. These inflators will likely be replaced again sometime before the inflator gets too old (i.e., older than 7 years). Therefore, for modeling purposes, I treat these temporary completions as permanent.

Accidents and Frontal Airbag Deployments

The methodology used to estimate the number of At Risk vehicles was described above. This section describes the data sources and methodology used to estimate the number and timing of accidents involving At Risk vehicles with a resulting deployment of a frontal airbag. The methodology has three steps:

- Determining whether the vehicle is in an accident in any given year;
- If so, whether any of the frontal airbags deployed during the accident;
- If there was an airbag deployment was it a driver airbag, a passenger airbag or both.

Probability of Being in an Accident

Accidents in the U.S. are monitored and statistics on accident rates by type of accident, type of vehicle are readily available.²⁴ A number of characteristics were analyzed including make, model, geographic location and others but it was determined that these characteristics did not have a significant impact on accident rates. The only characteristic that has a significant effect on the accident rate and is used in the forecast is the age of the vehicle.

The empirical basis of the accident rates used by the model is NHTSA's National Automotive Sampling System General Estimates Systems ("GES"). This data is also referred to as Fatality Analysis Reporting System ("FARS"). Within the FARS/GES database²⁵, there is a "Person" data file, which provides information on a large sample of motor vehicle accidents. Each

²⁴ National Highway Traffic Safety Administration's Fatality Analysis Reporting System (FARS), and the National Automotive Sampling System General Estimates System (NASS GES).

²⁵ The complete GES database can be retrieved from: <ftp://ftp.nhtsa.dot.gov/GES/>. A "Person" file can be found within each year's data.

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observation carries a frequency weight, whose purpose is to allow for the calculation of nationally representative figures. To estimate nationwide number of accidents, one needs to sum up the weights assigned to each of the accidents in the sample.

The GES data provides data for all types of motor vehicles, motorcycles, and pedestrians involved in the sampled crashes, while the Polk vehicle registration data includes only automobiles and light-duty trucks. In order to calculate an accident rate for small and light-duty vehicles, it was necessary to take a subset of the vehicles observed in the sampled crashes, mainly removing vehicle types from the GES data that were not included in the Polk registration data. Using this subset of the vehicles involved in accidents from the GES data and the aggregate vehicle counts from Polk vehicle registration data, age-specific accident rates were calculated by dividing the number of vehicles involved in an accident with the number of registered vehicles for each model year. This produced rates that varied by the vehicle's age. These calculations were done for 2014 and 2015, and the 2-year average was used in the model. As expected, and shown in Table 1-7 the accident rate decreases as a vehicle gets older, most likely because they get driven less as they get older. Appendix D provides the age-specific accident rates used in the model.

Table 1-7
Accident Rates: 2014-2015
(Counts in Millions)

<u>Vehicle Age</u>	<u>Vehicles In Accidents</u>	<u>Registered Vehicles</u>	<u>Accident Rate</u>
0-10	6.44	147.07	4.38%
11-15	2.30	60.95	3.77%
16-20	0.91	29.61	3.07%
21-25	0.21	10.46	2.01%
25+	0.08	11.30	0.70%
Total/Average	9.94	259.38	3.83%

Sources: FARS GES Database 2014 & 2015

IHS Markit ("Polk") vehicle registration data 2014 & 2015

To forecast the number of Takata airbag deployments, it must be noted that some of the At Risk Vehicles have a Takata inflator only in the driver-side airbag, others only in the passenger-side airbag, and yet others in both airbags. In addition, it also must be taken into account that a

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passenger is not always present in the vehicle, and in those cases, the passenger-side airbag would not deploy, no matter how serious the accident is.²⁶

Accident data shows that the probability of an airbag deployment is different for the driver-side than for the passenger-side. The empirical basis of the front airbag deployment rates is the same FARS/GES “Person” data file that is used for the estimation of accident rates. Using the same subset of applicable crashes, those involving small and light-duty vehicles, airbag deployment rates were calculated separately for driver and front passenger seating positions. For this purposes, only frontal deployments were considered. A frontal deployment was considered to have occurred if it was coded as either a frontal deployment or a combination of multiple airbag deployments. In a combination deployment, the exact locations of the deployed airbags were not recorded, so I conservatively assumed that all combination deployments involved a frontal airbag deployment. Adding up the weights associated with drivers for whom the airbag status variable indicates deployment yields the estimate of total nationwide driver-side airbag deployments. The number of passenger-side deployments is calculated analogously. Finally, dividing the number of deployments by the number vehicles involved in accidents yields the airbag deployment rate. These calculations are done separately for calendar years 2012, 2013 and 2014, and the average across those three years is used in the model.

Table 1-8 shows the airbag deployment rate for the driver airbag and the passenger airbag used in the model. The probability of a driver-side airbag deployment is significantly higher than that of a passenger-side deployment, mainly because frequently there are no passengers in the vehicle.

Table 1-8
Airbag Deployment Rates by Airbag Position: 2012-2014
(Counts in Millions)

<u>Occupant Location</u>	<u>Number of Airbag Deployments</u>	<u>Number of Accidents</u>	<u>Airbag Deployment Rate</u>
Driver	2.14	27.94	7.67%
Passenger	0.40	27.94	1.44%
Total/Average	2.54	55.88	4.55%

Source: FARS GES Database 2012-2014

²⁶ There is a sensor built in the front seats that senses whether anyone is sitting there. Airbags would only deploy in case the vehicle “understands” that there is someone sitting on the seat behind the airbag.

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Defective Deployments

Not every deployment of a Takata airbag results in a rupture. Indeed, the probability of a rupture is very low. The next step in the analysis was to determine the appropriate rupture rate. The rupture rates used in the model rely on the analysis of the Master Engineering Analysis File (“MEAF”), Takata’s inflator testing data base. Analysis of the MEAF data has clearly shown that the rupture rate depends on a number of characteristics of the inflator. In particular, I identified four key characteristics that must be accounted for in the forecast:

- 1.) Age of the Vehicle
- 2.) Geographic Risk Zone (Four Takata Zones plus Florida)
- 3.) Type of Inflator
- 4.) Vehicle Platform (Small-Size vs Large-Size)

Table 1-9 through 1-13 provides a summary of the rupture rates used in the forecast. The tables include the rupture rates as affected by each of the four key characteristics. Each table refers to a single specific geographic area - Florida, the remaining Zone 1 states, Zones 2, Zone 3 and Zone 4.

The forecast assumes a zero rupture rate for desiccated 2004 inflators and all 2004L inflators. Appendix G provides a detailed explanation of the database and the analysis used to produce the rupture rates used in the forecast.

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Table 1-9
Rupture Rates By Inflator Type, Vehicle Age, Platform Type
Florida

Age	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated small platform	Non-PSDI Non-Desiccated large platform
8	0.4%	0.4%	0.3%	0.0%
9	0.6%	0.6%	0.4%	0.1%
10	1.4%	1.4%	1.0%	0.0%
11	1.7%	1.7%	1.2%	0.1%
12	4.9%	3.2%	1.2%	0.1%
13	6.6%	3.2%	1.9%	0.3%
14	10.0%	3.2%	2.2%	0.4%
15	51.6%	3.2%	2.5%	0.5%
16	57.7%	3.8%	2.9%	0.5%
17	57.7%	4.3%	3.2%	0.6%
18	57.7%	4.9%	3.5%	0.7%
19	57.7%	5.4%	3.8%	0.7%
20	57.7%	6.0%	4.2%	0.8%
21	57.7%	6.5%	4.5%	0.9%
22	57.7%	7.1%	4.8%	0.9%
23	57.7%	7.6%	5.1%	1.0%
24	57.7%	8.2%	5.5%	1.1%
25	57.7%	8.7%	5.8%	1.1%

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Table 1-10**Rupture Rates By Inflator Type, Vehicle Age, Platform Type
Zone 1 states other than Florida**

Age	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated small platform	Non-PSDI Non-Desiccated large platform
8	0.3%	0.3%	0.2%	0.0%
9	0.2%	0.2%	0.2%	0.0%
10	0.4%	0.4%	0.3%	0.0%
11	0.7%	0.7%	0.5%	0.0%
12	2.3%	2.0%	0.3%	0.0%
13	2.7%	2.0%	0.7%	0.1%
14	3.4%	2.0%	0.8%	0.1%
15	17.5%	2.0%	0.9%	0.1%
16	35.3%	2.3%	1.0%	0.1%
17	35.3%	2.6%	1.1%	0.1%
18	35.3%	2.9%	1.2%	0.1%
19	35.3%	3.2%	1.3%	0.1%
20	35.3%	3.5%	1.4%	0.2%
21	35.3%	3.8%	1.5%	0.2%
22	35.3%	4.1%	1.6%	0.2%
23	35.3%	4.3%	1.7%	0.2%
24	35.3%	4.6%	1.8%	0.2%
25	35.3%	4.9%	1.9%	0.2%

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Table 1-11
Rupture Rates By Inflator Type, Vehicle Age, Platform Type
Zone 2

Age	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated small platform	Non-PSDI Non-Desiccated large platform
8	0.0%	0.0%	0.0%	0.0%
9	0.1%	0.1%	0.1%	0.0%
10	0.1%	0.1%	0.1%	0.0%
11	0.1%	0.1%	0.1%	0.0%
12	0.1%	0.1%	0.1%	0.0%
13	1.8%	0.3%	0.1%	0.0%
14	2.1%	0.4%	0.1%	0.0%
15	3.1%	0.5%	0.1%	0.0%
16	9.6%	0.7%	0.1%	0.0%
17	9.6%	0.8%	0.1%	0.0%
18	9.6%	0.9%	0.1%	0.1%
19	9.6%	1.1%	0.1%	0.1%
20	9.6%	1.2%	0.1%	0.1%
21	9.6%	1.3%	0.1%	0.1%
22	9.6%	1.5%	0.1%	0.1%
23	9.6%	1.6%	0.1%	0.1%
24	9.6%	1.7%	0.1%	0.1%
25	9.6%	1.9%	0.1%	0.1%

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Table 1-12**Rupture Rates By Inflator Type, Vehicle Age, Platform Type
Zone 3**

Age	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated small platform	Non-PSDI Non-Desiccated large platform
8	0.0%	0.0%	0.0%	0.0%
9	0.0%	0.0%	0.0%	0.0%
10	0.0%	0.0%	0.0%	0.0%
11	0.0%	0.0%	0.0%	0.0%
12	0.0%	0.1%	0.0%	0.0%
13	1.1%	0.2%	0.0%	0.0%
14	1.1%	0.3%	0.0%	0.0%
15	1.2%	0.3%	0.0%	0.0%
16	1.4%	0.4%	0.1%	0.0%
17	1.4%	0.5%	0.1%	0.0%
18	1.4%	0.6%	0.1%	0.1%
19	1.4%	0.7%	0.1%	0.1%
20	1.4%	0.8%	0.1%	0.1%
21	1.4%	0.8%	0.1%	0.1%
22	1.4%	0.9%	0.1%	0.1%
23	1.4%	1.0%	0.1%	0.1%
24	1.4%	1.1%	0.1%	0.1%
25	1.4%	1.2%	0.1%	0.1%

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Table 1-13
Rupture Rates By Inflator Type, Vehicle Age, Platform Type
Zone 4

Age	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated small platform	Non-PSDI Non-Desiccated large platform
8	0.0%	0.0%	0.0%	0.0%
9	0.1%	0.1%	0.0%	0.0%
10	0.1%	0.1%	0.0%	0.0%
11	0.1%	0.1%	0.0%	0.0%
12	0.1%	0.1%	0.0%	0.0%
13	1.1%	0.2%	0.0%	0.0%
14	1.1%	0.3%	0.0%	0.0%
15	1.2%	0.4%	0.1%	0.0%
16	1.4%	0.5%	0.1%	0.0%
17	1.4%	0.6%	0.1%	0.0%
18	1.4%	0.7%	0.1%	0.1%
19	1.4%	0.8%	0.1%	0.1%
20	1.4%	0.9%	0.1%	0.1%
21	1.4%	1.0%	0.1%	0.1%
22	1.4%	1.1%	0.1%	0.1%
23	1.4%	1.2%	0.1%	0.1%
24	1.4%	1.3%	0.1%	0.1%
25	1.4%	1.4%	0.1%	0.1%

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Section 2: Valuation of Claims Against Takata – Number of Claims, Types of Injury, Dismissal Rates, Average and Total Indemnity

Through October 2017, 546 claims were recorded alleging injury from defective Takata air bags. The company has resolved 244 of these claims – 102 were resolved without any payment of indemnity and 142 were resolved for a total of approximately \$179 million in indemnity.²⁷

Table 2-1
Claim Filings to Date By Filing Year and Status

Year Filed	Total Filed Claims				Unfiled Claims	Total All Claims
	Settled	Dismissed	Open	Total		
Unknown	0	0	1	1	0	1
2004 through 2011	20	0	0	20	0	20
2012	8	1	0	9	0	9
2013	7	2	1	10	0	10
2014	27	17	6	50	0	50
2015	57	78	23	158	0	158
2016	22	4	63	89	0	89
2017	1	0	12	13	196	209
Total	142	102	106	350	196	546

Table 2-1 shows the annual pattern of cases filed, by status of claim. 106 claims have been filed and are currently still waiting for resolution. In addition, there are 196 claims known by Takata, which have not been filed yet, but likely will be. These “unfiled” claims were included on the 2017 line, although, again, they do not have a “filing year” yet. These claims have three possible origins: (a) the claim was filed against one or multiple OEM’s but not (yet) against Takata, (b) a plaintiff law firm notified Takata about a claim potentially to be filed, and (c) NHTSA notified Takata about an alleged rupture, but no claim has been filed yet.

²⁷ Of the 179 million total payment for settled claims, approximately 119 million was paid by Takata.

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Table 2-2
Claim Filings to Date By Accident Year and Status

Accident Year	Total Filed Claims				Unfiled Claims	Total All Claims
	Settled	Dismissed	Open	Total		
Unknown	0	0	1	1	13	14
2000 through 2011	28	2	8	38	13	51
2012	8	18	2	28	6	34
2013	30	78	17	125	3	128
2014	37	1	33	71	14	85
2015	33	1	23	57	45	102
2016	6	2	22	30	74	104
2017	0	0	0	0	28	28
Total	142	102	106	350	196	546

Table 2-2 shows the same information, but categorized by the year of the accident rather than the filing year. The difference in the counts by year from Table 2-1 to 2-2 is due to the lag from the accident until a claim is filed or recognized. As seen from Table 2-1, 13 claims were filed in 2017, but as seen in Table 2-2, no claims have yet been filed indicating 2017 as the accident year, therefore all 13 claims filed in 2017 must have the accident occur in 2016 or before.

It is likely that the number of accidents reported for years 2015, 2016, and 2017 will increase as additional individuals file claims.

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Table 2-3
Filings or Known Cases Alleging Injury from an Accident
Involving a Takata Airbag, by Filing Year

Year Filed	Alleged Defect			Total
	Rupture	Aggressive Deployment	Other	
Unknown	0	0	1	1
Pre-2012	17	1	2	20
2012	7	0	2	9
2013	7	0	3	10
2014	24	5	21	50
2015	57	14	87	158
2016	47	11	31	89
2017	116	8	85	209
Total	275	39	232	546

Note: 2017 includes 196 unfiled claims.

Rupture includes both confirmed and unconfirmed ruptures

"Other" includes fire, malfunction, failure to deploy, non rupture, and unknown

Table 2-3 shows the annual pattern of cases by the allegation of the defect. About half of the cases appear to have a rupture, the type of defect with the most serious consequences.²⁸ This observation stands in stark contrast with most mass tort litigations where the great majority of the cases tend to be nuisance claims.

²⁸ A qualifier "appear" is in order here, because some of the ruptures are not yet confirmed.

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Table 2-4
Filings or Known Cases Alleging Injury from an Accident
Involving a Takata Airbag, by Year of Accident

Accident Year	Alleged Defect			Total
	Rupture	Aggressive Deployment	Other	
Unknown	6	1	7	14
Pre-2012	33	7	11	51
2012	12	2	20	34
2013	32	10	86	128
2014	48	9	28	85
2015	61	8	33	102
2016	60	2	42	104
2017	23	0	5	28
Total	275	39	232	546

Note: Table includes 196 unfiled claims.

Rupture includes both confirmed and unconfirmed ruptures

"Other" includes fire, malfunction, failure to deploy, non rupture, and unknown

Table 2-4 shows the same information as Table 2-3, but categorized by the year of the accident rather than the filing year. Again, the time pattern of the claims by accident year is different from the time pattern of the claims by filing year, because cases tend to be filed a year or two after the accident.

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Table 2-5
Filings or Known Cases Alleging Injury from an Accident
Involving a Takata Airbag, by Injury Type

Alleged Injury	Alleged Defect			Total
	Rupture	Aggressive Deployment	Other	
Loss of Vision				
One Eye	9	4	0	13
Both Eyes	0	1	0	1
Subtotal, Loss of Vision	9	5	0	14
Fatality	13	1	5	19
Traumatic Brain Injury (TBI)	4	1	0	5
Other Types of Injury				
Low	79	5	29	113
Moderate	76	1	22	99
Serious/Severe	38	2	14	54
Subtotal, Other	193	8	65	266
Unknown	56	24	162	242
Total	275	39	232	546

Note: Table includes 196 unfiled claims.

Rupture includes both confirmed and unconfirmed ruptures

"Other" includes fire, malfunction, failure to deploy, non rupture, and unknown

Table 2-5 shows the pattern of cases by type of alleged injury and alleged defect. The distribution of cases by injury type is similar to what one expects to see in other mass tort cases; relatively few of the cases involve fatalities or very serious injuries (i.e., loss of vision, and TBI), only 38 out of 546 total cases.

The average indemnity paid to settle claims has increased significantly over time. This observation holds true both for the payments made solely by Takata and for the total payments made by all Defendants. Furthermore, the observation holds true across all types of alleged defects. With some exceptions, it also holds true for most injury types. To illustrate this point, I calculated the average indemnities paid by injury type in two ways. First, I considered all 142 settled claims, regardless of the resolution date. Second, I considered only those 99 claims that were recently settled (in 2015 or after). Tables 2-6 and 2-7 show the results.

