

## **FREQUENTLY ASKED QUESTIONS FOR U.S. RETIREES AND CANADIAN RETIREES**

### **Topics Covered:**

- **The Reorganization Process in the U.S. and Canada**
- **Pension, 401(k), defined contribution plans and group RRSP**

### **The Reorganization Process in the U.S. and Canada**

#### **1. Why did Cooper-Standard file for Chapter 11 in the U.S. and the Companies' Creditors Arrangement Act (CCAA) in Canada?**

Cooper-Standard has made significant improvements to its business as a result of its restructuring plan and other actions. However, with the steep decline in worldwide vehicle production, our current capital structure is not sustainable given our reduced revenue base. We made this filing to address this imbalance.

#### **2. What does it mean to voluntarily file for reorganization under Chapter 11 of the U.S. Bankruptcy Code and the CCAA?**

The Chapter 11/CCAA processes are well-established U.S. and Canadian legal practices that many companies have used successfully to reorganize their operations and address their capital structures under court protection. It is not liquidation.

#### **3. Is Cooper-Standard going out of business?**

No, Cooper-Standard intends to continue operating its business throughout the Chapter 11/CCAA processes. Our plan is to use the reorganization process to make Cooper-Standard financially stronger and more competitive for the future.

#### **4. How will the reorganization process help Cooper-Standard?**

These processes provide us with an opportunity to improve our capital structure to allow Cooper-Standard to become financially stronger and more competitive for the future. Given the tremendous progress we have made improving our operations over the past three years, we are confident we can emerge a strong, financially sound company, well positioned to succeed in the global automotive industry.

#### **5. How long is Cooper-Standard's reorganization likely to take?**

It is unclear how long these processes will take, but we are focused on emerging as quickly as possible. We will have a better idea as the processes unfold and we will keep you informed.

#### **6. Where should retirees go for more information about the reorganization?**

Additional information can be found on our Web site at [www.CooperStandard.com](http://www.CooperStandard.com). In addition, retirees may also call 888-329-3159.

## **Pension, 401(k), Canadian defined contribution plan and group RRSP**

### **7. Will I continue to receive my monthly pension check?**

**United States** - Yes. As a member of Cooper-Standard's qualified defined benefit pension plan, you will continue to receive your monthly pension check as usual.

**Canada** – Yes. As a member of Cooper-Standard's registered defined benefit pension plan, you will continue to receive your monthly pension check as usual.

### **8. Is it possible that Cooper-Standard's U.S. qualified defined benefit pension plans or the Canadian defined benefit pension plans could be changed or terminated as a result of the Chapter 11/CCAA filings?**

**United States** - The status of the qualified defined benefit pension plans have not changed. In the U.S., qualified defined benefit pension plans are not automatically terminated when an employer files for protection under Chapter 11. In fact, qualified defined benefit pension plans cannot be terminated unless they meet the standards for termination set out by U.S. federal law, and a decision to seek to terminate a qualified defined benefit pension plan would have to comply with those standards. While U.S. federal law protects qualified defined benefit pension plans from retroactive changes to plan benefits, it is possible that there could be changes to the qualified defined benefit pension plans in the future. Any such changes would be announced as appropriate. In the U.S., the Pension Benefit Guaranty Corporation also provides protection for qualified defined benefit pension programs.

**Canada** – The status of the registered defined benefit pension plans have not changed. In Canada, registered defined benefit pension plans are not automatically terminated when an employer files for protection under the CCAA. The law protects registered defined benefit pension plans from retroactive changes to plan benefits; however, it is possible that there could be changes to the registered defined benefit pension plans in the future. Any such changes would be announced as appropriate and required by law.

### **9. What happens if a U.S. defined benefit pension plan is terminated?**

In the U.S., if a qualified defined benefit pension plan is terminated, the liabilities of the plan are determined and the assets of the plan are used to satisfy those liabilities. If it is determined that the plan has sufficient assets, then all plan benefits are paid in accordance with the plan terms and the Employee Retirement Income Security Act of 1974 (ERISA). In the event that there are insufficient assets to pay certain benefits, then the plan will be assumed by the Pension Benefit Guaranty Corporation (PBGC), an independent agency chartered under federal law. The rules governing distribution of plan assets are complex. Generally speaking, however, all reasonable administrative expenses are paid by the plan first. Then the plan's remaining assets would be distributed in accordance with guidelines of ERISA. For more information about the PBGC insurance protections and its limitations, go to [www.pbgc.gov](http://www.pbgc.gov).

**10. I was separated from the company and told I will be eligible for certain retirement benefits when I reach the required retirement age. What happens to those benefits?**

**United States** - U.S. federal law protects the assets in qualified defined benefit pension plans from the claims of a company's creditors. The assets are held in trust by a separate entity from Cooper-Standard. This means that Cooper-Standard cannot use these assets to meet its other obligations.

**Canada** - Canadian law protects the assets in registered defined benefit pension plans from the claims of a company's creditors. The assets are held in trust by a separate entity from Cooper-Standard. This means that Cooper-Standard cannot use these assets to meet its other obligations.

**11. Are the assets in Cooper-Standard's 401(k) plan, its Canadian defined contribution plan and its group RRSP for retirees protected from creditors' claims in the bankruptcy proceedings?**

**United States** - Yes. U.S. federal law protects the funds in 401(k) savings plans from the claims of a company's creditors. All individual 401(k) accounts are set up in the individual employee's name and the assets are held in a trust that is separate from the corporation. This means that Cooper-Standard cannot use these assets to meet other obligations or pay debts.

**Canada** – Yes, Canadian law protects the funds in a defined contribution plan and group RRSP accounts from the claims of a company's creditors. All individual accounts are set up in the individual employee's name and the assets are held separately from the corporation. This means that Cooper-Standard cannot use these assets to meet other obligations or pay debts.

**12. What happens to the accounts of retirees who are participants in the 401(k) plan, the Canadian defined contribution plan or group RRSP?**

**United States** - The assets in our 401(k) plans are held in a trust, which is separate from the company. These assets are protected under U.S. federal law against the claims of Cooper-Standard's creditors, which means that the company cannot use any of these assets to meet other obligations or to pay its debts. While the company could make changes to its 401(k) plans during the reorganization proceedings, those changes would only affect future company contributions to the plan, not past contributions. Irrespective of the filings, all investments contained in an individual's 401(k) account are subject to some level of market risk.

**Canada** - Under Canadian law, the money in the defined contribution plan and group RRSP accounts cannot be used to pay the company's obligations or debts. While the company could make changes to its plans during the reorganization proceedings, those changes would only affect future company contributions to the plan, not past contributions. Irrespective of the filings, all investments contained in the defined contribution plan and group RRSP accounts are subject to some level of market risk.