

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
Global Safety Textiles Holdings LLC, <u>et al.</u> , ¹)	Case No. 09-12234 (KG)
)	
Debtors.)	(Jointly Administered)
)	

**DISCLOSURE STATEMENT RELATING TO
THE JOINT CHAPTER 11 PLAN OF REORGANIZATION
FOR GLOBAL SAFETY TEXTILES HOLDINGS LLC
AND ITS AFFILIATED DEBTORS**

Dated: August 12, 2009

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THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (THE "BANKRUPTCY COURT") UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE FOR USE IN THE SOLICITATION OF ACCEPTANCES OF THE PLAN DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISTRIBUTION OF THIS DISCLOSURE STATEMENT IS NOT INTENDED, AND SHOULD NOT BE CONSTRUED, AS A SOLICITATION OF ACCEPTANCES OF SUCH PLAN. THE INFORMATION CONTAINED HEREIN SHOULD NOT BE RELIED UPON FOR ANY PURPOSE BEFORE A DETERMINATION BY THE BANKRUPTCY COURT THAT THIS DISCLOSURE STATEMENT CONTAINS "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125(a) OF THE BANKRUPTCY CODE.²

¹ The Debtors are comprised of the following nine entities (with the last four digits of their respective taxpayer identification numbers, if any, in parentheses): Global Safety Textiles Holdings LLC (1938), GST ASCI Holdings Asia Pacific LLC (7107), GST ASCI Holdings Europe, Inc. (7081), GST ASCI Holdings Europe II LLC (7081), GST ASCI Holdings Mexico, Inc. (7083), GST Automotive Safety Components International, Inc. (1750), Global Safety Textiles LLC (3442), Global Safety Textiles Acquisition GmbH and GST Widefabric International GmbH. The address for each of the Debtors is 804 Green Valley Road, Suite 300, Greensboro, North Carolina 27408.

² Legend to be removed upon entry by the Clerk of the Bankruptcy Court of Order of the Bankruptcy Court approving this Disclosure Statement.

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Chapter 11 Plan of Reorganization..... Exhibit A

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Terms of New Lender First Lien Facility..... Exhibit C

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Terms of Shareholders’ Agreement..... Exhibit E

Projections and Summary of Significant Assumptions Related Thereto..... Exhibit F

Liquidation Analysis of the Debtors..... Exhibit G

I.

INTRODUCTION

All capitalized terms used in this Disclosure Statement and not otherwise defined herein shall have the meanings ascribed thereto in the Plan (see Article I of the Plan entitled “Definitions and Interpretations”).

THIS DISCLOSURE STATEMENT INCLUDES AND DESCRIBES THE JOINT CHAPTER 11 PLAN OF REORGANIZATION, DATED AUGUST 12, 2009 (THE “PLAN”), A COPY OF WHICH IS ATTACHED AS EXHIBIT A, FILED BY GLOBAL SAFETY TEXTILES HOLDINGS LLC AND ITS AFFILIATED DEBTORS LISTED IN SCHEDULE 1 (“LIST OF DEBTORS”) (THE “DEBTORS”) TOGETHER WITH GLOBAL SAFETY TEXTILES GMBH, A NON-DEBTOR INDIRECT SUBSIDIARY OF GLOBAL SAFETY TEXTILES HOLDINGS LLC ORGANIZED UNDER THE LAWS OF THE FEDERAL REPUBLIC OF GERMANY, SOLELY IN ITS CAPACITY AS CO-PROONENT. ONLY HOLDERS OF PRIORITY LENDER CLAIMS ARE ENTITLED TO VOTE THEIR CLAIMS IN CLASS 2 – PRIORITY LENDER CLAIMS AND CLASS 4 – GENERAL UNSECURED CLAIMS TO ACCEPT OR REJECT THE PLAN. CLASS 1 – PRIORITY CLAIMS, CLASS 3 – OTHER SECURED CLAIMS AND CLASS 5 – CONVENIENCE CLAIMS, ARE UNIMPAIRED UNDER THE PLAN AND ARE THEREFORE DEEMED TO HAVE ACCEPTED THE PLAN. CLASS 4 – GENERAL UNSECURED CLAIMS SHALL, SOLELY FOR PURPOSES OF DETERMINING WHETHER THE REQUIREMENT FOR CONFIRMATION OF THE PLAN SET FORTH IN SECTION 1129(A)(8) OF THE BANKRUPTCY CODE IS MET, BE CONSIDERED A VOTING CLASS; PROVIDED THAT HOLDERS OF GENERAL UNSECURED CLAIMS OTHER THAN PRIORITY LENDER DEFICIENCY CLAIMS WILL BE DEEMED TO VOTE TO REJECT THE PLAN; PROVIDED FURTHER, THAT, IN THE EVENT CLASS 2 ACCEPTS THE PLAN, HOLDERS OF PRIORITY LENDER CLAIMS WILL BE DEEMED TO HAVE VOTED THEIR PRIORITY LENDER DEFICIENCY CLAIMS, WHICH ARE GENERAL UNSECURED CLAIMS INCLUDED IN CLASS 4, TO ACCEPT THE PLAN. CLASS 6 – EQUITY INTERESTS ARE NOT ENTITLED TO A DISTRIBUTION UNDER THE PLAN AND ARE THEREFORE DEEMED TO HAVE REJECTED THE PLAN AND ARE NOT ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN. ACCORDINGLY, THE DEBTORS ARE SOLICITING ACCEPTANCES OF THE PLAN FROM ONLY THE HOLDERS OF CLAIMS IN CLASS 2 – PRIORITY LENDER CLAIMS. THE DEBTORS ARE NOT SOLICITING ACCEPTANCES FROM THOSE CREDITORS HOLDING CLASS 1 – PRIORITY CLAIMS, CLASS 3 – OTHER SECURED CLAIMS, CLASS 4 – GENERAL UNSECURED CLAIMS, AND CLASS 5 – CONVENIENCE CLAIMS, OR HOLDERS OF CLASS 6 – EQUITY INTERESTS.