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Table 2-6
Average Indemnity for Settled U.S. Claims, by Type of Injury

Alleged Injury	Settled Claims	Total Indemnity			Average Indemnity		
		Total All Defendants	Takata Only		Total All Defendants	Takata Only	
			Amount	Percent		Amount	Percent
		(\$ Millions)			(\$ Millions)		
Loss of Vision							
One Eye	9	\$30.2	\$24.5	20.5%	\$3.4	\$2.7	80.9%
Both Eyes	1	\$5.0	\$0.8	0.6%	\$5.0	\$0.8	15.0%
Subtotal, Loss of Vision	10	\$35.2	\$25.2	21.1%	\$3.5	\$2.5	71.5%
Fatality	13	\$80.9	\$56.6	47.5%	\$6.2	\$4.4	70.0%
Traumatic Brain Injury (TBI)	2	\$2.8	\$1.7	1.4%	\$1.4	\$0.8	60.4%
Other Types of Injury							
Low	41	\$8.6	\$7.1	5.9%	\$0.2	\$0.2	82.2%
Moderate	37	\$15.2	\$10.5	8.8%	\$0.4	\$0.3	68.8%
Serious/Severe	29	\$32.0	\$17.9	15.0%	\$1.1	\$0.6	55.8%
Subtotal, Other	107	\$55.8	\$35.4	29.7%	\$0.5	\$0.3	63.4%
Unknown	10	\$4.2	\$0.4	0.3%	\$0.4	\$0.0	10.0%
Total	142	\$178.9	\$119.3	100.0%	\$1.3	\$0.8	66.7%

Table 2-7
Average Indemnity for Recently Settled (2015 and after) U.S. Claims, by Type of Injury

Alleged Injury	Settled Claims	Total Indemnity			Average Indemnity		
		Total All Defendants	Takata Only		Total All Defendants	Takata Only	
			Amount	Percent		Amount	Percent
		(\$ Millions)			(\$ Millions)		
Loss of Vision							
One Eye	8	\$26.6	\$20.9	20.3%	\$3.3	\$2.6	78.3%
Both Eyes	1	\$5.0	\$0.8	0.7%	\$5.0	\$0.8	15.0%
Subtotal, Loss of Vision	9	\$31.6	\$21.6	21.0%	\$3.5	\$2.4	68.3%
Fatality	10	\$73.3	\$53.6	52.1%	\$7.3	\$5.4	73.2%
Traumatic Brain Injury (TBI)	2	\$2.8	\$1.7	1.6%	\$1.4	\$0.8	60.4%
Other Types of Injury							
Low	19	\$4.9	\$3.4	3.3%	\$0.3	\$0.2	68.8%
Moderate	26	\$11.3	\$6.5	6.4%	\$0.4	\$0.3	57.9%
Serious/Severe	26	\$29.9	\$15.8	15.3%	\$1.2	\$0.6	52.8%
Subtotal, Other	71	\$46.1	\$25.7	25.0%	\$0.6	\$0.4	55.7%
Unknown	7	\$4.0	\$0.3	0.3%	\$0.6	\$0.0	7.1%
Total	99	\$157.8	\$102.9	100.0%	\$1.6	\$1.0	65.2%

Claimants of the 142 cases settled to date received, on average, \$1.3 million, of which \$0.8 million was paid by Takata. Looking at, however, solely at the 99 cases settled in 2015 or after, the claimants received \$1.6 million on average, of which \$1.0 million came from Takata.

The temporal increase in average compensation amount generally holds across injury types too. Note that it is not possible to draw a definitive conclusion for loss of vision and TBI claims, because all but one of those claims was recently settled. However, fatalities and other types of injuries tend to get paid more in recent years than in earlier years.

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Section 3: Calculation of Total Indemnity Cost

The historical pattern of filings and resolutions are assumed to stay constant in the future. Specifically, the forecast assumes:

- The historical mix of claims by type of injury is assumed to hold true in the future
- The historical mix of the quality of claims is assumed to hold in the future (i.e., the ratio of claims with suspect defect allegations to claims alleging a rupture)
- The Propensity to Sue in recent years will hold into the future
- The dismissal rate observed in recent years will hold true in the future
- The average indemnity paid to settled claims will increase in the future at the rate of inflation

The calculation of total indemnity cost is done separately for pending claims and projected future claims. The evaluation method for the two types of claims is almost the same, with two differences. The first difference is that the claim mix (in terms of alleged defect and alleged injury) is known for the pending claims, while it needs to be estimated for the future claims. For the evaluation of future claims, the assumption is that the mix of the claims, both in terms of alleged defects and alleged injuries, will continue to be the same as it historically was. The second difference is the fact that future claims will continue to occur for a long period of time, and therefore I need to calculate their total cost in present value terms.

Both for pending and future claims, the number of claims are tabulated by alleged defect (confirmed rupture versus all other types of defect) and injury type. For pending claims, this tabulation is readily available from the claims data. For future claims, the historical mix of claims is applied to the number of forecasted ruptures to obtain this tabulation.

I assume that for future claims, the propensity to sue is a hundred percent. This assumption is justified by the fact that the recall is historically unprecedented, and therefore the issues are well known by the general public.

Next, historical pay rates (compensation rates) are calculated. For confirmed ruptures, I calculate the observed pay rates, i.e. the number of paid claims divided by the number of resolved claims (paid or dismissed). I calculate these pay rates separately, by injury type. Virtually all the pay rates are a hundred percent, which is not surprising, since ruptures are thought to have very serious consequences. Claims other than confirmed ruptures are likely of lower quality, and therefore their assumed pay rates are lower. For these residual (i.e., not a confirmed rupture) claims, I calculate a blended pay rate. I split the residual claims into two groups: resolved (settled and dismissed) and unresolved (open and “unfiled”). I assume that unresolved claims are half as likely to receive a payment than resolved claims. Finally, I calculate the weighted average pay rate for the residual claims by using the number of resolved and unresolved claims as weights. Again, these calculations are done separately by injury type.

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For all injury types, the pay rates for confirmed ruptures are significantly higher than for other types of defects.

Combining the number of claims with the assumed pay rates yields the number of compensable claims. The next piece needed is the average indemnity paid. The historical experience is applied. It is likely that future average indemnity will be at least as large as the level observed in recent years (in 2015-2017). Nevertheless, two alternative assumptions about the average indemnity paid to resolve pending and future claims were explored. The average paid over all years to date (2006-2017) and the average paid over the most recent years (2015-2017) were used in the two alternatives.

Additionally, I assume that future payments will increase by a 2.5% annual rate of inflation. Net present values are calculated with a 3.5% nominal discount rate (1% real discount rate).

Table 3-1 shows the number of claims, and their valuations. The top panel shows claims by the timing of the submission: pending versus future. The bottom panel shows claims by type of defect: confirmed rupture versus all other types of claims. Indemnity costs are calculated by using average indemnity paid in recent years (2015-2017). Finally, indemnity costs are shown both in nominal terms and in net present value.

Table 3-1
Summary of Pending and Future Claims Valuation

High Scenario - Recent Years Settlement Amounts

Entity/Average Indemnity	Count of Claims	Indemnity Cost (Dollars in Millions)			
		All Defendants		Takata Only	
		Nominal	NPV	Nominal	NPV
Claim Category					
Pending	302	\$70	\$70	\$50	\$50
Future	2,364	\$1,360	\$1,100	\$900	\$730
Total	2,666	\$1,430	\$1,170	\$950	\$780
Type of Defect					
Confirmed Rupture	784	\$1,070	\$880	\$710	\$580
Not a Confirmed Rupture	1,882	\$370	\$310	\$240	\$200
Total	2,666	\$1,440	\$1,190	\$950	\$780

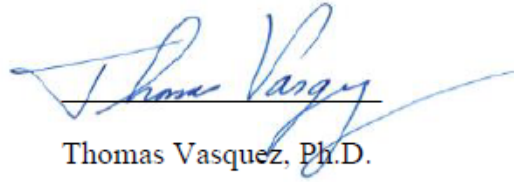
Note: Details may not add to totals due to rounding

Count of Claims refer to claims submitted, before applying dismissal rates

Claims are valued by recent years' average indemnity

NPV calculation assumes 2.5% inflation and 1% real discount rate

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A handwritten signature in blue ink, appearing to read "Thomas Vasquez", written over a horizontal line. The signature is stylized and cursive.

Thomas Vasquez, Ph.D.

January 23, 2018

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Appendix A: Constructing the Takata Claimant Database

Takata and their counsel provided five separate databases that were used to construct a single claimant database that includes all the administrative, resolution, medical and incident information available for the processing and evaluation of the claim. The five separate databases are listed in Table A-1.

Table A-1 Company/Counsel Original Databases Used to Construct Takata Claimant Database

- 1.) PI Cases and Claims (12.26.16) - Filed Claims
- 2.) PI Cases and Claims (12.26.16) - Unfiled Claims
- 3.) Settlements (12.26.16)
- 4.) Closed Files
 - Settled
 - Resolved without payment
- 5.) Master ED List - 11-30-2016
- 6.) Seat Belt Cases

Three additional steps were required to complete the claimant database used for my analysis and forecast. First, I eliminated duplicate claimants – those claimants that appeared on more than one of the five databases. Second, certain entries were clearly erroneous and these were corrected. Finally, certain variables were created to facilitate the analysis and forecasting methodology. Table A-2 provides a list of the constructed variables that were ultimately used in the analysis.

Table A-2 Newly Created Variables Used in Analysis

octupdate_defect_final
 octupdate_injury_final
 octupdate_closed_year_final
 takata_amount_10_8_2017
 honda_amount_10_8_2017
 status_final_10_8_2017
 accident_year_final_10_8_2017
 filed_year_final_10_8_2017
 venue_final_10_8_2017
 rupture_flag
 venue_flag

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Appendix B: Materials Relied Upon

Abandonment and Recall

- IHS Markit (R.L. Polk) Vehicle Registration data, 2014-2016
- “Average Age of Automobiles and Trucks in Operation in the United States”, Bureau of Transportation Statistics. Retrieved from https://www.rita.dot.gov/bts/sites/rita.dot.gov/bts/files/publications/national_transportation_statistics/html/table_01_26.html_mfd
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Accident Rate and Airbag Deployment Rates

- “An Analysis of Traffic Deaths By Type and Model”, Ross, M., University of Michigan. March, 2002. Retrieved from <https://pdfs.semanticscholar.org/9e07/7c7762a0188065207c0b52f006204297590d.pdf>
- “How Vehicle Age and Model Year Relate to Driver Injury Severity in Fatal Crashes”, NHTSA. Retrieved from <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/811825>
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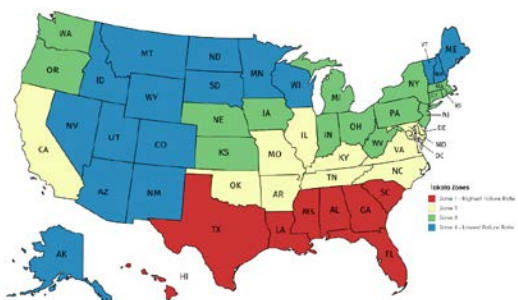
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Appendix C: Takata and NHTSA Risk Zones

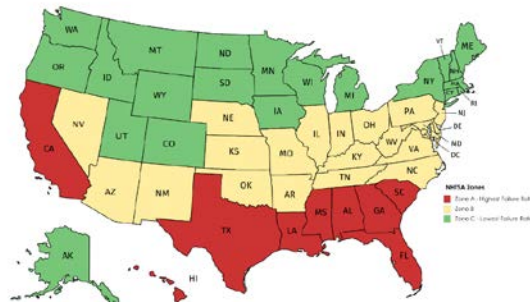
Takata Zones

- Zone 1 – Highest Failure Rate
- Zone 2
- Zone 3
- Zone 4 – Lowest Failure Rate



NHTSA Zones

- Zone A – Highest Failure Rate
- Zone B
- Zone C – Lowest Failure Rate



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Appendix D: Accident Rates by Vehicle Age**Table D-1****Age-Specific Accident Rates**

<u>Vehicle Age</u>	<u>Accident Rate</u>
0 to 1	3.88%
1 to 2	4.58%
2 to 3	4.46%
3 to 4	4.54%
4 to 5	4.46%
5 to 6	4.74%
6 to 7	4.57%
7 to 8	4.51%
8 to 9	4.32%
9 to 10	4.09%
10 to 11	4.15%
11 to 12	4.06%
12 to 13	3.93%
13 to 14	3.73%
14 to 15	3.60%
15 to 16	3.42%
16 to 17	3.33%
17 to 18	3.23%
18 to 19	3.02%
19 to 20	2.76%
20 to 21	2.69%
21 to 22	2.21%
22 to 23	2.14%
23 to 24	2.02%
24 to 25	1.77%
25 to 26	1.64%

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Appendix E: Vehicle Abandonment Rate by Vehicle Age**Table E-1****Vehicle Abandonment Rates by Vehicle Age and Platform**

Vehicle Age	Large Platform Vehicles		Small Platform Vehicles	
	Abandonment Rate	Remaining Vehicles	Abandonment Rate	Remaining Vehicles
0 to 1	0.00%	100.00%	0.00%	100.00%
1 to 2	0.11%	99.89%	0.40%	99.60%
2 to 3	0.21%	99.68%	0.80%	98.80%
3 to 4	0.27%	99.41%	0.87%	97.94%
4 to 5	0.41%	99.00%	1.06%	96.90%
5 to 6	0.53%	98.48%	1.30%	95.65%
6 to 7	0.73%	97.76%	1.56%	94.16%
7 to 8	1.07%	96.71%	1.93%	92.34%
8 to 9	1.48%	95.28%	2.38%	90.14%
9 to 10	1.97%	93.41%	2.99%	87.44%
10 to 11	2.48%	91.09%	3.82%	84.10%
11 to 12	3.00%	88.36%	4.85%	80.02%
12 to 13	3.95%	84.86%	6.19%	75.07%
13 to 14	4.95%	80.66%	7.71%	69.28%
14 to 15	6.11%	75.73%	9.23%	62.89%
15 to 16	7.07%	70.38%	10.48%	56.30%
16 to 17	8.00%	64.75%	11.75%	49.69%
17 to 18	8.44%	59.28%	13.03%	43.21%
18 to 19	8.91%	54.00%	14.36%	37.01%
19 to 20	9.30%	48.98%	15.05%	31.44%
20 to 21	9.68%	44.24%	15.57%	26.54%
21 to 22	9.75%	39.92%	15.57%	22.41%
22 to 23	10.05%	35.91%	15.53%	18.93%
23 to 24	9.90%	32.36%	14.58%	16.17%
24 to 25	9.62%	29.25%	13.52%	13.98%
25 to 26	8.79%	26.68%	11.77%	12.34%

Note: Based on Polk 2014, 2015, 2016 registration data

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Appendix F: An Example of the Matching Procedure Used to Identify Vehicles That Have Takata Airbags Subject to the NHTSA Recall Program

Acura



2003 Acura 3.2CL

2002-2003 Acura 3.2TL

2013-2016 Acura ILX

2013-2014 Acura ILX Hybrid

2003-2006 Acura MDX

2007-2016 Acura RDX

2005-2012 Acura RL

2009-2014 Acura TL

2009-2014 Acura TSX

2010-2013 Acura ZDX

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Polk Textual Description				NHTSA Textual Description		
Model Year	Make	Model	Trim	Model Year	Make	Model
2013	ACURA	ILX	20	2013	ACURA	ILX
2013	ACURA	ILX	20 PREMIUM			
2013	ACURA	ILX	20 TECH			
2013	ACURA	ILX	24 PREMIUM	2013	ACURA	ILX HYBRID
2013	ACURA	ILX	HYBRID			
2013	ACURA	ILX	HYBRID TECH	2014	ACURA	ILX
2014	ACURA	ILX	20			
2014	ACURA	ILX	20 PREMIUM			
2014	ACURA	ILX	20 TECH			
2014	ACURA	ILX	24 PREMIUM	2014	ACURA	ILX HYBRID
2014	ACURA	ILX	HYBRID			
2014	ACURA	ILX	HYBRID TECH	2015	ACURA	ILX
2015	ACURA	ILX	20			
2015	ACURA	ILX	20 PREMIUM			
2015	ACURA	ILX	20 TECH			
2015	ACURA	ILX	24 PREMIUM			
2015	ACURA	ILX	DYNAMIC	2016	ACURA	ILX
2016	ACURA	ILX	BASE/WATCH PLUS			
2016	ACURA	ILX	PREMIUM STYLE/TECH STYLE			
2016	ACURA	ILX	PREMIUM/TECH			

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Appendix G: Takata's Field-Return Inflator Test Database, the Master Engineering Analysis File

Takata collected and analyzed a large sample of inflators to determine the cause of ruptures. The data base is called the Master Engineering Analysis File (MEAF) and contains information related to approximately 322,000 inflators. The database was relied upon to determine the probability that the inflator would rupture.

Table G-1 provides a summary of the information recorded on the inflator database that was used in the analysis.

Table G-1

Selected Variables on the Takata Inflator Testing Database

Administrative Items	Ballistic Test Results
Inflator Serial Number	Ruptured/Did Not Rupture
Date of Inflator Received by Test Facility	
Date of Ballistic Test	
Inflator Characteristics	Live Dissection Test Results
Type of Inflator (e.g., PSDI, PSDI-4, etc.)	Amount of Moisture Inside Inflator
Propellant Type (2004 vs 2004L)	Wafer Diameter
Manufacturing Date	Wafer Density
Vehicle Make and Model	Integrated Burn Rate
Vehicle Location	etc.

There were five steps in the analysis of the inflator database.

- Certain observations were excluded from the analysis
- Adjustment for bias in the testing sample
- Extrapolate rates to ages not observed in the data
- Adjustment for differences between driver-side and passenger-side non-PSDI inflators
- Determine the appropriate rupture rates for inflators with desiccants and inflators with 2004L propellants

Excluding Certain Observations

Approximately 54,000 observations were excluded from the analysis. Table G-2 shows the number of excluded observations by the reason for the exclusion. In general, observations were excluded if missing key information or were not necessary for the forecast.

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Table G-2
Observations in the Takata Inflator Data Base
Excluded from the Analysis

Category	Count
Total Data Base	322,286
Excluded Observations	
Missing Test Results (Not A Ballistic Test)	45,031
Missing Geographic Location	6,185
Missing Vehicle Make and Model	2
Missing or Erroneous Inflator Age	1,846
Propellant Type 2004L	1,060
Total Excluded	54,124
Used in Analysis	268,162

Adjustment for Sample Bias

Takata's goal was to identify the safety hazards associated with airbags, and therefore they appropriately focused on inflators that they believed to be more likely to rupture. This biases the inflator sample towards riskier inflators. Generally, Takata over-sampled (a) older and smaller-sized vehicles, (b) more humid geographies, and (c) inflators with poorer engineering characteristics. Therefore, the rupture rates found in the sample are not a good predictor of the rupture rates in the general population of vehicles with Takata airbags because they skew disproportionately higher.

Takata personnel told me that due to design flaws and perhaps flaws in the manufacturing process, a particular type of inflator called the PSDI inflator was significantly more prone to rupture than other inflators. They also told me that the risk was particularly elevated for the type of PSDI's referred to as Alpha's.²⁹ Therefore, in my analysis, I distinguish between PSDI inflators and non-PSDI inflators as well as between PSDI Alpha's and PSDI Beta's. Analyzing the data confirmed that there were indeed significant differences among these types of inflators.

Takata personnel also told me that they believe the vehicle size influences the likelihood of the inflator rupture. They believe that peak inflator temperature tends to be higher in a smaller-size

²⁹ The main distinction between PSDI Alpha's and PSDI Beta's is the manufacturing date. PSDI inflators manufactured prior to December 31, 2001 are Alpha's. I was also told by Takata personnel that propellants to the PSDI Alpha inflators were manufactured by the Stokes Press, which allegedly had insufficient compaction force, and therefore produced propellants that were not sufficiently dense.

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vehicle, which leads to a higher likelihood of rupture.³⁰ Therefore, I made a distinction between small and large platform vehicles. The determining factor was vehicle weight, but essentially the line was drawn between sedans on one side, and SUV's and pickup trucks, on the other side.

A geographic bias remains in the sample, even after accounting for inflator type and age, vehicle weight, and geographic Zone. Within a single geographic Zone, data was disproportionately collected from the more humid regions.

I split Zone 1 into two areas, Florida and the rest of Zone 1 and calculated rupture rates separately for those areas. It was apparent that Florida has significantly higher rates than other Zone 1 states. In addition, Florida is significantly over-represented in the sample: 45% of the Zone 1 test data originates from Florida while the state counts for only 24% of the registered vehicles in Zone 1. Calculating an overall rate for Zone 1 without re-weighting the test data using the number of registered vehicles as weights would have resulted in a significant over-estimate of the Zone 1 rates. Therefore, my model tracks Florida vehicles separately from other Zone 1 vehicles and applies Florida-specific rupture rates to them.

