

ATTENTION: Automobile Manufacturers (“OEMs”) that Purchased Airbags with Phase Stabilized Ammonium Nitrate Inflators (“PSAN Inflators”) from Takata Corporation or Any of Its Subsidiaries (“Takata”)

***PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.
THIS NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS.***

The Special Master in the *United States v. Takata Corporation* criminal case in the United States District Court of the Eastern District of Michigan (the “Court”) is hereby providing notice of and an opportunity for objections to the Special Master’s proposed allocation (the “Proposed Allocation”) of the \$850 million restitution fund for OEMs that purchased airbags with PSAN Inflators from Takata (the “OEM Restitution Fund”).

Set forth below is information about the OEM Restitution Fund, eligibility for receiving compensation from the Fund, the Proposed Allocation methodology for distribution to eligible OEMs, and how you can object. All objections must be in writing and received on or before December 20, 2017 at 5:00 p.m. EST.

Background

On February 27, 2017, Takata pled guilty to one count of wire fraud and the Court entered the *Restitution Order* requiring Takata to, among other things, pay restitution in the amount of \$481,848,850 to the victims of Takata’s fraudulent scheme (*i.e.*, OEMs who were defrauded in connection with their purchase of airbags with PSAN Inflators) (the “Victim OEM Fund”) and additional restitution in the amount of \$368,151,150 to all OEMs who purchased airbags with PSAN Inflators from Takata (the “All OEM Fund” and together with the Victim OEM Fund, the OEM Restitution Fund), for a total amount of \$850 million in restitution to OEMs.

On July 31, 2017, the Court appointed Professor Eric D. Green as Special Master to oversee the OEM Restitution Fund. His responsibilities include developing a formula or formulas, subject to Court approval, for distributing funds to eligible claimants, making determinations regarding allowed claims, and making a recommendation to the Court regarding allocation of funds from the OEM Restitution Fund.

A significant majority of Takata’s OEM customers (the “Consenting OEMs”), which collectively purchased approximately 90% of the PSAN Inflators sold by Takata as of December 31, 2016, agreed upon a Proposed Allocation and presented it to the Special Master for consideration. Following a formal presentation on the proposal for allocation of the OEM Restitution Fund, several discussions with the Consenting OEMs about the proposal, and an independent review by the Special Master of the proposal, the Special Master provisionally determined that the Proposed Allocation provides for an equitable distribution of the OEM Restitution Fund. However, to ensure that all eligible OEMs have a chance to be heard, an opportunity is being provided for them to object to the Proposed Allocation or comment in writing to the Special Master prior to final determination by the Special Master and submission to the Court for final approval.

The Proposed Allocation

Under the Proposed Allocation, the Victim OEM Fund and the All OEM Fund will be combined into a single global fund. All OEMs that purchased PSAN Inflators, regardless of jurisdiction of sale, will be eligible to participate in the combined fund without the need for determining whether a particular OEM was a “victim” of Takata’s fraud. Each OEM’s allocation will be determined by the percentage of all PSAN Inflators sold by Takata globally that was purchased by that OEM as of December 31, 2016. The Special Master has independently analyzed the verified third-party Takata PSAN Inflator sales data utilized to determine the percentage for each OEM and determined it reliable.

The Proposed Allocation governing the distribution of the OEM Restitution Fund is set forth in the Direct Notice that was mailed electronically or otherwise to all identified OEMs that are eligible to participate in the OEM Restitution Fund. A copy of the Direct Notice and the Proposed Allocation schedule can be found and accessed on the Special Master’s website, www.takataspecialmaster.com.

Any remaining funds attributable to checks which are not cashed or to wire transfers that cannot be completed will be redistributed by the Special Master pro rata to all participating OEMs.

To receive an allocation from the OEM Restitution Fund, each eligible OEM will be required to provide a release in favor of the Special Master and his professionals, advisors and agents.

How You Can Object

If you disagree with the Proposed Allocation, you can object. Any objections must be in writing and received by the Special Master on or before December 20, 2017 at 5:00 p.m. EST. Objections can be emailed to OEMQuestions@TakataSpecialMaster.com. If you do not submit a timely objection, you will be deemed by the Special Master to have accepted and consented to the Proposed Allocation. For additional details on how to properly file an objection, please visit the Special Master’s website, www.takataspecialmaster.com or call the toll-free number below.

Next Steps & Questions

Following his review of any objections, the Special Master anticipates that he will provide the final Proposed Allocation for the OEM Restitution Fund to the Court for approval in January 2018.

If you have any questions about this notice or the Proposed Allocation, please visit www.takataspecialmaster.com, email OEMQuestions@TakataSpecialMaster.com, or call toll-free at (800) 574-7035.