THE DEBTORS BELIEVE THAT THE PLAN IS IN THE BEST INTEREST OF AND PROVIDES THE HIGHEST AND MOST EXPEDITIOUS RECOVERIES TO HOLDERS OF ALL CLASSES OF CLAIMS. ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN ARE URGED TO VOTE IN FAVOR OF THE PLAN. TO BE COUNTED, YOUR BALLOT MUST BE DULY COMPLETED, EXECUTED

AND RECEIVED BY 4:00 P.M., EASTERN STANDARD TIME, ON [_____], 2009 (THE “VOTING DEADLINE”).

FOR YOUR ESTIMATED PERCENTAGE RECOVERY UNDER THE PLAN, PLEASE SEE THE CHART SET OUT IN “OVERVIEW OF THE PLAN – SUMMARY OF DISTRIBUTIONS UNDER THE PLAN.”

II.

NOTICE TO HOLDERS OF CLAIMS AND EQUITY INTERESTS

The purpose of this Disclosure Statement is to enable you, as a creditor whose Claim is impaired under the Plan, to make an informed decision in exercising your right to accept or reject the Plan.

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS ANNEXED TO THE PLAN AND TO THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF. IN THE EVENT OF ANY CONFLICT BETWEEN THE DESCRIPTIONS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL GOVERN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(b) AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAW OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (“SEC”), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS OF THE DEBTORS SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT WILL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR WILL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF

CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTORS AND DEBTORS-IN-POSSESSION IN THESE CASES.

On [_____], 2009, after notice and a hearing, the Bankruptcy Court issued the Disclosure Statement Order approving the Disclosure Statement because it contains information of a kind, in sufficient detail, and adequate to enable a hypothetical, reasonable investor typical of the solicited class of Claims of the Debtors to make an informed judgment with respect to the acceptance or rejection of the Plan (a true and correct copy of the Plan is annexed hereto as **Exhibit A**). The Disclosure Statement Order and the order approving solicitation procedures are attached hereto as **Exhibit B** and should be referred to for details regarding the procedures for the solicitation of votes on the Plan. **APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT OF THE FAIRNESS OR MERITS OF THE PLAN OR OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.**

Each holder of a Claim entitled to vote to accept or reject the Plan should read this Disclosure Statement and the Plan in their entirety before voting. No solicitation of votes to accept or reject the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. Except for the Debtors and certain of the professionals those parties have retained, no Person has been authorized to use or promulgate any information concerning the Debtors, their businesses, or the Plan other than the information contained in this Disclosure Statement and if given or made, such information may not be relied upon as having been authorized by the Debtors. You should not rely on any information relating to the Debtors, their businesses, or the Plan other than that contained in this Disclosure Statement and the exhibits hereto.

After carefully reviewing this Disclosure Statement, including the attached exhibits, if you are entitled to vote to accept or reject the Plan, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed ballot (the "Ballot") for acceptance or rejection of the Plan and return the same to the address set forth on the Ballot, in the enclosed, postage prepaid, return envelope so that it will be received by the Debtors' balloting agent (the "Balloting Agent"), no later than the Voting Deadline.

DO NOT RETURN ANY OTHER DOCUMENTS WITH YOUR BALLOT.

You may be bound by the Plan if it is accepted by the requisite holders of Claims even if you do not vote to accept the Plan, or if you are the holder of an unimpaired Claim.

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a Confirmation Hearing on [_____], 2009 at [__]:[__]0 [__].m., Eastern Standard Time, before the Honorable Kevin Gross, United States Bankruptcy Judge. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before [_____], 2009 at 4:00 p.m. Eastern Standard Time, in the manner described in the related order.

**THE DEBTORS AND THE CO-PROONENT SUPPORT
CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF IMPAIRED
CLAIMS TO ACCEPT THE PLAN.**

III.

EXPLANATION OF CHAPTER 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code, pursuant to which a debtor-in-possession may reorganize its business for the benefit of its creditors, equity holders, and other parties in interest. The formulation of a plan of reorganization is the principal purpose of a chapter 11 case. The plan sets forth the means for satisfying the holders of claims against and interests in the debtor's estate.