There was a similar bias in the states representing Zone 2-4. Some of the states in these zones have significantly higher rupture rates than other states, and at the same time, a disproportionately large number of the sample observations originate from these states – compared to what the states' vehicle population would suggest. To correct for the bias, I re-weighted the test data by the number of registered vehicles. In other words, I calculated rupture rates by state, and constructed a weighted average rupture rate for each Zone by using the number of registered vehicles in each of the states in the Zone as weights.

Extrapolating Rates to Ages Not Observed in the Data

I also had to address the fact that my forecast model needed rupture rates for every vehicle age between 0 and 25, while the oldest inflator included in the data was 16 years old.³¹ Moreover, there were relatively few observations older than 13 years old, most were 13 or younger. In other words, I needed to extrapolate to ages not observed in the data.

For the riskiest inflators, the PSDI Alpha's, I capped the rupture rate at the level they attained at age 16, the highest observed in the data. For the other inflator types, the PSDI Beta's and non-PSDI's, I extrapolated the rates up to age 25 using a linear progression.

For PSDI Alpha inflators, I also needed to extrapolate backwards, for ages younger than those observed in the data. The earliest test date in the MEAF data is in 2014 (and most of the ballistic tests took place in 2015 or after), all PSDI Alpha inflators were between the age of 14 and 16 when tested. To impute rates for ages not observed in the test data, I assumed that rates between ages 8 and 11 are the same as those for non-PSDI inflators in small-sized vehicles.³² For ages

³⁰ See p.22 of a Takata PPT titled "History and Factors Influencing Inflator Outcomes," April 3, 2017.

³¹ Since the oldest inflators under recall were manufactured in 2000, there was simply not enough time to observe inflators that were 17 years or older.

³² Most PSDI inflators were installed in small-size vehicles such as Honda Civic or Honda Accord.

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between 14 and 16, I used the actual rates from the test data. Finally, I interpolated these rates to calculate the rates for ages 12 and 13.

For PSDI Beta inflators, test data is available for ages 8 through 15. However, there are no ruptures for ages younger than 12. Rather than reflecting the true rate, this is likely due to the small sample size. Indeed, for non-PSDI inflators that are supposedly less risky, rupture rates are nonzero from ages 8 and older. To correct for this small sample-size, I imputed rates for PSDI Beta's ages 8 through 11, following the same procedure as for PSDI Alpha's.

Driver-Side versus Passenger-Side Non-PSDI Inflators

When it comes to the type of the inflator, the most important factor is whether the inflator is PSDI or not. In other words, the most significant differentiator is whether the inflator is PSDI. A second, markedly less significant distinction is the one between passenger-side inflators and non-PSDI driver-side inflators. It appears from the test data that the former have a higher rupture rate than the latter, and the finding holds even after controlling for other important factors, such as age and geographic zone. When using a blended rupture rate, the rate that one applies to driver-side airbags is too high, while the rate that one applies to passenger-side airbags is too low. As a result, driver-side ruptures are overestimated, while passenger-side ruptures are underestimated. Since the deployment rate for driver-side is significantly larger than that for the passenger-side, the first effect dominates, and therefore, the total number of ruptures are overestimated.

Ideally, I would calculate rupture rates separately for each inflator type, but practical considerations prevent me from doing so. Because ruptures are rare, there aren't many observed test ruptures in total (there is less than a thousand). After considering age, location and platform size, there is a limit to what extent one can differentiate among the various inflator types. Therefore, instead of making an explicit distinction between passenger-side and non-PSDI driver-side inflators, I adjusted the blended non-PSDI rupture rates downwards by 30%. This is a sufficient adjustment to address the differential in the rupture rates for the two types of inflators.

Analysis of Desiccated Inflators with 2004 Propellants and Inflators with 2004L Propellants

The MEAF ballistic test data did not show any ruptures either for desiccated inflators with 2004 propellants, or for inflators with 2004L propellants.³³ However, these inflators are generally young: in the ballistic test data, no desiccated inflators with 2004 propellants are older than 11 years, and the oldest inflator with 2004L propellant is 6 years old. These inflators may not have been in operation long enough to degrade to a level that results in a rupture during a ballistic test. To examine how likely it is that some of these inflators would rupture given additional time,

³³ To be precise, in 16 of the 1,524 ballistic tests performed on inflators with 2004L propellants, there was a reported rupture, but Takata officials told me that those ruptures were anomalies, and were not caused by propellant degradation.

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Takata engineers performed other tests that were designed to pick up early signs of degradation. These tests included “Live Dissections” and “CT Scans.” These tests measure a variety of physical or chemical properties of the propellant, such as the diameter and density of the wafer or tablet, the amount of moisture absorbed, the burn rate, etc.

As an example, to investigate the degradation patterns of desiccated inflators with 2004 propellants, Takata conducted thermal shock testing on desiccated PSPI-LD inflators and compared the results to those on non-desiccated PSPI-L inflators. The non-desiccated inflators had ruptures at 2000 cycles. The desiccated versions, by comparison, resulted in a rupture only at 4000 cycles. In addition, the desiccated versions exhibited substantially less growth in diameter and substantially less decline in density.³⁴

To investigate the degradation patterns of inflators with 2004L propellants, Takata conducted a similar comparative test on PSPI and PSPI-X inflators. Unlike the PSPI inflators, PSPI-X inflators (these have 2004L propellants) demonstrated “little to no grain growth and normal ballistics at 4000 cycles.” Takata concluded that “overall, the results of Takata’s testing shows relative increases in robustness both from the addition of desiccant and the use of Takata’s newer 2004L propellant.”³⁵

I investigated the Takata’s claim by analyzing the physical properties of PSPI versus PSPI-X inflators, during the first six years of their operation. Specifically, I looked at the average outer diameter of the primary wafers as a function of age, both for PSPI and for PSPI-X inflator. The wafer diameter is a commonly used measure of degradation: the larger the diameter, the more porous the wafer is, which tends to result in a more rapid and forceful burning, and a higher likelihood of causing a rupture.

³⁴ Source: “Report of TK Holdings Inc. Pursuant to Paragraph 33.a of the November 3, 2015 Consent Order”, Dechert LLP, June 30, 2016

³⁵ Source: “Report of TK Holdings Inc. Pursuant to Paragraph 33.a of the November 3, 2015 Consent Order”, Dechert LLP, June 30, 2016

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Figure G-1
Average Outer Diameter of Primary Wafers (mm)
Zone 1

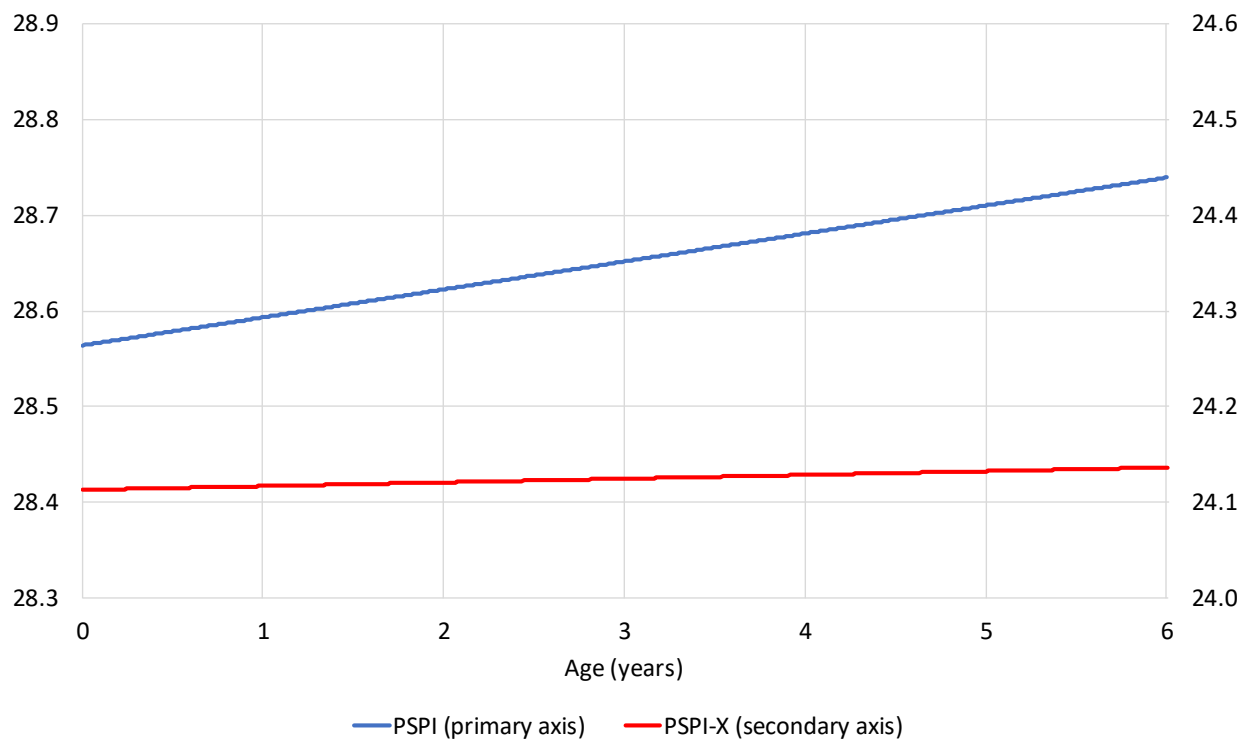


Figure G-1 shows the results of my analysis. Clearly, the inflators with 2004 propellants (PSPI) show a pattern of degradation during their first six years of operation, whereas inflators with 2004L propellants (PSPI-X) do not.

On the basis of this evidence, I concluded that neither desiccated inflators with 2004 propellants nor inflators with 2004L propellants will be likely to rupture over the course of their useful life, and therefore I assumed a rupture rate of zero for these inflators.

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Appendix H: Indemnity Associated with Inflators Sold Post-Petition but Pre-Closing

Counsel asked me to provide an estimate of the total indemnity cost associated with the inflators that were sold after the bankruptcy petition date but prior to the closing of the bankruptcy proceedings. For the purposes of these calculations I assumed that the closing date is February 25, 2018. The expected number of At Risk vehicles to be sold during this period is approximately 295,000. This estimate is based on vehicle registration data as well as recent data on the company's projection of future sales of inflators. Using the model parameters described in the report, I estimated that these At Risk vehicles will generate approximately 2.2 ruptures over the next 25 years.³⁶ Using the average indemnity paid to settle claims in recent years (2015-2017), these ruptures will cost approximately \$2 million when using Takata's share only. Considering all other Defendants raises this cost to approximately \$4 Million. Table H-1 summarizes the calculations.

Table H-1

Indemnity Associated with Inflators Sold Post-Petition but Pre-Closing

Estimated Vehicles Sold Post-Petition but Pre-Closing ¹	
Vehicles Sold in the Second Half of 2017	225,000
Vehicles Sold from 1/1/2018 through 2/28/2018 ²	70,000
Total Vehicles Sold Post-Petition but Pre-Closing	295,000
Accidents with airbag deployments by these vehicles (over the next 25 years)	4,000
Ruptures incurred by these vehicles (over the next 25 years)	2.2
Total indemnity associated with vehicles sold Post-Petition but Pre-Closing (\$Million) ³	
Takata share	\$2
All Defendants, including Takata	\$4

1. From petition date through the assumed closing date of February 28, 2018. Based on 2016 Polk registration data and Takata's recent inflator forecast.

2. Vehicles sold in the first two months of 2018 are assumed to be 30% of those sold in the second half of 2017.

3. Average indemnity per claim is estimated from claims data: \$1.0 million paid by Takata, and \$1.6 million paid by all Defendants (including Takata).

³⁶ This result is based on the High Scenario modeling assumptions.

Expert Report of Thomas Vasquez, Ph.D.

Appendix I: CV of Thomas Vasquez Ph. D.

Dr. Vasquez is a Senior Managing Director at Ankura Consulting Group (Ankura) in the New York office. Dr. Vasquez has over 35 years of experience in management consulting for private sector clients, the development of economic models for US and foreign governments to analyze and develop tax, expenditure and regulatory policy and providing expert testimony over a wide range of issues.

Dr. Vasquez has provided management consulting services for private sector companies in a wide array of industry sectors. The services include identifying methods to: (1) increase the stock price or value of the company; (2) leverage the firm's brand asset; (3) assist underperforming companies and (4) provide general valuation services.

Dr. Vasquez has assisted US and foreign governments in the development of tax, expenditure and regulatory policy. The services include the development of large scale micro-economic models to allow policymakers to determine individual and company behavioral reactions to tax and regulatory policy.

Dr. Vasquez has provided expert testimony, depositions and analytical litigation support on a broad spectrum of issues involving statistical techniques, computer simulation, economic behavior and economic models, including, among others:

- Evaluating the economic and non-economic loss from bodily injury claims. In recent years, Dr. Vasquez has designed the algorithm for determining the damage from the BP Gulf Oil Spill, the NFL Concussion Settlement, the GM Ignition Failure settlement fund, the Takata air bag rupture litigation and virtually all of the major asbestos settlement trusts.
- Using statistical models to forecast a company's future liability from lawsuits related to its former production of asbestos including the following representative assignments – National Gypsum Corporation, the Fibreboard Corporation, Owens Corning, Congoleum, Western MacArthur, Burns and Roe, Inc. and Specialty Products Holding Corp.,
- Using statistical models to forecast a company's future liability from lawsuits related to its former sales of products.
- Using statistical models to determine the settlement value of bodily injury and financial loss claims resulting from exposure to a wide range of hazardous or defective materials or activities.
- The statistical analysis of the determinants of supply and demand in certain industry segments for use in business valuations, determining the reasonable compensation levels in closely held and other companies and the impact of regulation and tax policy on prices, sales and production.

Prior to joining Ankura, Dr. Vasquez was a vice president at Analysis, Research & Planning Corporation (ARPC) from 1999 through 2016. From 1997 to 1999, Dr. Vasquez was the president and CEO of Yankelovich Partners, Inc., a leading market research firm. While at Yankelovich Partners, Dr. Vasquez had responsibility for engagements designed to determine the best approach to maximize the value of the client's firm. These engagements involved understanding the source of the value components of the firm – value of the firm's brand, product/service lines responsible for increasing (decreasing) stock price, the role of joint products and other key components of the firm's value.

From 1993 to 1997, Dr. Vasquez was the National Partner in Charge of Corporate Transactions Services for KPMG Peat Marwick. In this role he practiced in and led four of KPMG's national practices. One practice area was in the area of litigation support. This area involved almost exclusively the use of highly

Expert Report of Thomas Vasquez, Ph.D.

trained professionals in providing expert testimony in a wide range of litigation issues. The second practice area involved providing consulting services in the bankruptcy and troubled company area. This area involved analyzing the condition and prospects of a company in financial distress, generally involving recommendations for expense control, revenue growth, elimination/sale of product and distribution lines and the elimination/selling of production sites. The third area is investment banking. This area focused on three major components: (1) buying and/or selling of companies for middle market clients; (2) advice to non-public clients preparing an Initial Public Offering, and (3) advice to clients on methods to increase share price and/or cash flow in anticipation of sale. The fourth area was business valuation. This area focused on the valuation of businesses in a wide range of settings including bankruptcy, fairness opinions, mergers and acquisitions, estate planning and other venues requiring valuation services.

Dr. Vasquez served on the Firm's Board of Directors from 1993 to 1997 and served as the Chairman of the Board's Strategic Planning Committee.

Prior to selling his firm to KPMG, Dr. Vasquez was the founder and President of the Policy Economics Group. Dr. Vasquez was responsible for all data base development and tax simulation modeling for federal and state government clients in the United States as well as foreign governments including among others Egypt, Pakistan, Hungary, the former Soviet Union, Trinidad-Tobago, Virgin Islands, Guam, El Salvador and Guatemala. Dr. Vasquez also developed similar models using specialized industry data bases to determine tax impacts and behavioral responses for commercial firms, industry associations and law firms. These models were also used to formulate the client's strategic direction, market initiatives and value maximization strategies.

Prior to establishing the Policy Economics Group, Dr. Vasquez was the Deputy Director for the U.S. Department of the Treasury Office of Tax Analysis. While there, he guided U.S. tax policy analysis and designed large micro-simulation models and data bases for the U.S. Treasury Department and the Joint Tax Committee of the U.S. Congress. He appeared before Congress to provide testimony on such issues as capital gains taxation. He also designed numerous specialized models and data bases for analyzing policy issues at the company, industry, and individual levels.

Professional Experience:

Vice President, Analysis Research Planning Corporation, 1999 to 2016

President and CEO, Yankelovich Partners Inc., 1997 to 1999

National Partner in Charge, Corporate Transactions Services, KPMG Peat Marwick, 1993 to 1997.

Managing Partner, Policy Economics Group, KPMG Peat Marwick, 1987 to 1993.

Founder and President, Policy Economics Group, 1983 to 1987.

Deputy Director, Office of Tax Analysis, U.S. Department of the Treasury, 1979 to 1983. Assistant Director, 1978 to 1979; Fiscal Economist, 1972 to 1976.

Chief Economist, New York State Economic Development Board, 1977 to 1978.

Staff Economist, Congressional Joint Committee on Taxation, 1976.

Staff Economist, American Enterprise Institute for Public Policy Research, 1972.

Education:

Ph.D., Economics, Clark University, 1973.

Expert Report of Thomas Vasquez, Ph.D.

M.A., Economics, Clark University, 1972.

B.S., Mathematics, State University of New York - Potsdam, 1970.

Legal Experience and Testimony:

National Gypsum Company Bankruptcy Proceedings, 1991

Deposition

Testimony

Gerald Ahern, et. al. vs. Fiberboard Corporation, et. al., 1994

Deposition

Testimony

Ezell Thomas, et. al. vs. R.J. Reynolds Tobacco Company, et. al., 1999

Deposition

Fiberboard Corporation and Owens Corning vs. R.J.Reynolds Tobacco Company, et. al., 1999

Deposition

Western Mac Arthur Company and Mac Arthur Company vs. General Accident Insurance Co. of America; United States Fidelity & Guaranty Co.; Argonaut Insurance Company, 1999

Affidavit

CSX Transportation, Inc. and American Home Ins. Co., 2000

Deposition

ADR Proceeding Celotex vs. Travelers Casualty and Surety Co. and London Market Insurers, 2000

Deposition, 2004

Testimony, 2004

Owens Corning Bankruptcy Proceedings, 2001

Deposition, 2004

Trial Testimony, 2005

Michael Albanese vs. Compaq Computer Corporation, 2002

Affidavit

ADR Proceeding ACandS, Inc. vs. Travelers Casualty and Surety Co., 2003

ASARCO vs

Deposition, 2003

Western Mac Arthur Company and Mac Arthur Company Bankruptcy Proceedings, 2003

Oglebay Norton Bankruptcy Proceedings, 2004

Deposition, 2004

Trial Testimony, 2004

Halliburton Bankruptcy Proceedings, 2004

Congoleum vs Ace Ins. Et al, 2005

Deposition, 2005

Trial Testimony, 2006

Gene B. Griego, et al., Plaintiffs, vs. Bechtel National, Inc. et al., Defendants

Deposition, 2005

Sandra Sue Fullen, et al, Plaintiffs v. Philips Electronics North America Corporation, a Delaware corporation, et al., Defendants

Deposition, 2005

St. Paul Fire and Marine Insurance Company, Plaintiff, vs. A.P.I., Inc., Defendant and Counter-Claimant

Deposition, 2005

Expert Report of Thomas Vasquez, Ph.D.

Dana Corporation Bankruptcy Proceedings, Case No. 06-10354(BLR), 2007

Deposition, 2007

Trial Testimony, 2007

API, INC. Asbestos Settlement Trust v. Atlantic Mutual Insurance Company; Civil No. 09-0665 (JRT/JJG); United States District Court, D. Minnesota; July 9, 2010.

Deposition, 2010

Applebee's International, Inc., DineEquity, Inc. and Weight Watchers International, Inc. Sheree Shepard and Anthony Watts, On Behalf of Themselves and All Others Similarly Situated vs. DineEquity, Inc. et al.; United States District Court; District of Kansas; No. 08-cv-2416.

Deposition, 2010

API, Inc. Asbestos Settlement trust, et al. v. Zurich American Insurance Company, et al. Court File No. 09-CV-975 (JRT/JJG)

Deposition, March 29, 2011

Tronox Incorporated, Tronox Worldwide, LLC f/k/a; Kerr-McGee Chemical Worldwide LLC, and Tronox, LLC, f/k/a Kerr-McGee Chemical LLC vs. Anadarko Petroleum Corporation and Kerr-McGee Corporation

Deposition 2012

Specialty Products Holding Corp., et al Bankruptcy proceedings, Case No. 10-11780(JFK), 2012

Deposition, 2012

Trial Testimony, 2013

Fundamental Long Term Care, Inc., Debtor; The Estate of Juanita Amelia Jackson, et al, v. General Electric Capital Corporation, et al; Case No.: 8:11-bk-22258-MGW Chapter 7; United States Bankruptcy Court, Middle District of Florida, Tampa Division.

Deposition, 2014

Trial Testimony, 2014

David M. Elsea, et al, vs U.S. Engineering Company and Jackson County, Missouri; Case No. 1016-CV159-76; Circuit Court of Jackson County, Missouri at Kansas City.

Deposition, 2016

EXHIBIT P-2

International PSAN PI/WD Report

**Forecast of the Indemnity Cost to Resolve All Pending and
Future Claims Against TKH Related to Airbags with Defective
TKH Inflators**

Rest of the World

(Excluding United States, Puerto Rico, and U.S. Virgin Islands, and Japan)

Prepared by Thomas Vasquez, Ph.D.

Ankura Consulting Group

January 23, 2018

Expert Report of Thomas Vasquez, Ph.D.

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Certain TK Holdings (Takata) inflators placed in airbags are subject to rupturing or other related malfunctions when deployed. These airbags incorporate non-desiccated Phase-Stabilized Ammonium Nitrate (PSAN) inflators. By October 2017 there were 54 known rupture deployments outside of the United States, Puerto Rico, and the Virgin Islands¹ resulting in at least 4 deaths and numerous other injuries.²

I was asked by Counsel representing Takata³ to provide a forecast of the indemnity³ required to resolve all current and future personal injury claims related to the malfunction of Takata airbag inflators globally. The estimate is made under the assumption that Takata remains solvent and able to pay claims.⁴

Ankura Consulting Group has been compensated for my time on this matter at my customary rate of \$680 per hour. This compensation is not contingent in any way upon the outcome of this proceeding. My CV with legal and testimony experience is provided in Appendix G.

Executive Summary

Takata produced a wide range of inflators – some have experienced significant numbers of ruptures and others none. The rupture rate varies considerably based on the type of inflator/propellant, the age of the inflator and the location of the vehicle (due to ambient heat and humidity). At the end of 2016, there were approximately 138 million vehicles worldwide (excluding the U.S.) equipped with airbags that contain PSAN inflators made with 2004 propellant. Over time this count will be reduced through recall programs and normal abandonment.

There are four key elements that determine the estimated indemnity cost to Takata:

1. The number of vehicles in operation with non-desiccated PSAN inflators (the number of At Risk vehicles);
2. The number of accidents with a ruptured air bag deployment involving the At Risk vehicles;
3. The number of claims filed against the company and the percent of claims dismissed, and

¹ In the remainder of the report, references to the U.S. include Puerto Rico and the Virgin Islands.

² The count of ruptures was provided by Takata. The count of deaths is from a data base of airbag related claims filed in the U.S. but the location of the accident was outside of the U.S. Therefore, the count of deaths is likely dramatically understated.

³ “Indemnity” in this report refers to money that would be paid to a claimant to resolve his claim and does not include any defense costs or attorney’s fees.

⁴ The Consenting OEMs (as defined in the proposed chapter 11 plan of reorganization of TK Holdings Inc. and its affiliated debtors (Bankr. D. Del. Case No. 17-11375 (BLS) [Docket No. 1629] (the “Plan”)) have not reviewed, endorsed, or adopted Ankura’s estimate of PSAN PI/WD Claims (as defined in the Plan). Such estimate shall not be binding on the Consenting OEMs in any respect, and the Consenting OEMs reserve all rights to challenge, contest, or object to such estimate in the Chapter 11 Cases (as defined in the Plan), in any other litigation or proceeding, or otherwise.

Expert Report of Thomas Vasquez, Ph.D.

4. The average amount of indemnity paid to claims with substantiated claims.

The estimation of total cost follows the same general procedure used in the U.S. forecast⁵, but requires a number of additional factors. These additional factors impact the complexity of the forecast. These factors include:

- While there are counts of total registrations that are available by country, there is no data base of registered vehicles worldwide that is the equivalent of the Polk registration data for the U.S. The detail available in the Polk data allowed me to identify vehicles with “at risk” Takata air bags. For the International model, it was necessary to rely on Takata data on the manufacturing date and location of PSAN inflators.
- Accident rates by various characteristics is available for the U.S. However, such detail is generally not available internationally. Therefore, it was necessary to rely on U.S. accident rates adjusted to reflect the accident fatality rates in each specific country relative to the U.S.
- Detailed data is available for Takata airbag litigation in the U.S. This information allowed me to:
 - Determine the percent of individuals willing to sue (propensity to sue) in the U.S. While it is recognized that the propensity to sue in the U.S. is significantly higher than in the rest of the world, no precise measures of the propensity are available. Therefore, it was necessary to estimate the propensity to sue by determining the recording rate of ruptures⁶ and the propensity of those recorded ruptures to file a claim.
 - Determine the average amount of indemnity paid to resolve claims. While it is recognized that, all else equal, the average indemnity paid in the U.S. is higher than that paid in the rest of the world, no precise measures are available. The forecast assumes that average indemnity paid in non-U.S. countries can be determined by the relative average income in the country relative to the U.S.

Table S-1 provides a summary of the total cost of resolving all pending and future airbag related Personal Injury claims against Takata. There are a few claims currently pending or potentially to be filed, but I assume that these claims will be all dismissed or not filed. My indemnity calculation is based on future claims only.

Both Takata and the vehicle manufacturers have been named in the litigation as Defendants. To date, Takata has paid approximately 67% of the indemnity and other Defendants the remaining

⁵ “Forecast of the Indemnity Cost to Resolve All Pending and Future Claims Against TKH Related to Airbags with Defective TKH Inflators - United States, Puerto Rico and the U.S. Virgin Islands”, prepared by Thomas Vasquez, Ph.D., January 4, 2018

⁶ As explained below, I calculate that only about 10% of non-U.S. ruptures are actually recorded.

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33%. Table S-1 presents two cost estimates side-by-side, one using the historical average payment amounts made by all Defendants, and another using those made by Takata alone.

Table S-1 shows the indemnity costs both in nominal terms (the sum of all undiscounted future payments) as well as in net present value terms. The nominal amount paid by all Defendants to resolve all future claims is approximately \$150 million. The amount to be paid by Takata is approximately \$100 million.

Table S-1

**Total Indemnity Cost of Resolving All Pending and
Future Airbag Related Claims Against Takata
Worldwide (excluding U.S., Puerto Rico, the U.S. Virgin Islands and Japan)
(Dollars in Millions)**

Category	Nominal		Net Present Value	
	All Defendants	Takata Share	All Defendants	Takata Share
Pending	\$0	\$0	\$0	\$0
Future	\$150	\$100	\$100	\$70
Total	\$150	\$100	\$100	\$70

Note: Using recent year (2015-2017) settlements as a basis for average indemnity and for estimating the share of Takata among all Defendants
Figures are rounded to the nearest \$10 million.

The average indemnity paid to resolve non-U.S. claims is calculated using the amount paid in the U.S. adjusted for differences in average income and the litigation environment generally. Therefore the trends and absolute level of U.S. payments affects the non-U.S. forecast of total indemnity costs.

The average indemnity paid to settled claims in the U.S. has increased dramatically since the early years of the tort. The average amount paid by all Defendants on claims settled after 2014 was more than three times the average amount paid by all Defendants on claims settled 2014 and earlier. It is likely that future claims will be paid at least as much as the more recent claims were. Accordingly, I use the average indemnity paid over the most recent years (2015-2017) as a basis of valuing the claims.

The methodology used to determine At Risk vehicles over time is a life cycle model that is initiated in 2017 with a stock of At Risk vehicles and statistically follows each vehicle over time. The initial stock of vehicles is obtained by analyzing Takata's inflator production data and

Expert Report of Thomas Vasquez, Ph.D.

PricewaterhouseCoopers' Autofacts vehicle production data. During 2017, the stock of At Risk vehicles declines due to various factors including completed recalls, accidents, and abandonments. The end of 2017 stock is reduced by these factors to yield the stock of At Risk vehicles at the end of 2018. This process is repeated every year until the vehicles reach 25 years of age.

Table S-2 provides a summary of the key forecasting results. It provides a summary of vehicles At Risk, accidents, accidents with frontal airbag deployments, and ruptures.

Table S-2
Estimated Number of Ruptures by Year (or Calendar Year Period)

Year	Vehicles at Risk Non-Desiccated PSAN Inflators (millions)	Accidents (thousands)	Accidents with Frontal Airbag Deployment (thousands)	Ruptures
2017	125.2	7,386	337	351
2018	122.1	7,180	329	407
2019	118.4	6,942	319	436
2020	114.3	6,672	308	470
2021	109.6	6,369	295	509
2022-2026	92.2	5,286	249	601
2027-2031	57.9	3,234	157	542
2032-2036	25.8	1,414	72	323
2037-2041	5.7	299	17	83
Total		85,713	4,059	9,921

Note: Vehicles at Risk at the beginning of year, or beginning of period, after completed recalls and abandonments. For periods involving multiple years, annual average number of vehicles, accidents, airbag deployments, and ruptures are shown. Excludes the U.S., Puerto Rico, U.S. Virgin Islands, and Japan.

The remainder of the report describes the methodology and data sources in detail.

Expert Report of Thomas Vasquez, Ph.D.

Section 1: Methodology

The model provides annual forecasts of the indemnity cost of resolving all airbag related personal injury claims filed in the United States against Takata resulting from airbag ruptures in other countries.⁷ There are two categories of claims – pending claims (claims already filed against Takata that are unresolved as of the Petition Date⁸) and future claims (claims related to injuries that are anticipated to occur after the Petition Date).

Pending Claims

There are 37 pending claims.⁹ I assume that these claims will be all dismissed or not filed. My indemnity calculation is based on future claims only.

Future Claims

The indemnity cost of resolving future claims requires an estimation of the annual number of claims anticipated to be filed in the future. The number of future claims depends on the number of injuries related to an airbag rupture.¹⁰ The forecast of injuries is produced using a life-cycle model that identifies At Risk vehicles and follows the vehicles through their useful life, assumed to be 25 years. Each year a calculation is made for each vehicle to determine whether the vehicle is in an accident, if the accident causes an airbag deployment, if the airbag deployment results in a rupture, and if so, if the rupture causes any injuries. If none of those events occur, the vehicle is either abandoned, has a replacement of the recalled airbag, or the vehicle is aged one year and the process is repeated for the next year. The calculations are repeated each year until all remaining At Risk vehicles are older than 25 years.

Chart M-1 provides a flow chart of the methodology for forecasting future claims.

⁷ Claims from accidents that occurred in the U.S., Puerto Rico, the U.S. Virgin Islands and Japan are excluded from the indemnity cost estimate.

⁸ June 25, 2017

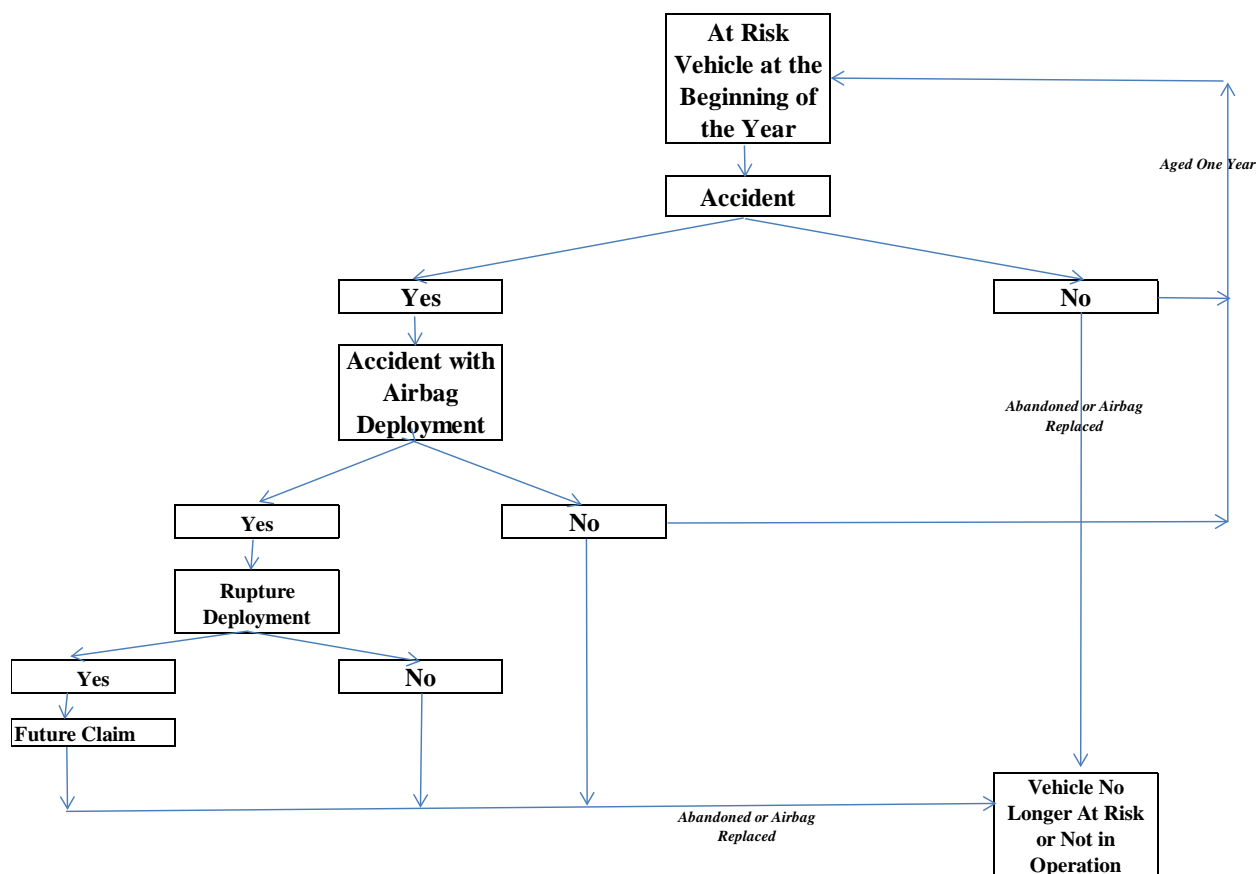
⁹ To be precise, there are 2 open claims (already filed but pending), and 35 known, but yet-to-be-filed claims.

¹⁰ Generally, the number of claims is not precisely matched to the number of injuries. Not all injured individuals will file a claim and it is likely that many individuals not injured by a ruptured airbag will nonetheless file a claim.

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Chart M-1

Methodology for Forecasting Future Claims



A vehicle is no longer At Risk if the airbag is replaced or the vehicle is abandoned (no longer in operation). If the vehicle is repaired, it is assumed that all airbags containing recalled PSAN inflators are replaced and the vehicle is no longer At Risk. A vehicle is also considered no longer At Risk if it is involved in an accident with an airbag deployment, regardless of rupture.¹¹

All parameters used in the forecasting model, including the rates of accident, airbag deployment, and inflator rupture, are empirically determined from data provided by Takata, government sources, or other third-party sources. Each component of the methodology is described in detail below.

¹¹ I assume that if a vehicle is involved in an accident and the airbag deploys, then the airbag is replaced with a non-Takata airbag or a desiccated Takata airbag.

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At Risk Vehicles

The forecast requires the stock of At Risk vehicles in operation at the beginning of 2017. In the U.S. model, the stock was obtained through Polk registration data and vehicle descriptions provided in the various NHTSA recalls. Polk data (or its equivalent) was not available for countries outside of the U.S.

Instead, At Risk vehicles were estimated using Takata airbag production data, vehicle production data, and data on total vehicle registrations by country. The airbag production data was aggregated by the location of the manufacturing plant, year of production, and type of inflator. Appendices E and F provide summaries of the airbag production data and vehicle production data used in the calculations. The number of airbag modules sold was then converted into the number of vehicles sold with a PSAN inflator. This was done using the same overall ratio of vehicles with one airbag to vehicles with two airbags found in the United States. Finally, the stock of vehicles was lowered to account for abandonments that occurred from the time of sale to the end of 2016.

The second step was to determine how to geographically distribute the stock of vehicles calculated above. The production data was aggregated to the continent level and compared with the number of registered vehicles by continent to determine net vehicle imports and exports by continent. After accounting for imports and exports, the stock of vehicles by continent was compared to the vehicle registrations, by continent and year, to determine the stock of At Risk vehicles by country.

Table 1-1 shows the number of total vehicles, and the estimated number of vehicles that were sold with Takata airbags, at the end of 2016. The figures in the table do not account for completed recalls.

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Table 1-1**Total Registered Vehicles and Takata "At Risk" Vehicles, End of 2016**

Continent	Registered Vehicles		Continent	Registered Vehicles	
	Total	Takata		Total	Takata
Asia			South America		
China	112	14	Brazil	50	7
India	22	3	Argentina	13	2
Indonesia	15	2	Rest of South America	11	2
Malaysia	11	1	Total, South America	74	11
Thailand	14	2			
Japan	75	9	Europe		
Iran	16	2	Germany	46	9
Russia	42	5	Italy	42	8
Saudi Arabia	9	1	France	38	8
Australia	16	2	Rest of Europe	167	34
Rest of Asia	69	8	Total, Europe	294	59
Total, Asia	400	49			
			North America ¹		
Africa	38	5	Mexico	32	7
			Canada	21	5
			Caribbean ²	3	1
			Central America	5	1
			Total, North America	62	14
			Grand Total	867	138

¹ Does not include the United States² Caribbean countries include: Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Barbados, British Virgin Islands, Cayman Islands, Cuba, Dominica, Dominican Republic, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, Netherlands Antilles, Saint Barthelemy, Saint Kitts & Nevis, Saint Lucia, Saint Martin, Saint Vincent and the Grenadines, Trinidad and Tobago, and Turks and Caicos Islands.

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Since the risk associated with a vehicle depends (among other things) on the type of the airbag inflator, I further differentiate among the At Risk vehicles by the inflator type.

The following is a list of all PSAN inflators with 2004 propellants considered by the model:

- Programmable Smokeless Driver Inflator (PSDI)
 - Alpha inflators (inflators manufactured in early years – generally in 2000 and 2001 – including propellants manufactured on the “Stokes Press”)
 - Beta inflators – all other PSDI inflators
 - PSDI’s are subject to OEM recall (see later)
- PSDI-4 inflators:
 - Like PSDI’s, the propellants in the PSDI-4’s are “batwing” shaped
 - PSDI-4’s are subject to OEM recall (see later)
- Non-PSDI, non-batwing inflators
 - Non-desiccated
 - Desiccated
 - These inflators are not subject to OEM recall (see later)

PSDI Alpha inflators were produced at the Moses Lake facility from approximately June 2000 through February 2001. The shape of the propellant resembled a “batwing” and it was pressed using the so-called Stokes Press, which allegedly did not have sufficient compaction force, and produced propellants that had insufficient density. These inflators are tracked separately since their rupture rate is significantly higher than the rupture rate of all other PSAN 2004 inflators including so-called PSDI Beta inflators that were produced later using different production methods.

The identification of vehicles with different types of inflators was accomplished using data on airbag module sales by type of inflator used and year of sale.

Table 1-2 shows the number of vehicles by type of inflator at the end of 2016 before accounting for completed recalls. In total, there were approximately 138 million vehicles with PSAN 2004 inflators on the road at the end of 2016. Unlike in the United States and Canada, countries with authoritative agencies have either not publicized most of their recall efforts, or have not begun to recall most of the affected types of PSAN inflators.

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Table 1-2
At Risk Vehicles at the End of 2016 by Continent and Inflator Type

Continent	Vehicles with Non-Desiccated Inflators (millions)			Vehicles with Desiccated Inflators (millions)			Total Vehicles with PSAN Inflators
	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated 2004	Total	Desiccated 2004	2004L Propellant	
Africa	0.0	0.1	4.5	4.5	0.0	1.5	6.1
Asia	0.2	0.9	47.6	48.7	0.4	21.0	70.2
Europe	0.0	0.2	58.1	58.2	0.8	15.1	74.1
North America	0.2	0.3	11.9	12.4	1.7	7.0	21.0
South America	0.0	0.0	10.3	10.4	0.3	4.2	14.9
Total	0.5	1.5	132.3	134.3	3.2	48.7	186.3

Note: Excludes U.S., Puerto Rico, and the U.S. Virgin Islands.

Takata, the OEMs, and other government agencies have recognized that temperature and humidity affect the probability of rupture and have created geographic areas to differentiate higher and lower risk areas. These areas are called Zones. Appendix C provides various maps with the four Takata Zones used worldwide.¹² In the United States, I distinguish Florida from the rest of the states in Zone 1, and in the international forecast, I make a similar distinction for regions and countries with extremely high humidity.¹³ The term Zone used in this report refers to the four geographic areas identified by Takata (Zones 1 through 4) plus regions and countries with extremely high humidity (Zone 0). Some countries have regions that fall into different zones. In those cases, the vehicle stock of the country was split between the different humidity zones in the proportion of their population, and the zones within a country were modeled separately.

Table 1-3 is similar to Table 1-2, except that it shows the number of vehicles with PSAN inflators by humidity Zone. As in Table 1-2, the figures account for abandonments, but not for completed recalls.

¹² Zone 1 is the highest risk Zone and accounts for the overwhelming share of the ruptures recorded to date. The higher the number of the zone the lower the risk.

¹³ A region or country with Average Absolute Humidity higher than 20g/m³ were re-classified as Zone 0. All the re-classified regions and countries were originally classified as Zone 1. All the Caribbean countries were re-classified as Zone 0.

Expert Report of Thomas Vasquez, Ph.D.

Table 1-3**At Risk Vehicles at the End of 2016 by Zone and Inflator Type**

Continent	Vehicles with Non-Desiccated Inflators (millions)				Vehicles with Desiccated Inflators (millions)			Total Vehicles with PSAN Inflators
	PSDI Alpha	PSDI Beta	Non-PSDI Desiccated 2004	Total	Desiccated 2004	2004L Propellant	Total	
Zone 0	0.0	0.0	0.3	0.3	0.0	0.2	0.2	0.5
Zone 1	0.1	0.4	21.1	21.6	0.7	9.4	10.1	31.6
Zone 2	0.1	0.3	20.7	21.1	0.4	7.9	8.3	29.4
Zone 3	0.1	0.4	34.2	34.7	0.8	12.8	13.6	48.3
Zone 4	0.2	0.5	56.0	56.7	1.3	18.5	19.7	76.4
Total	0.5	1.5	132.3	134.3	3.2	48.7	52.0	186.3

Note: Excludes U.S., Puerto Rico, and the U.S. Virgin Islands.

Completed Recalls

Currently, OEMs have begun voluntary recalls on certain PSAN inflators in more humid environments.¹⁴ Unlike in the United States, most countries do not have a government agency that is requiring the recalls and overseeing the progress of the OEMs to repair At Risk vehicles. The OEMs have not provided Ankura with recall and repair data for vehicles internationally, and government agencies in other countries have not dedicated as much time or resources to initiating and tracking recalls and completion rates. Because of this, assumptions had to be made regarding which inflators would be recalled and the completion rates of those recalls.

Outside the U.S., there are no large-scale government mandated recalls (with a few exceptions) - they are recalls initiated by OEMs to deal with the inflators most likely to result in a rupture.¹⁵

¹⁴ News articles have covered some OEMs' voluntary recall efforts made in other countries.

¹⁵ The studies I looked at include (1) "Safety Recalls Completion", NHTSA & SAE International, retrieved from: <http://www.sae.org/events/gim/presentations/2012/timian.pdf>, (2) "Recall Completion Rates Steadily Improving", WardsAuto, retrieved from <http://wardsauto.com/print/industry/recall-completion-rates-steadily-improving?page=1>, (3) "Completion Rates vary Depending on the Age of the Vehicle Recalled", Auto Alliance, retrieved from <https://autoalliance.org/safety/recalls>, (4) Stout Risius Ross study, presented at the 4th Annual Automotive Industry Warranty and Recall Symposium, (5) Peoples, A. (n.d.). *Manufacturers' Guide to Recalls in the UK Automotive Sector*. In *Driver & Vehicle Standards Agency*. Retrieved from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/302389/manufacturers-guide-to-recalls-in-the-uk-automotive-sector.pdf, (6) Greimel, H. Automotive News. Japan's laws, attitude help recalls work better. Retrieved from <http://www.autonews.com/article/20141221/OEM11/312229958/japans-laws-attitude-help-recalls-work-better>, and (7) Peoples, A. (2013, May 15). Vehicle & Operator Services Agency. Improving Recall Response Rates. Retrieved from <http://citainsp.org/wp-content/uploads/2016/02/PS4-P1fPPT-Alastairs-people.pdf>

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In the U.S. the eventual completed recall rate varies by OEM – approximately 70-85% for Honda and 55% on average for all other OEMs.

I assumed that outside of the U.S., the only inflators recalled and replaced are those with “batwing” shaped propellants.¹⁶ That includes PSDI and PSDI-4 inflators. Recall completion rates vary by continent, but all completed recalls are expected to occur between a 3-year period starting in 2017 and ending in 2019.

Table 1-4 shows the assumed future recall completion rates, by continent.

Table 1-4
Recall Completion Rates For "Batwing" Propellants
by Continent

Continent	2017	2018	2019 and after
North and Central America	45%	65%	80%
South America	28%	41%	50%
Europe	53%	77%	95%
Asia	45%	65%	80%
Africa	14%	20%	25%

Vehicle Abandonment Rates

Abandonment rates are not available outside of the U.S. The international model relies on U.S. abandonment rates computed from Polk registration data. Using Polk registration data for the years 2014, 2015 and 2016, the change in the number of registered vehicles from 2014 to 2015 and from 2015 to 2016 was calculated for each model-year. The change in registrations by model-year was then divided by the prior year stock of vehicles to yield an abandonment rate by the age of the vehicle. As expected, the calculation shows that the annual rate of abandonment increases as vehicle age increases.

Table 1-5 shows the U.S. vehicle abandonment rates by groups of five years. Appendix D shows the full table by single year of age.

¹⁶ This assumption is based on verbal communication with the Takata EMEA Engineering team.

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Table 1-5
Vehicle Abandonment Rates by Vehicle Age

<u>Vehicle Age Group</u>	<u>Average Annual Abandonment Rate¹</u>	<u>Remaining Vehicles (End Age of Group)</u>
Age 5 and Younger	0.58%	96.55%
Age 6 to 10	2.15%	86.61%
Age 11 to 15	6.49%	61.88%
Age 16 to 20	11.24%	34.09%
Age 21 to 25	11.36%	18.65%

¹Calculated by averaging the annual abandonment rates within each age group

Accidents and Frontal Airbag Deployments

Of course, not all At Risk vehicles will experience an accident and the deployment of an airbag. This section describes the data sources and methodology used to estimate the number and timing of accidents involving At Risk vehicles with a resulting deployment of a frontal airbag. The methodology has three steps:

- Determining whether the vehicle is in an accident in any given year;
- If so, whether any of the frontal airbags deployed during the accident;
- If there was an airbag deployment was it a driver airbag, a passenger airbag or both.

Probability of Being in an Accident

The accident rates used in the international model vary based on continent and the country's income level. Due to the lack of information and data available on accidents in most countries, road fatalities were used as a proxy to modify the observed accident rate in the United States. Fatality rates published by the World Health Organization ("WHO") were used to determine road fatalities.¹⁷

The WHO report provides an estimate of the total number of road fatalities and the percent of those by each mode of transportation (motorcycles, passenger vehicles, trucks, buses, pedestrians). Using this information, the total number of fatalities was divided by registered vehicles in the country. This ratio was then compared to the same ratio for the U.S. to allow for variations in accident rates across countries.

It is clear that the ratio of road fatalities to vehicle registrations varies by country, but a significant portion of the variation can be explained by the relative income level of the countries.

¹⁷ Source: "The Global Status Report on Road Safety 2015," World Health Organization

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For this reason, countries within a continent were grouped according to relative income levels – high, middle and low.¹⁸ All accident rate calculations are made at this level.¹⁹

Table 1-6 shows the accident rates used by the model.

Table 1-6
Accident Rates by Continent and Country's Income Level

Continent / Income Level	Accident Rate	Relative Accident Rate (North America / High Income = 1.00)
North and Central America		
High Income Country	4.25%	1.00
Middle Income Country	5.95%	1.40
South America		
High Income Country	5.95%	1.40
Middle Income Country	8.33%	1.96
Europe		
High Income Country	4.25%	1.00
Middle Income Country	5.95%	1.40
Asia		
High Income Country	5.95%	1.40
Middle Income Country	8.33%	1.96
Low Income Country	11.66%	2.74
Africa		
Middle Income Country	8.33%	1.96
Low Income Country	11.66%	2.74

To forecast the number of Takata airbag deployments, it must be noted that some of the At Risk Vehicles have a Takata inflator only in the driver-side airbag, others only in the passenger-side airbag, and yet others in both airbags. In addition, it also must be taken into account that a passenger is not always present in the vehicle, and in those cases, the passenger-side airbag would not deploy, no matter how serious is the accident.²⁰

¹⁸ The classification was based on the countries' Gross National Income (GNI) level reported in "The Global Status Report on Road Safety 2015," by the World Health Organization

¹⁹ Due to reporting and definitional issues, the ratio of road fatalities to registered vehicles is very volatile across countries. Because of this, the direct results of the fatality ratio are often somewhat modified before being used in the forecast.

²⁰ There is a sensor built in the front seats that senses whether anyone is sitting there. Airbags would only deploy in case the vehicle "understands" that there is someone sitting on the seat behind the airbag.

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International data on airbag deployments was not available. Therefore, I relied on the FARS/GES database, as I did in my analysis for the U.S.²¹ I considered frontal airbag deployments only, and calculated separate rates for driver-side and passenger-side deployments.

Table 1-7 shows the airbag deployment rate for the driver airbag and the passenger airbag used in the model. The probability of a driver-side airbag deployment is significantly higher than that of a passenger-side deployment, mainly because frequently there are no passengers in the vehicle.

Table 1-7
Airbag Deployment Rates by Occupant Location
(Counts in Millions)

<u>Occupant Location</u>	<u>Total Airbag Deployments</u>	<u>Total Accidents</u>	<u>Deployment Rate</u>
Driver	1.90	32.16	5.92%
Passenger	0.35	32.16	1.09%
 Total/Average	 2.25	 64.31	 3.50%

Source: FARS GES Database 2013, 2014, & 2015

Defective Deployments

Not every deployment of a Takata airbag results in a rupture. Indeed, the probability of a rupture is very low. The next step in the analysis was to determine the appropriate rupture rate. The rupture rates used in the model rely on the analysis of the Master Engineering Analysis File (“MEAF”), Takata’s inflator testing database. Analysis of the MEAF data has clearly shown that the rupture rate depends on a number of characteristics of the inflator. I identified four key characteristics that must be accounted for in the forecast:

- 1.) Age of the Vehicle
- 2.) Geographic Risk Zone
- 3.) Type of Inflator
- 4.) Vehicle Platform (Small-Size vs Large-Size)

Table 1-8 through 1-12 provides a summary of the rupture rates used in the forecast for vehicles in Zones 0 through 4. Since the only ballistic test data I had access to was based on U.S. vehicles (the “MEAF” data), I used the U.S. rupture rates for my forecast.

²¹ Source: NHTSA’s National Automotive Sampling System General Estimates Systems “Person” datafile, 2013-2015

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Table 1-8
Rupture Rates By Inflator Type, Vehicle Age, Platform Type
Zone 0

Age	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated small platform	Non-PSDI Non-Desiccated large platform
8	0.4%	0.4%	0.3%	0.0%
9	0.6%	0.6%	0.4%	0.1%
10	1.4%	1.4%	1.0%	0.0%
11	1.7%	1.7%	1.2%	0.1%
12	4.9%	3.2%	1.2%	0.1%
13	6.6%	3.2%	1.9%	0.3%
14	10.0%	3.2%	2.2%	0.4%
15	51.6%	3.2%	2.5%	0.5%
16	57.7%	3.8%	2.9%	0.5%
17	57.7%	4.3%	3.2%	0.6%
18	57.7%	4.9%	3.5%	0.7%
19	57.7%	5.4%	3.8%	0.7%
20	57.7%	6.0%	4.2%	0.8%
21	57.7%	6.5%	4.5%	0.9%
22	57.7%	7.1%	4.8%	0.9%
23	57.7%	7.6%	5.1%	1.0%
24	57.7%	8.2%	5.5%	1.1%
25	57.7%	8.7%	5.8%	1.1%

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Table 1-9
Rupture Rates By Inflator Type, Vehicle Age, Platform Type
Zone 1

Age	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated small platform	Non-PSDI Non-Desiccated large platform
8	0.3%	0.3%	0.2%	0.0%
9	0.2%	0.2%	0.2%	0.0%
10	0.4%	0.4%	0.3%	0.0%
11	0.7%	0.7%	0.5%	0.0%
12	2.3%	2.0%	0.3%	0.0%
13	2.7%	2.0%	0.7%	0.1%
14	3.4%	2.0%	0.8%	0.1%
15	17.5%	2.0%	0.9%	0.1%
16	35.3%	2.3%	1.0%	0.1%
17	35.3%	2.6%	1.1%	0.1%
18	35.3%	2.9%	1.2%	0.1%
19	35.3%	3.2%	1.3%	0.1%
20	35.3%	3.5%	1.4%	0.2%
21	35.3%	3.8%	1.5%	0.2%
22	35.3%	4.1%	1.6%	0.2%
23	35.3%	4.3%	1.7%	0.2%
24	35.3%	4.6%	1.8%	0.2%
25	35.3%	4.9%	1.9%	0.2%

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Table 1-10
Rupture Rates By Inflator Type, Vehicle Age, Platform Type
Zone 2

Age	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated small platform	Non-PSDI Non-Desiccated large platform
8	0.0%	0.0%	0.0%	0.0%
9	0.1%	0.1%	0.1%	0.0%
10	0.1%	0.1%	0.1%	0.0%
11	0.1%	0.1%	0.1%	0.0%
12	0.1%	0.1%	0.1%	0.0%
13	1.8%	0.3%	0.1%	0.0%
14	2.1%	0.4%	0.1%	0.0%
15	3.1%	0.5%	0.1%	0.0%
16	9.6%	0.7%	0.1%	0.0%
17	9.6%	0.8%	0.1%	0.0%
18	9.6%	0.9%	0.1%	0.1%
19	9.6%	1.1%	0.1%	0.1%
20	9.6%	1.2%	0.1%	0.1%
21	9.6%	1.3%	0.1%	0.1%
22	9.6%	1.5%	0.1%	0.1%
23	9.6%	1.6%	0.1%	0.1%
24	9.6%	1.7%	0.1%	0.1%
25	9.6%	1.9%	0.1%	0.1%

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Table 1-11**Rupture Rates By Inflator Type, Vehicle Age, Platform Type
Zone 3**

Age	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated small platform	Non-PSDI Non-Desiccated large platform
8	0.0%	0.0%	0.0%	0.0%
9	0.0%	0.0%	0.0%	0.0%
10	0.0%	0.0%	0.0%	0.0%
11	0.0%	0.0%	0.0%	0.0%
12	0.0%	0.1%	0.0%	0.0%
13	1.1%	0.2%	0.0%	0.0%
14	1.1%	0.3%	0.0%	0.0%
15	1.2%	0.3%	0.0%	0.0%
16	1.4%	0.4%	0.1%	0.0%
17	1.4%	0.5%	0.1%	0.0%
18	1.4%	0.6%	0.1%	0.1%
19	1.4%	0.7%	0.1%	0.1%
20	1.4%	0.8%	0.1%	0.1%
21	1.4%	0.8%	0.1%	0.1%
22	1.4%	0.9%	0.1%	0.1%
23	1.4%	1.0%	0.1%	0.1%
24	1.4%	1.1%	0.1%	0.1%
25	1.4%	1.2%	0.1%	0.1%

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Table 1-12
Rupture Rates By Inflator Type, Vehicle Age, Platform Type
Zone 4

Age	PSDI Alpha	PSDI Beta	Non-PSDI Non-Desiccated small platform	Non-PSDI Non-Desiccated large platform
8	0.0%	0.0%	0.0%	0.0%
9	0.1%	0.1%	0.0%	0.0%
10	0.1%	0.1%	0.0%	0.0%
11	0.1%	0.1%	0.0%	0.0%
12	0.1%	0.1%	0.0%	0.0%
13	1.1%	0.2%	0.0%	0.0%
14	1.1%	0.3%	0.0%	0.0%
15	1.2%	0.4%	0.1%	0.0%
16	1.4%	0.5%	0.1%	0.0%
17	1.4%	0.6%	0.1%	0.0%
18	1.4%	0.7%	0.1%	0.1%
19	1.4%	0.8%	0.1%	0.1%
20	1.4%	0.9%	0.1%	0.1%
21	1.4%	1.0%	0.1%	0.1%
22	1.4%	1.1%	0.1%	0.1%
23	1.4%	1.2%	0.1%	0.1%
24	1.4%	1.3%	0.1%	0.1%
25	1.4%	1.4%	0.1%	0.1%

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Section 2: Valuation of Claims Against Takata – Number of Claims, Types of Injury, Dismissal Rates, Average and Total Indemnity

Through October 2017, 598 claims were filed or known, alleging injury from defective Takata airbags. Table 2-1 shows the number of claims by geographic origin and by status.²²

Table 2-1
Filed or Known Claims to Date By Location and Status

Location	Total Filed Claims					Unfiled Claims	Total All Claims	
	Settled	Dismissed	Open	Total Filed Claims			Number	Percent
				Number	Percent			
U.S.	130	102	105	337	91.8%	189	526	88.0%
Puerto Rico	12	0	1	13	3.5%	7	20	3.3%
Malaysia/Thailand	4	2	1	7	1.9%	5	12	2.0%
South America	1	0	1	2	0.5%	10	12	2.0%
Other	0	2	0	2	0.5%	11	13	2.2%
Unknown	5	1	0	6	1.6%	9	15	2.5%
Total	151	108	108	367	100.0%	231	598	100.0%

As shown by Table 2-1, the great majority of the claims resulted from accidents that occurred in the U.S. or Puerto Rico. Less than 5% of the already filed claims resulted from accidents at places other than the U.S. and Puerto Rico. When including unfiled claims, the international proportion is still less than 10%.

Of the 52 claims filed or known that resulted from international accidents, 15 were resolved. Of these, 10 resulted in pay, 5 were dismissed without pay. The total amount paid by all Defendants for the 10 claims was approximately \$3.8 million, and the amount paid by Takata was approximately \$2.1 million.

Table 2-2 shows the pattern of claims according to the alleged defect, separately for the U.S., and internationally.

²² Unfiled claims are known, but yet-to-be filed claims. They have three possible origins: (a) the claim was filed against one or multiple OEMs but not against Takata, (b) a plaintiff law firm notified Takata about a potential claim that has not been filed yet, and (c) NHTSA notified Takata about a rupture but no claim has been filed yet.

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Table 2-2
Claims by Type of Defect and Origin

Alleged Defect	All Claims		Settled Claims	
	U.S. and Puerto Rico	International	U.S. and Puerto Rico	International
Aggressive Deployment	39	2	10	2
Deployment Malfunction	17	0	1	0
Failure to Deploy	37	1	3	0
Fire	2	0	2	0
Confirmed Rupture	166	30	100	4
Unconfirmed Rupture	109	7	22	1
Unknown	176	12	4	3
Total	546	52	142	10

"Unknown" includes "non rupture" and unknown

With respect to the alleged defect, the mix of international claims is similar to the mix of U.S. claims. A large percent of the total has a confirmed rupture, both in the U.S. as well as in other places of the world. In fact, the international percent is higher, when considering all claims. Since the total number of paid claims outside of the U.S. is rather small, the calculated proportion of confirmed ruptures is probably unreliable.

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Table 2-3
Claims by Type of Injury and Origin

Alleged Defect	All Claims		Settled Claims	
	U.S. and Puerto Rico	International	U.S. and Puerto Rico	International
Loss of Vision				
One Eye	13	1	9	1
Both Eyes	1	1	1	1
Subtotal, Loss of Vision	14	2	10	2
Fatality	19	4	13	1
Traumatic Brain Injury (TBI)	5	0	2	0
Other Types of Injury				
Low	113	19	41	3
Moderate	99	5	37	1
Serious/Severe	54	1	29	0
Subtotal, Other	266	25	107	4
Unknown	242	21	10	3
Total	546	52	142	10

Table 2-3 shows the pattern of claims according to the alleged injury, separately for the U.S. and internationally. The distribution of cases by injury type is similar to what one expects to see in other mass tort cases; relatively few of the cases involve fatalities or very serious injuries (i.e., loss of vision, and TBI); only 38 out of 546 total cases in the U.S. and only 6 out of 52 total cases internationally.

Takata provided a spreadsheet that listed the confirmed field ruptures worldwide by event year and country. Table 2-4 shows the number of historical ruptures, as provided by Takata, along with the ruptures predicted by the model for historical years. From these, I also calculated the implied recording percentages, by country. Clearly, in most countries, the ruptures appear to be underreported.

Table 2-4
Recorded Ruptures and Predicted Ruptures, by Country

Continent	Recorded PSAN Ruptures 2003-2017	Ruptures Predicted by Model 2015-2016	Recording Percentage
Asia			
China	0	72	0%
India	2	49	4%
Indonesia	0	32	0%
Malaysia	10	28	36%
Thailand	1	28	4%
Japan	7	19	36%
Iran	0	13	0%
Russia	0	10	0%
Saudi Arabia	3	10	29%
Australia	1	7	15%
Rest of Asia	6	53	11%
Total, Asia	30	321	9%
Africa	0	17	0%
North America ¹			
Mexico	2	53	4%
Canada	0	7	0%
Caribbean	0	24	0%
Central America	2	19	11%
Total, North America	4	103	4%
South America			
Brazil	12	25	48%
Argentina	0	2	0%
Rest of South America	0	3	0%
Total, South America	12	29	41%
Europe			
Germany	0	4	0%
Italy	1	4	25%
France	0	3	0%
Rest of Europe	7	15	45%
Total, Europe	8	27	30%
Total	54	497	11%

¹ Does not include the United States

Table 2-5 shows the same information as Table 2-4, but the countries are aggregated to continents for presentation purposes.

Table 2-5
Recorded Ruptures and Predicted Ruptures, by Continent

Continent	2015 to 2016		
	Recorded Ruptures	Predicted Ruptures	Recording Percentage
Asia	23	302	8%
Africa	-	17	0%
Europe	8	27	30%
South America	12	29	41%
North America	4	103	4%
Total/Average	47	477	10%

Asia excludes Japan

North America excludes the U.S., Puerto Rico and the U.S. Virgin Islands

Recording percentages computed separately for each country and aggregated for presentation purposes

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Section 3: Calculation of Total Indemnity Cost

Outside of the U.S., there are 37 pending claims (2 open and 35 known but yet-to-be-filed claims). I assume that these claims will be all dismissed or not filed. My indemnity calculation is based on future claims only.

The starting point of the indemnity cost calculation is a forecast of future ruptures, by year, by country. Not every rupture will become a compensable claim, because (a) they may not be recorded, and (b) they may not get filed.

I calculate the recording rate for ruptures by country. I estimate the historical recording rate from a comparison of the historical number of recorded ruptures²³ to the number of ruptures that the forecast model predicts. As presented in Table 2-4 above, I estimate that only about 10% of non-U.S. ruptures are actually recorded. I assume that the historical recording percentages by country will continue to hold in the future.

The probability of filing a claim (the propensity to sue) is not available for events outside of the U.S. While most analysts assume that the non-U.S. propensity to sue is very low relative the U.S., I am not aware of any specific data base that would allow me to determine the non-U.S. propensity to sue with precision. Rather, I rely on much less precise anecdotal information such as the propensity to sue for asbestos related disease and other smaller mass torts. Ultimately, I assume that the propensity to sue is 30% for North America (excluding the U.S.); 10% for Europe and South America, 5% for Asia and 0% elsewhere.

As in the U.S., I assume that individuals will file claims for alleged defects other than ruptures. I rely on the U.S. ratio of non-rupture claims to claims alleging a rupture.²⁴

In summary, I calculate the number of future compensable claims by year and by country as follows:

- The number of forecasted ruptures multiplied by
- the historical recording rate multiplied by
- the propensity to sue multiplied by
- the U.S. ratio of total compensable claims over compensable rupture claims.

Next, I determine the average indemnity paid for compensable claims in different countries. The basis for that is the average amount paid in the U.S. for recently (in 2015 or after) settled claims,

²³ Takata provided a spreadsheet to me that listed the confirmed field ruptures worldwide by event year and country.

²⁴ The ratio of the number of compensable non-rupture claims to the number of compensable rupture claims in the U.S. is approximately 0.65.

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modified by the country's per capita Gross National Income (GNI) relative to the U.S.^{25,26} Table 3-1 shows the relative per capita GNI's for select countries.

Table 3-1
Gross National Income Per Capita Relative to U.S.

Continent	Percent of U.S. Income per Capita	Continent	Percent of U.S. Income per Capita
Asia		South America	
China	14%	Brazil	18%
India	3%	Argentina	22%
Indonesia	6%	Rest of South America	20%
Malaysia	19%	Total, South America	20%
Thailand	10%		
Japan	70%	Europe	
Iran	n/a	Germany	83%
Russia	n/a	Italy	59%
Saudi Arabia	43%	France	73%
Australia	109%	Rest of Europe	54%
Rest of Asia	20%	Total, Europe	67%
Total, Asia	20%		
		North America ¹	
Africa	n/a	Mexico	18%
		Canada	85%
		Caribbean ²	18%
		Central America	18%
		Total, North America	35%

¹ Does not include the United States

² Caribbean countries include: Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Barbados, British Virgin Islands, Cayman Islands, Cuba, Dominica, Dominican Republic, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, Netherlands Antilles, Saint Barthelemy, Saint Kitts & Nevis, Saint Lucia, Saint Martin, Saint Vincent and the Grenadines, Trinidad and Tobago, and Turks and Caicos Islands.

Table 3-2 shows the number of estimated actual ruptures, recorded ruptures, and total compensable claims, by continent. The total estimated worldwide future ruptures (excluding the U.S. and Japan) is 9,921. Adjusting by the worldwide average recording percentage results in 1,689 recorded ruptures. Further adjusting by the worldwide average propensity to sue leaves

²⁵ The average indemnity paid in the U.S. for recently (in 2015 or after) settled claims is approximately \$1.0 million by Takata alone, and approximately \$1.6 million by all Defendants.

²⁶ Source: "World Development Indicators (2016), GNI per capita, Atlas method", The World Bank; retrieved from <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD>

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about 160 compensable rupture claims, and 264 total compensable claims (including ruptures and non-ruptures). For comparison, I expect over 700 future compensable rupture claims in the U.S.

Table 3-2
Summary of Future Claims

Continent	Estimated Future Ruptures	Recorded Ruptures		Propensity to Sue	Total Compensable Claims
		Number	Percent of Total for Continent		
Asia	4,789	363	7.6%	5.0%	30
Africa	571	0	0.0%	0.0%	0
Europe	1,070	320	29.9%	10.0%	53
South America	2,325	959	41.3%	10.0%	158
North America	1,166	46	3.9%	30.0%	23
Total/Average	9,921	1,689	17.0%	9.5%	264

Asia excludes Japan; North America excludes U.S., Puerto Rico and the U.S. Virgin Islands

Country-by-country, future recording percentages are assumed to be the same as historical recording percentages.

However, for the average recording percentage for the whole continent, the future rate diverges from the historical rate, because future ruptures by country are not distributed the same as during the historical period.

To calculate total indemnity costs, I assume that future payments will increase annually by a 2.5% rate of inflation. Finally, net present values are calculated with a 3.5% nominal discount rate (1% real discount rate).

As described above, compensable claims are valued at the average indemnity, which differs country-by-country. Table 3-3 shows the total indemnity costs, both using the average indemnity paid by all Defendants and those paid by Takata alone. Indemnity costs are shown both in nominal and in net present value terms.

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Table 3-3
Summary of Future Claims Valuation
(\$ Millions)

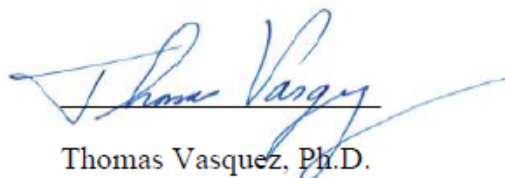
Continent	Total All Defendant Indemnity		Total Takata Indemnity	
	Nominal	NPV	Nominal	NPV
Asia	\$13.4	\$9.8	\$8.8	\$6.4
Africa	\$0.0	\$0.0	\$0.0	\$0.0
Europe	\$62.5	\$42.9	\$40.7	\$28.0
South America	\$63.3	\$42.1	\$41.3	\$27.4
North America	\$7.7	\$6.2	\$5.0	\$4.1
Total	\$147.0	\$101.0	\$95.8	\$65.9

Inflation rate: 2.50%

Real Discount Rate: 1.00%

Asia excludes Japan; North America excludes U.S., Puerto Rico and the U.S. Virgin Islands

The nominal amount to be paid by all Defendants to resolve future worldwide (excluding the U.S./ and Japan) liabilities is approximately \$150 million. Of this, the nominal amount to be paid by Takata alone is approximately \$100 million.



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January 23, 2018

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Appendix A: Constructing the Takata Claimant Database

Takata and their counsel provided five separate databases that were used to construct a single claimant database that includes all the administrative, resolution, medical and incident information available for the processing and evaluation of the claim. The five separate databases are listed in Table A-1

Table A-1
Company/Counsel Original Databases Used to
Construct Takata Claimant Database

- 1.) PI Cases and Claims (12.26.16) - Filed Claims
- 2.) PI Cases and Claims (12.26.16) - Unfiled Claims
- 3.) Settlements (12.26.16)
- 4.) Closed Files
 - Settled
 - Resolved without payment
- 5.) Master ED List - 11-30-2016
- 6.) Seat Belt Cases

Three additional steps were required to complete the claimant database used for my analysis and forecast. First, I eliminated duplicate claimants – those claimants that appeared on more than one of the five databases. Second, certain entries were clearly erroneous and these were corrected. Finally, certain variables were created to facilitate the analysis and forecasting methodology. Table A-2 provides a list of the constructed variables that were ultimately used in the analysis.

Table A-2
Newly Created Variables Used in Analysis

octupdate_defect_final
octupdate_injury_final
octupdate_closed_year_final
takata_amount_10_8_2017
honda_amount_10_8_2017
status_final_10_8_2017
accident_year_final_10_8_2017
filed_year_final_10_8_2017
venue_final_10_8_2017
rupture_flag
venue_flag

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Appendix B: Materials Relied Upon

Abandonment and Recall

- IHS Markit (R.L. Polk) Vehicle Registration data, 2014-2016
- “Recall Population”, Takata, 2016. (Project Bag Production Population Workbook 2016921.xlsx)
- “An International Comparative Study of End-of-Life Vehicle (ELV) Recycling systems”, Sakai, S., et al., August 2013. Retrieved from <https://link.springer.com/article/10.1007/s10163-013-0173-2>
- “Global Recall Matrix”, Takata. 2017. (Global_Recall_Matrix_Working_Version1.xlsx)
- “Manufacturers’ Guide to Recalls in the UK Automotive Sector. In Driver & Vehicle Standards Agency.” Peoples, A. Retrieved from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/302389/manufacturers-guide-to-recalls-in-the-uk-automotive-sector.pdf
- “Japan's laws, attitude help recalls work better.” Greimel, H. Automotive News. Retrieved from <http://www.autonews.com/article/20141221/OEM11/312229958/japans-laws-attitude-help-recalls-work-better>
- “Vehicle & Operator Services Agency. Improving Recall Response Rates”. Peoples, A. May 2013. Retrieved from <http://citainsp.org/wp-content/uploads/2016/02/PS4-P1fPPT-Alastairs-people.pdf>
- “Recall Completion Rates Steadily Improving”, WardsAuto. Retrieved from <http://wardsauto.com/print/industry/recall-completion-rates-steadily-improving?page=1>
- “Completion Rates vary Depending on the Age of the Vehicle Recalled”, Auto Alliance. Retrieved from <https://autoalliance.org/safety/recalls>
- “4th Annual Automotive Industry Warranty and Recall Symposium”, Stout Risius Ross study. Retrieved from <https://societyofautomotiveanalysts.wildapricot.org/resources/Pictures/SRR%20Warranty%20Recall%20Symposium%20Slides.pdf>
- “Safety Recalls Completion”, NHTSA & SAE International. Retrieved from <http://www.sae.org/events/gim/presentations/2012/timian.pdf>

Accident Rate and Airbag Deployment Rates

- “Global Status on Road Safety 2015”, World Health Organization. Retrieved from: http://www.who.int/violence_injury_prevention/road_safety_status/2015/en/
- “Passenger Kilometers Travelled”, Transportation Database 1994-2015, Organisation of Economic Co-operation and Development (OECD). Retrieved from: <https://data.oecd.org/transport/infrastructure-investment.htm>

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- “Real World Accidents NASS vs. GIDAS”, Takata EMEA, 2017. (2e - 20170601 Real_World_Accidents_v02)
- “Accident Statistics Airbag Activation” Takata EMEA, 2017. (2f - 20170601_Accident Study Airbag Activation)
- “Air Bag Deployment Criteria”, Kendall, J. & Solomon, K. Institute of Risk & Safety Analysis. Retrieved from <http://www.experts.com/content/articles/Kenneth-Solomon-Airbag-Paper.pdf>
- “2013 FARS GES Coding and Validation Manual”, NHTSA, 2014. Retrieved from <ftp://ftp.nhtsa.dot.gov/GES/>
- “2014 FARS GES Coding and Validation Manual”, NHTSA, 2015. Retrieved from <ftp://ftp.nhtsa.dot.gov/GES/>
- “2015 FARS GES Coding and Validation Manual”, NHTSA, 2016. Retrieved from <ftp://ftp.nhtsa.dot.gov/GES/>
- “2013 FARS GES Person Datafile”, NHTSA, 2014. Retrieved from <ftp://ftp.nhtsa.dot.gov/GES/>
- “2014 FARS GES Person Datafile”, NHTSA, 2015. Retrieved from <ftp://ftp.nhtsa.dot.gov/GES/>
- “2015 FARS GES Person Datafile”, NHTSA, 2016. Retrieved from <ftp://ftp.nhtsa.dot.gov/GES/>

“At Risk” Vehicles

- “Registered Vehicles by Country”, NationMaster. April 12, 2017. Retrieved from http://www.nationmaster.com/graph-T/tra_mot_veh
- “Global Vehicle Production”, PricewaterhouseCoopers Autofacts. (CHISR02A-#1076155-v1-PSAN_Inflator_Assembly_Country_Analysis_v2)
- “Takata Global Shipment Data”, Takata, 2017. (Complete TKH Ship DataBase 4-6-2017.xlsx)
- “Estimated PSAN Inflators By Country” PricewaterhouseCoopers, 2017. (PSAN Inflator Assembly Country Analysis_v2.xlsx)
- “Takata Global Airbag Module Production”, Takata, 2017 (Airbag Sales 2016Oct-Dec Update_Mar01.xlsx).
- “Inflator Configuration Matrix #1”, Takata, 2017 (2c – Prefix Overview.xlsx)
- “Inflator Configuration Matrix #2”, Takata, 2017 (Propellant by Prefix.xlsx)

Claims

- “Rule of Law Index 2016”, Botero, J. et al., World Justice Project. Retrieved from <https://worldjusticeproject.org/our-work/wjp-rule-law-index/wjp-rule-law-index-2016>

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- “Historical Rule of Law Index Data Ranking”, World Justice Project. Retrieved from <https://worldjusticeproject.org/our-work/wjp-rule-law-index>
- “GNI per capita, Atlas method (current USD)”, The World Bank. Retrieved from <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD>
- “Eye Injury Claims Cases”, Takata (Covington & Burling), 2017. (2b - Claim Data (Eye Injury cases).pdf)
- “Closed Claims”, Takata (Covington & Burling), 2017. (Closed Files.xlsx)
- “Master Deployment List”, Takata (Covington & Burling), 2017. (Master ED List - 12-29-2016.xlsx)
- “Master Claim Log”, Takata (Covington & Burling), 2017. (Master_Claim_Log_(MCL)v20170525.xlsm)
- “Personal Injury Cases and Claims”, Takata (Covington & Burling), 2017. (PI Cases and Claims (12.26.16).xlsx)
- “Seat Belt Cases”, Takata (Covington & Burling), 2017. (Seat Belt Cases.xlsx)
- “Settlement Values”, Takata (Covington & Burling), 2017. (Settlement Values (12.21.16).XLSX)
- “Unfiled Claims”, Takata (Covington & Burling), 2017. (Unfiled Claims.xlsx)
- “Updated Claimant Information”, Takata (Covington & Burling), 2017. (Updated Claimant Information.xlsx)
- “Updated Personal Injury Cases and Claims”, Takata (Covington & Burling), 2017. (Updated PI Cases and Claims (2.3.17) accident date updates V2.xlsx)

Ruptures

- “Global Humidity Map”, Takata, 2017. (2d - climate data maps.ppt)
- “Global Humidity-Dew Point Data”, Takata, 2017. (2d - world_data+dewpoints_April17.xlsx)
- “Expert Report of Harold R. Blomquist”, Ph.D., Harold Blomquist, U.S. DOT & NHTSA, May 4th 2016. Retrieved from <https://www.nhtsa.gov/recall-spotlight/takata-air-bags#takata-air-bags-related-documents>
- “Investigation of Takata Inflator Ruptures”, Malladi, S., Exponent. Retrieved from <https://www.nhtsa.gov/recall-spotlight/takata-air-bags#takata-air-bags-related-documents>
- “History and Factors Influencing Inflator Outcomes”, Takata, April 3, 2017. (History and Factors Influencing Inflator Outcomes.ppt)
- “Orbital ATK Research Summary”, Orbital. September 23, 2016. Retrieved from: <https://www.nhtsa.gov/recall-spotlight/takata-air-bags#takata-air-bags-related-documents>
- “Technical Report on the Current Status of the Takata Root Cause Evaluation Effort”, Takata & Fraunhofer ITC. September 23, 2016. Retrieved from: <https://www.nhtsa.gov/recall-spotlight/takata-air-bags#takata-air-bags-related-documents>

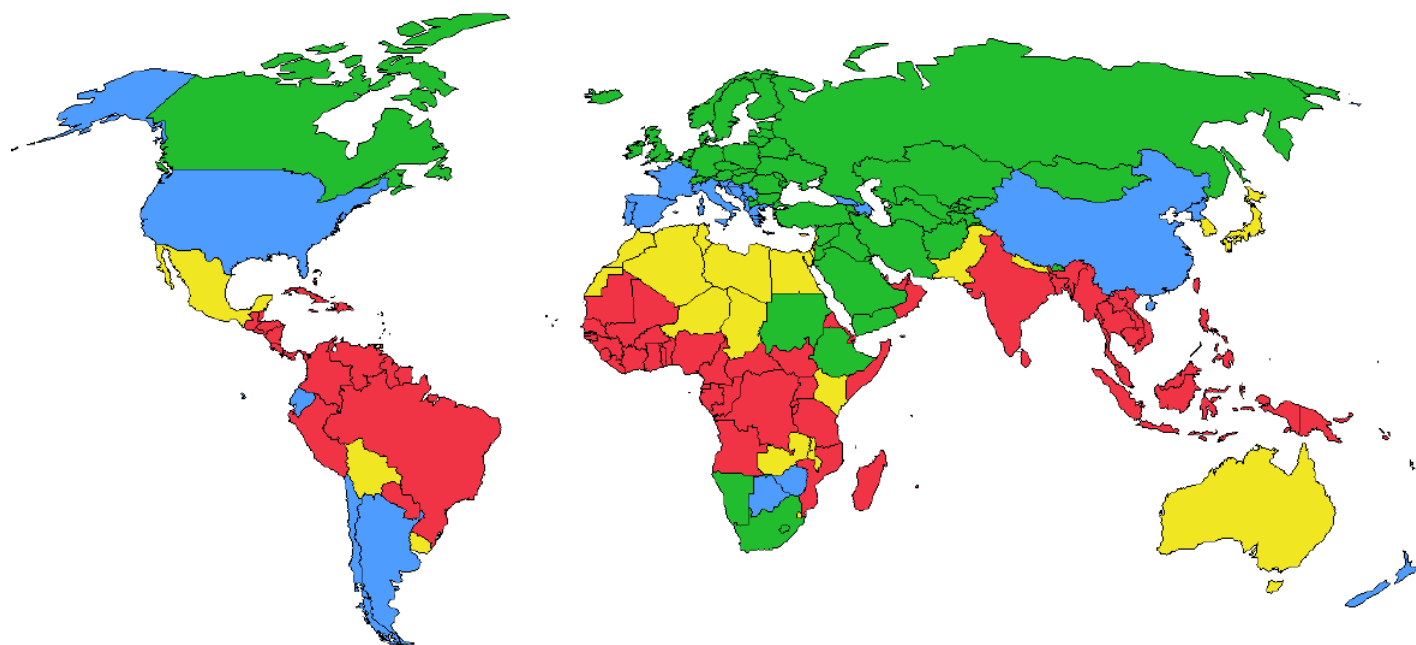
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- “Takata’s Report of Internal Investigation”, Dechert LLP, September 23, 2016. Retrieved from: <https://www.nhtsa.gov/recall-spotlight/takata-air-bags#takata-air-bags-related-documents>
- “Takata Inflator Update EMEA - draft”, Takata, June 1st, 2017 (1a – 20170601 Takata EMEA status handout.pdf)
- “Takata Update to the OEMs”, Takata, November 1, 2017 (Full Presentation US Final 11-1-17.pdf)
- “Master Engineering Analysis File Data Dictionary, Takata, 2017. (MEAF Clean Data Dictionary.xlsx)
- “Master Engineering Analysis File Data”, Takata, 2017. (MEAF for January DAP.csv)
- “Volume of Confirmed Ruptures with Injuries”, Takata, 2016. (Volume of Confirmed Ruptures w Injury Statistics by OEM)
- “Confirmed PSAN Inflator Field Ruptures”, Takata, 2017. (Confirmed PSAN Inflator Field Ruptures.xlsm)

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Appendix C: Takata Risk Zones, based on Average Absolute Humidity

C-1 World

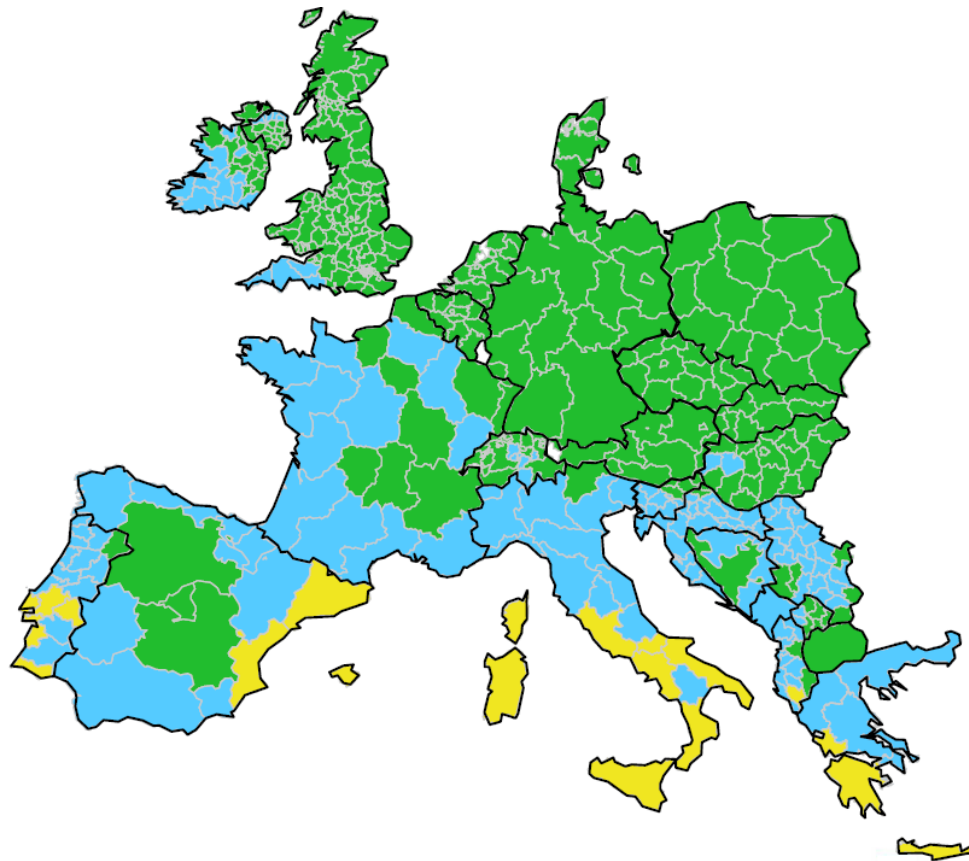


AH Zone

- Zone 1 (AH > 13 g/m³)
- Zone 2 (AH = 10-13 g/m³)
- Zone 3 (AH = 8-10 g/m³)
- Zone 4 (AH < 8 g/m³)

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C-2 Europe

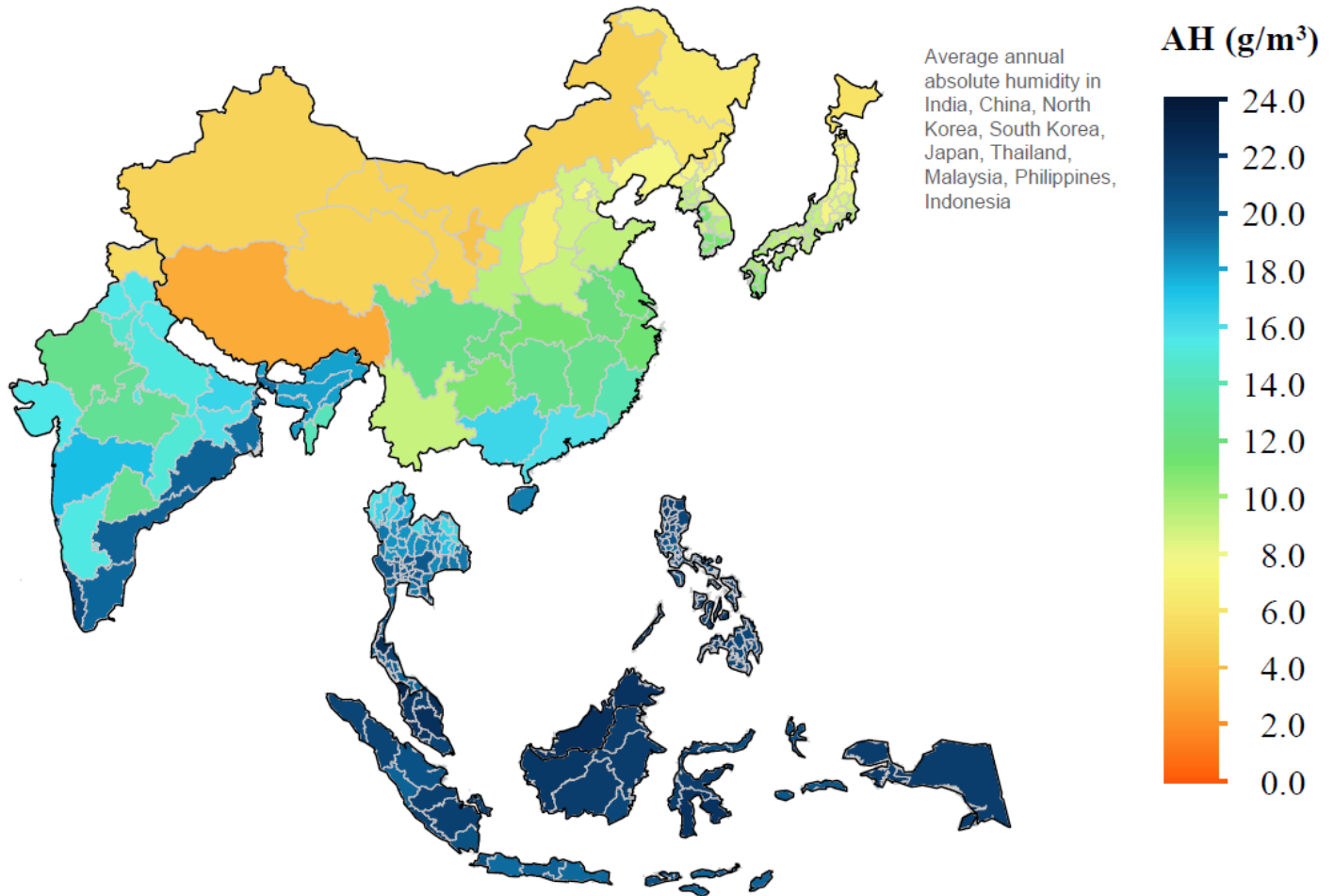


AH Zone

- Zone 1 (AH > 13 g/m³)
- Zone 2 (AH = 10-13 g/m³)
- Zone 3 (AH = 8-10 g/m³)
- Zone 4 (AH < 8 g/m³)

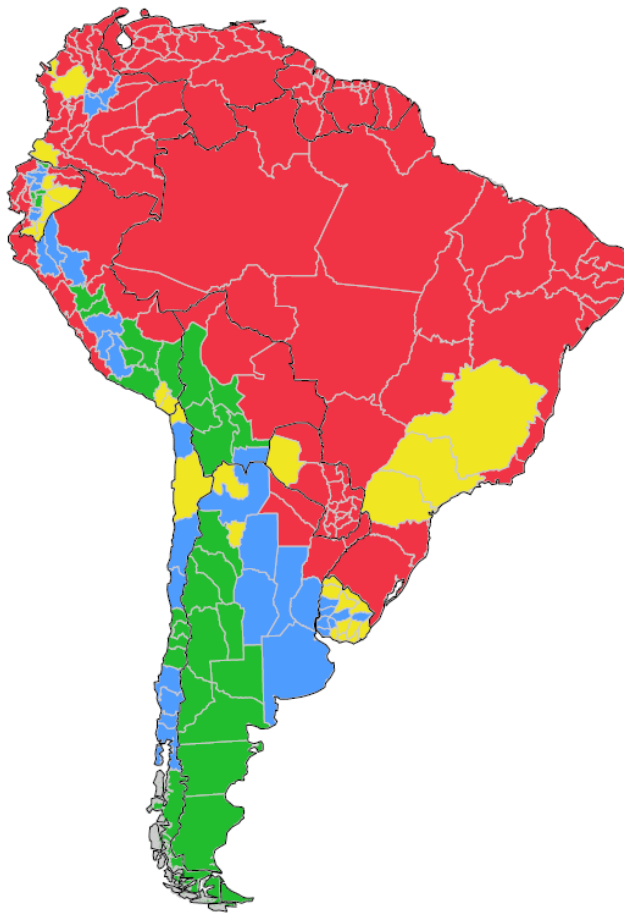
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C-3 Asia



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C-4 South America



AH Zone

- Zone 1 (AH > 13 g/m³)
- Zone 2 (AH = 10-13 g/m³)
- Zone 3 (AH = 8-10 g/m³)
- Zone 4 (AH < 8 g/m³)

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C-5 Central America

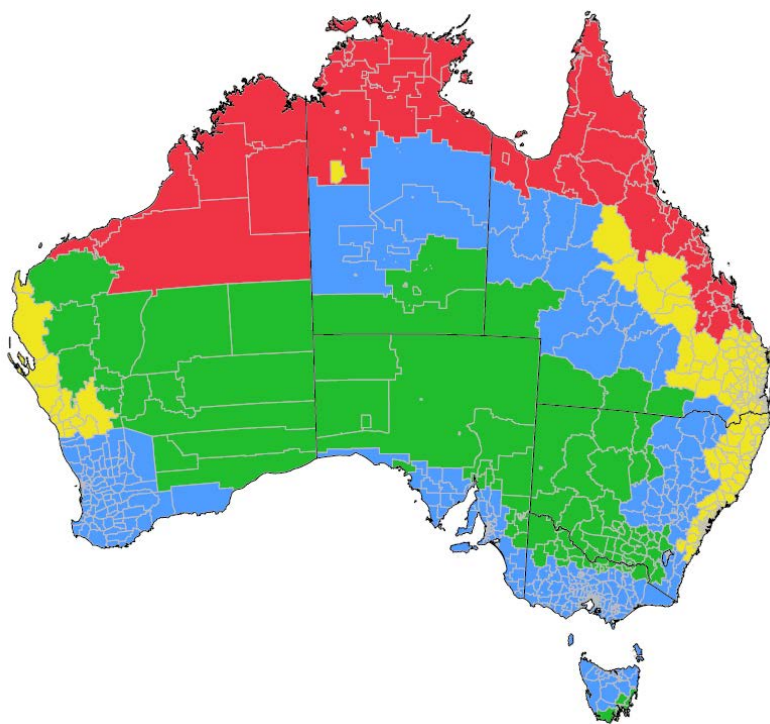


AH Zone

- Zone 1 ($AH > 13 \text{ g/m}^3$)
- Zone 2 ($AH = 10\text{-}13 \text{ g/m}^3$)
- Zone 3 ($AH = 8\text{-}10 \text{ g/m}^3$)
- Zone 4 ($AH < 8 \text{ g/m}^3$)

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C-6 Australia

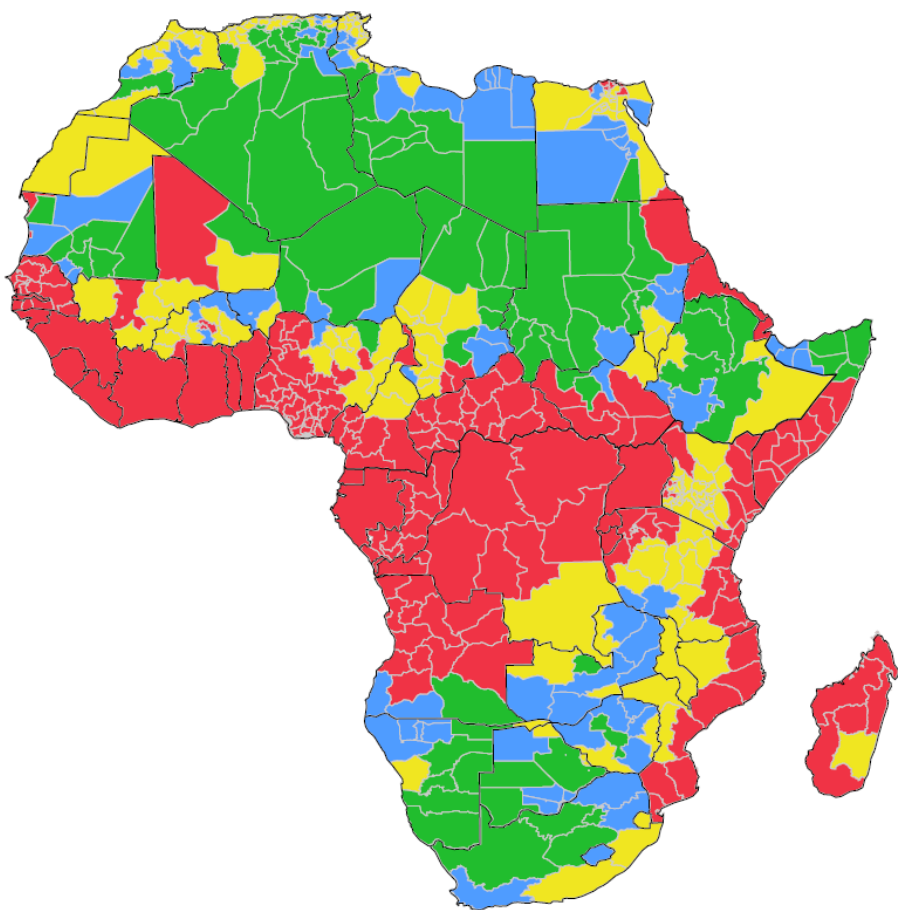


AH Zone

- Zone 1 (AH > 13 g/m³)
- Zone 2 (AH = 10-13 g/m³)
- Zone 3 (AH = 8-10 g/m³)
- Zone 4 (AH < 8 g/m³)

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C-7 Africa



AH Zone

- Zone 1 (AH > 13 g/m³)
- Zone 2 (AH = 10-13 g/m³)
- Zone 3 (AH = 8-10 g/m³)
- Zone 4 (AH < 8 g/m³)

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Appendix D: Vehicle Abandonment Rate by Vehicle Age**Table D-1****Vehicle Abandonment Rates by Vehicle Age**

<u>Vehicle Age</u>	<u>Abandonment Rate</u>	<u>Remaining Vehicles</u>
0 to 1	0.00%	100.00%
1 to 2	0.40%	99.60%
2 to 3	0.61%	99.00%
3 to 4	0.62%	98.38%
4 to 5	0.83%	97.56%
5 to 6	1.04%	96.55%
6 to 7	1.25%	95.34%
7 to 8	1.59%	93.82%
8 to 9	2.05%	91.90%
9 to 10	2.60%	89.51%
10 to 11	3.24%	86.61%
11 to 12	4.00%	83.15%
12 to 13	5.27%	78.77%
13 to 14	6.40%	73.73%
14 to 15	7.90%	67.91%
15 to 16	8.88%	61.88%
16 to 17	9.99%	55.69%
17 to 18	10.63%	49.77%
18 to 19	11.52%	44.04%
19 to 20	11.86%	38.82%
20 to 21	12.18%	34.09%
21 to 22	12.03%	29.99%
22 to 23	12.41%	26.26%
23 to 24	11.66%	23.20%
24 to 25	11.12%	20.62%
25 to 26	9.56%	18.65%

Note: Based on Polk 2014, 2015, 2016 registration data

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Appendix E: Vehicle Production by Country**Total Vehicle Production 2001-2016**
(Millions)

<u>Continent</u>	<u>Vehicles Produced</u>	<u>Continent</u>	<u>Vehicles Produced</u>
Asia		Europe	
China	189.9	Germany	86.7
Japan	149.5	France	42.6
South Korea	60.4	Spain	41.0
India	37.8	United Kingdom	25.9
Russia	22.5	Italy	16.0
Thailand	22.3	Czech Republic	13.9
Iran	16.3	Belgium	10.9
Turkey	14.7	Poland	10.4
Indonesia	10.0	Slovakia	7.9
Malaysia	7.9	Rest of Europe	23.9
Rest of Asia	16.8	Total, Europe	279.4
Total, Asia	548.0		
		North America	
Africa		United States	166.2
South Africa	7.8	Canada	37.5
Rest of Africa	2.7	Mexico	36.1
Total, Africa	10.5	Rest of North America	0.7
		Total, North America	240.5
South America			
Brazil	40.2		
Argentina	7.9	Grand Total	1,129.9
Rest of South America	3.4		
Total, South America	51.5		

All units are before abandonment rate is applied

Source: PWC Autofacts

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Appendix F: Airbag Production by Country**Airbag Production By Country**

(Millions)

<u>Plant Location</u>	<u>PSDI</u>	<u>Non-PSDI</u>	<u>Total 2004</u>	<u>Total 2004L</u>	<u>Plant Location</u>	<u>PSDI</u>	<u>Non-PSDI</u>	<u>Total 2004</u>	<u>Total 2004L</u>
Africa					Europe				
South Africa	-	0.9	0.9	0.0	Czech Republic	-	0.0	0.0	-
					Germany	0.2	58.6	58.8	13.2
Asia					Hungary	-	0.2	0.2	0.1
China	0.4	22.7	23.1	12.7	Russia	-	2.6	2.6	0.3
India	-	0.2	0.2	2.0	Subtotal	0.2	61.4	61.6	13.6
Indonesia	-	0.2	0.2	0.9					
Japan	1.2	43.6	44.8	11.5	North America				
South Korea	-	2.4	2.4	0.5	United States	2.9	18.2	21.1	0.5
Thailand	0.0	8.7	8.7	2.1	Mexico	0.0	47.1	47.1	33.3
Subtotal	1.6	55.1	79.4	29.7	Subtotal	2.9	65.3	68.2	33.8
South America					Grand Total	4.7	193.2	220.6	80.1
Brazil	-	10.4	10.4	2.9					

Based on the final assembly plant of airbag modules

All units are before abandonment rate is applied

Source: Takata Production Documents

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Appendix G: CV of Thomas Vasquez Ph. D.

Dr. Vasquez is a Senior Managing Director at Ankura Consulting Group (Ankura) in the New York office. Dr. Vasquez has over 35 years of experience in management consulting for private sector clients, the development of economic models for US and foreign governments to analyze and develop tax, expenditure and regulatory policy and providing expert testimony over a wide range of issues.

Dr. Vasquez has provided management consulting services for private sector companies in a wide array of industry sectors. The services include identifying methods to: (1) increase the stock price or value of the company; (2) leverage the firm's brand asset; (3) assist underperforming companies and (4) provide general valuation services.

Dr. Vasquez has assisted US and foreign governments in the development of tax, expenditure and regulatory policy. The services include the development of large scale micro-economic models to allow policymakers to determine individual and company behavioral reactions to tax and regulatory policy.

Dr. Vasquez has provided expert testimony, depositions and analytical litigation support on a broad spectrum of issues involving statistical techniques, computer simulation, economic behavior and economic models, including, among others:

- Evaluating the economic and non-economic loss from bodily injury claims. In recent years, Dr. Vasquez has designed the algorithm for determining the damage from the BP Gulf Oil Spill, the NFL Concussion Settlement, the GM Ignition Failure settlement fund, the Takata air bag rupture litigation and virtually all of the major asbestos settlement trusts.
- Using statistical models to forecast a company's future liability from lawsuits related to its former production of asbestos including the following representative assignments – National Gypsum Corporation, the Fibreboard Corporation, Owens Corning, Congoleum, Western MacArthur, Burns and Roe, Inc. and Specialty Products Holding Corp.,
- Using statistical models to forecast a company's future liability from lawsuits related to its former sales of products.
- Using statistical models to determine the settlement value of bodily injury and financial loss claims resulting from exposure to a wide range of hazardous or defective materials or activities.
- The statistical analysis of the determinants of supply and demand in certain industry segments for use in business valuations, determining the reasonable compensation levels in closely held and other companies and the impact of regulation and tax policy on prices, sales and production.

Prior to joining Ankura, Dr. Vasquez was a vice president at Analysis, Research & Planning Corporation (ARPC) from 1999 through 2016. From 1997 to 1999, Dr. Vasquez was the president and CEO of Yankelovich Partners, Inc., a leading market research firm. While at Yankelovich Partners, Dr. Vasquez had responsibility for engagements designed to determine the best approach to maximize the value of the client's firm. These engagements involved understanding the source of the value components of the firm – value of the firm's brand, product/service lines responsible for increasing (decreasing) stock price, the role of joint products and other key components of the firm's value.

From 1993 to 1997, Dr. Vasquez was the National Partner in Charge of Corporate Transactions Services for KPMG Peat Marwick. In this role he practiced in and led four of KPMG's national practices. One practice area was in the area of litigation support. This area involved almost exclusively the use of highly

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trained professionals in providing expert testimony in a wide range of litigation issues. The second practice area involved providing consulting services in the bankruptcy and troubled company area. This area involved analyzing the condition and prospects of a company in financial distress, generally involving recommendations for expense control, revenue growth, elimination/sale of product and distribution lines and the elimination/selling of production sites. The third area is investment banking. This area focused on three major components: (1) buying and/or selling of companies for middle market clients; (2) advice to non-public clients preparing an Initial Public Offering, and (3) advice to clients on methods to increase share price and/or cash flow in anticipation of sale. The fourth area was business valuation. This area focused on the valuation of businesses in a wide range of settings including bankruptcy, fairness opinions, mergers and acquisitions, estate planning and other venues requiring valuation services.

Dr. Vasquez served on the Firm's Board of Directors from 1993 to 1997 and served as the Chairman of the Board's Strategic Planning Committee.

Prior to selling his firm to KPMG, Dr. Vasquez was the founder and President of the Policy Economics Group. Dr. Vasquez was responsible for all data base development and tax simulation modeling for federal and state government clients in the United States as well as foreign governments including among others Egypt, Pakistan, Hungary, the former Soviet Union, Trinidad-Tobago, Virgin Islands, Guam, El Salvador and Guatemala. Dr. Vasquez also developed similar models using specialized industry data bases to determine tax impacts and behavioral responses for commercial firms, industry associations and law firms. These models were also used to formulate the client's strategic direction, market initiatives and value maximization strategies.

Prior to establishing the Policy Economics Group, Dr. Vasquez was the Deputy Director for the U.S. Department of the Treasury Office of Tax Analysis. While there, he guided U.S. tax policy analysis and designed large micro-simulation models and data bases for the U.S. Treasury Department and the Joint Tax Committee of the U.S. Congress. He appeared before Congress to provide testimony on such issues as capital gains taxation. He also designed numerous specialized models and data bases for analyzing policy issues at the company, industry, and individual levels.

Professional Experience:

Vice President, Analysis Research Planning Corporation, 1999 to 2016

President and CEO, Yankelovich Partners Inc., 1997 to 1999

National Partner in Charge, Corporate Transactions Services, KPMG Peat Marwick, 1993 to 1997.

Managing Partner, Policy Economics Group, KPMG Peat Marwick, 1987 to 1993.

Founder and President, Policy Economics Group, 1983 to 1987.

Deputy Director, Office of Tax Analysis, U.S. Department of the Treasury, 1979 to 1983. Assistant Director, 1978 to 1979; Fiscal Economist, 1972 to 1976.

Chief Economist, New York State Economic Development Board, 1977 to 1978.

Staff Economist, Congressional Joint Committee on Taxation, 1976.

Staff Economist, American Enterprise Institute for Public Policy Research, 1972.

Education:

Ph.D., Economics, Clark University, 1973.

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M.A., Economics, Clark University, 1972.

B.S., Mathematics, State University of New York - Potsdam, 1970.

Legal Experience and Testimony:

National Gypsum Company Bankruptcy Proceedings, 1991

Deposition

Testimony

Gerald Ahern, et. al. vs. Fiberboard Corporation, et. al., 1994

Deposition

Testimony

Ezell Thomas, et. al. vs. R.J. Reynolds Tobacco Company, et. al., 1999

Deposition

Fiberboard Corporation and Owens Corning vs. R.J.Reynolds Tobacco Company, et. al., 1999

Deposition

Western Mac Arthur Company and Mac Arthur Company vs. General Accident Insurance Co. of America; United States Fidelity & Guaranty Co.; Argonaut Insurance Company, 1999

Affidavit

CSX Transportation, Inc. and American Home Ins. Co., 2000

Deposition

ADR Proceeding Celotex vs. Travelers Casualty and Surety Co. and London Market Insurers, 2000

Deposition, 2004

Testimony, 2004

Owens Corning Bankruptcy Proceedings, 2001

Deposition, 2004

Trial Testimony, 2005

Michael Albanese vs. Compaq Computer Corporation, 2002

Affidavit

ADR Proceeding ACandS, Inc. vs. Travelers Casualty and Surety Co., 2003

ASARCO vs

Deposition, 2003

Western Mac Arthur Company and Mac Arthur Company Bankruptcy Proceedings, 2003

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Deposition, 2004

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Congoleum vs Ace Ins. Et al, 2005

Deposition, 2005

Trial Testimony, 2006

Gene B. Griego, et al., Plaintiffs, vs. Bechtel National, Inc. et al., Defendants

Deposition, 2005

Sandra Sue Fullen, et al, Plaintiffs v. Philips Electronics North America Corporation, a Delaware corporation, et al., Defendants

Deposition, 2005

St. Paul Fire and Marine Insurance Company, Plaintiff, vs. A.P.I., Inc., Defendant and Counter-Claimant

Deposition, 2005

Expert Report of Thomas Vasquez, Ph.D.

Dana Corporation Bankruptcy Proceedings, Case No. 06-10354(BLR), 2007

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Deposition, 2010

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Deposition, March 29, 2011

Tronox Incorporated, Tronox Worldwide, LLC f/k/a; Kerr-McGee Chemical Worldwide LLC, and Tronox, LLC, f/k/a Kerr-McGee Chemical LLC vs. Anadarko Petroleum Corporation and Kerr-McGee Corporation

Deposition 2012

Specialty Products Holding Corp., et al Bankruptcy proceedings, Case No. 10-11780(JFK), 2012

Deposition, 2012

Trial Testimony, 2013

Fundamental Long Term Care, Inc., Debtor; The Estate of Juanita Amelia Jackson, et al, v. General Electric Capital Corporation, et al; Case No.: 8:11-bk-22258-MGW Chapter 7; United States Bankruptcy Court, Middle District of Florida, Tampa Division.

Deposition, 2014

Trial Testimony, 2014

David M. Elsea, et al, vs U.S. Engineering Company and Jackson County, Missouri; Case No. 1016-CV159-76; Circuit Court of Jackson County, Missouri at Kansas City.

Deposition, 2016

EXHIBIT Q

Ankura Seat Belt PI/WD Claim Analysis

Estimate of the Amount of Indemnity Required to Resolve Seat Belt Related Claims Against Takata

Prepared by Thomas Vasquez, Ph.D.

Ankura Consulting Group

January 17, 2018

I was asked by Counsel representing Takata to provide a forecast of the indemnity¹ required to resolve three categories of seat belt related claims: (1) Open claims, (2) Claims that would have been filed by confirmation if not for the bankruptcy (stayed claims) and (3) Claims arising from the alleged failure of seat belt components sold from the petition date of June 25, 2017 to the assumed effective date of February 28, 2018. The estimate is made under the assumption that Takata had remained solvent and able to pay claims.²

Takata has been named in numerous law suits over the past 25 years. Table 1 shows the number of seat belt related claims filed against Takata by year filed and current status. The counts in Table 1 and the analysis in this report relies heavily on information supplied by Takata's national litigation counsel Covington & Burling LLP.³

Table 1
Seat Belt Related Personal Injury Claims Against Takata

Filed Year	Resolved Claims		Open	Total
	Settled	Dismissed		
2006 and Earlier	73	295	1	369
2007 through 2011	44	72	3	119
2012 through 2016	8	17	16	41
2017 (part year)	0	0	4	4
Total	125	384	24	533

The table shows a significant decline in the number of filings since 2011. Indeed, the five-year period from 2007 through 2011 recorded approximately 3 times the number of filings as in the last five years (120 vs 41). It seems clear that there was a real decline in filings, but likely not as significant as one would conclude from the table. There are other factors in the collection of information and the litigation environment that affect the filing pattern:

- Many claims allege defects in both the seat belt and the airbag. I understand that there was a great deal of effort to exclude any claim that referenced airbag defects. These claims are included in the airbag litigation counts and including them here would double count their effect. However, such effort was likely not applied in the claim counts for earlier years.

¹ Indemnity referred in this report is the settlement amount paid to the plaintiff. It does not include defense costs.

² The Consenting OEMs (as defined in the proposed chapter 11 plan of reorganization of TK Holdings Inc. and its affiliated debtors (Bankr. D. Del. Case No. 17-11375 (BLS) [Docket No. 1629] (the "Plan")) have not reviewed, endorsed, or adopted Ankura's estimate of PSAN PI/WD Claims (as defined in the Plan). Such estimate shall not be binding on the Consenting OEMs in any respect, and the Consenting OEMs reserve all rights to challenge, contest, or object to such estimate in the Chapter 11 Cases (as defined in the Plan), in any other litigation or proceeding, or otherwise.

³ I did not attempt to validate the information by reviewing original documents. However, the information was checked for inconsistencies and compared to other reports provided by counsel.

- Given the litigation involving Takata airbags, it is likely that many individuals named airbag defects as a contributing factor to their injuries – exacerbating the effect of the previous point.

I do not believe that the claim counts are understated; I am simply providing an explanation for the very significant decline in seat belt related filings. The table also shows that an overwhelming percentage of the claims were dismissed or otherwise resolved without indemnity payments. Seventy-five percent (75%) (384 divided by the sum of settled plus dismissed claims) of the claims resolved to date have been dismissed.

Settled Claims

Table 2 shows the amount of indemnity paid over time to resolve the settled claims. Takata's share of the 125 settlements totals \$24.2 million. The average annual number of settled claims and the average annual amount paid has been relatively low and reasonably constant over the years.

Table 2
Indemnity Paid to Resolve Seat Belt Related Personal Injury Claims Against Takata (Takata Share Only)

Closed Year	(Dollars in Thousands)			
	Total		Annual Average	
	Settled Claims	Settlement Amount	Settled Claims	Settlement Amount
2006 and Earlier	63	\$10,904	5	\$839
2007 through 2011	41	\$7,342	8	\$1,468
2012 through 2016	20	\$5,835	4	\$1,167
2017 (part year)	1	\$100	1	\$100
Total	125	\$24,181	na	na

Open Claims

There are 24 open claims alleging injury from seat belt failure/defects.⁴ In addition, I estimate that there are an additional 5 claims that would have been filed if not for the bankruptcy filing by Takata. In total I assume there will be 29 claims alleging injuries from defective seat belts that are unresolved at confirmation.⁵

⁴ Information supplied by national defense counsel, Covington & Burling LLP, identifies only 14 open claims. My count of 24 open claims includes some claims that were filed more than 7 years ago and may have been abandoned by the plaintiff. Since I cannot determine with certainty that the claims have been abandoned, I conservatively assume that they are still active.

⁵ This implicitly assumes that the 5 additional claims all file a valid proof of claim form in the bankruptcy.

As is generally the case for open claims in any litigation, there has been very limited vetting of the allegations by the plaintiff. Injury descriptions, identified defects and descriptions of the events/accidents are unsubstantiated allegations.

Historically, approximately 75% of seat belt claims filed against Takata were dismissed or otherwise resolved without payment of indemnity. The average amount paid by Takata to settle claims was approximately \$375,000 in 2017 dollars for claims settled from 2013 to current.

If this historical experience continues, the indemnity cost of resolving Open and Stayed claims is approximately \$2.7 million.

Conclusion

Unlike the case of Takata's airbag litigation, there is no indication of an increasing litigation problem. The claims follow the random pattern generally resulting from the low and unfortunate failure of consumer products. No seminal event in design or production, simply the occurrence of accidents and random failures.

Because of this, I believe the best predictor of future costs is a continuation of the average indemnity paid over recent years. Table 3 provides a summary of the key components of the future indemnity payments.

Table 3

**Estimated Settled Claims and Indemnity from Seat Belt Litigation:
Open and Stayed Claims and Claims from Sales in the Administrative Period**

(2017 Dollars in Thousands)

<u>Category</u>	<u>Claims</u>	<u>Indemnity</u>
Open and Stayed Claims	7	\$2,700
Claims from sales in Administrative Period	<u>1</u>	<u>\$500</u>
Total	9	\$3,200

Note: Detail may not add to total due to rounding

EXHIBIT R

Identity Disclosures

IDENTITY DISCLOSURES**LEGACY TRUSTEE**

1. Mark D. Collins

OEM CLAIMS ADMINISTRATOR

1. Eric D. Green

INITIAL PSAN PI/WD TRUSTEE

1. Eric D. Green

INITIAL MEMBERS OF PSAN PI/WD TRUST ADVISORY COMMITTEE

1. Joseph Rice
2. Curtis Miner
3. [To be Selected]

INITIAL MEMBER OF PSAN PI/WD OEM ADVISORY COMMITTEE

1. A representative of American Honda Motor Co., Inc.

MEMBERS OF OVERSIGHT COMMITTEE

1. The two Warehouse Consenting OEM appointees to the Oversight Committee will consist of one individual with relevant operational experience in the automotive industry and turnaround scenarios and one individual with relevant corporate finance experience. The Warehouse Consenting OEMs have narrowed the list of potential candidates and will be selecting these two individuals in the near term. The individuals selected by the Warehouse Consenting OEMs will be identified in an amendment to the Plan Supplement.
2. The Debtors have proposed an individual to serve as Independent Member of the Oversight Committee. This proposal remains subject to the reasonable consent of the Warehouse Consenting OEMs, and the Warehouse Consenting OEMs' consent or objection to the Debtors' proposed Independent Member of the Oversight Committee will be disclosed in an amendment to the Plan Supplement.

IN THE MATTER OF APPLICATION OF AN APPLICATION BY TK HOLDINGS INC. AND
TAKATA CORPORATION UNDER SECTION 46 OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT

Court File No. CV-17-11857-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

**MOTION RECORD
VOLUME IV OF V
(Re: Recognition of Chapter 11 Plan
and Related Orders)
(Returnable March 14, 2018)**

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