Although referred to as a plan of reorganization, a plan may provide anything from a complex restructuring of a debtor's business and its related obligations to a simple liquidation of a debtor's assets. In either event, upon confirmation of the plan, it becomes binding on a debtor and all of its creditors and equity holders, and the obligations owed by a debtor to such parties are compromised and exchanged for the obligations specified in the plan.

After a plan of reorganization has been filed, the holders of impaired claims against and interests in a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. **This Disclosure Statement is presented to holders of Claims against and Equity Interests in the Debtors to satisfy the requirements of section 1125 of the Bankruptcy Code in connection with the solicitation of votes by the Debtors on the Plan.**

The bankruptcy court may confirm a plan of reorganization even though fewer than all the classes of impaired claims and equity interests accept such plan. For a plan of reorganization to be confirmed, despite its rejection by a class of impaired claims or equity interests, the plan must be accepted by at least one class of impaired claims (determined without counting the vote of insiders) and the proponent of the plan must show, among other things, that the plan does not "discriminate unfairly" and that the plan is "fair and equitable" with respect to each impaired class of claims or equity interests that has not accepted the plan. **The Plan has been structured so that it will satisfy the foregoing requirements as to any rejecting class of Claims and can therefore be confirmed, if necessary, over the objection of any (but not all) classes of Claims.**

IV.

OVERVIEW OF THE PLAN

The Plan provides for the treatment of Claims against and Equity Interests in all of the Debtors in In re Global Safety Textiles Holdings LLC, et al., Chapter 11 Case No. 09-12234 (KG), Jointly Administered.

A. Summary of the Terms of the Plan

The Plan implements and is built around the following key elements:

- Each holder of an Allowed Priority Lender Claim will receive, on the Distribution Date in full consideration of the extinguishment of all such holder's Allowed Priority Lender Claims against the Debtors, its Pro Rata Share of:

(1) the New Equity Interests, representing all of the Equity Interests in New GST Holdco (excluding the New Equity Interests to be reserved for issuance pursuant to the Management and Director Incentive Program);

(2) the New Lender First Lien Notes to be issued by New GST Holdco and the Co-proponent, as borrowers and guaranteed by New GST Holdco and certain subsidiaries of New GST Holdco. The New Lender First Lien Notes will be in an amount equal to \$70,000,000, referred to as the combined Tranche B and C in the form New Lender First Lien Facility, due on the third anniversary of the Effective Date and bearing a payment-in-kind interest in an annual rate of 10% plus an additional increment, to be paid in Cash, of 0.25% *per annum*; provided, that upon the occurrence of certain circumstances described in Exhibit C hereto, the interest payable will be a Cash interest in an annual rate of LIBOR plus 6%, subject to a LIBOR floor of 3%. The New Lender First Lien Facility will be secured by a first lien on all current and future assets of the borrowers and guarantors thereunder (subject to certain limitations set forth in the Exhibit C hereto) and will contain provisions permitting the incurrence of incremental debt thereunder, subject to the consent of at least two-thirds of the lenders thereunder in an aggregate amount that, together with the amount of the Tranche A (as referred to in the form New Lender First Lien Facility), does not exceed \$20,000,000. Such additional loan will rank pari passu with Tranches A, B and C (as referred to in the form New Lender First Lien Facility), will be subordinate in payment priority to Tranche A and senior in payment priority to Tranches B and C; and

(3) the New Lender Second Lien Notes to be issued by New GST Holdco and the Co-proponent, as borrowers and guaranteed by New GST Holdco and certain subsidiaries of New GST Holdco. The New Lender Second Lien Notes will be in an amount equal to \$30,000,000, due on the third anniversary of the Effective Date and bearing a payment-in-kind interest in an annual rate of 10% plus an additional increment, to be paid in Cash, of 0.25% *per annum*. The New Lender Second Lien Notes will be secured by a second lien on all current and future assets of the borrowers and guarantors thereunder (subject to certain limitations set forth in the Exhibit C hereto) and will rank subordinate in lien and payment priority to the New Lender First Lien Notes. The New Lender Second Lien Notes will be convertible, at the option of a majority of the holders of the New Lender Second Lien Notes into 95% of the equity interests in New GST Holdco. The conversion will occur upon the earlier of: (i) the maturity date of the New Lender Second Lien Facility and (ii) if during the term of the New Lender Second Lien Facility (A) the quarterly tested EBITDA measured on a rolling 12 month basis is 50% or less than the forecasted EBITDA, or (B) the quarterly tested leverage is greater than a threshold to be set forth in the New Lender Second Lien Notes, or (C) the equity holders of New GST Holdco consent to a sale of New GST Holdco

and the proceeds are determined to be insufficient to repay the New Lender Second Lien Facility in full. The conversion right may be amended or eliminated by a consent of a majority of the lenders under the New Lender Second Lien Facility at any time during the term of the New Lender Second Lien Facility.

- Each holder of an Allowed Priority Lender Claim who is also a holder of a DIP Claim will, on the Distribution Date in full satisfaction of such holder's Allowed Priority Lender Claim against all Debtors, receive its Pro Rata Share of New Lender First Lien Notes in an amount equal to \$5,000,000, referred to as Tranche A in the form New Lender First Lien Facility, due on the third anniversary of the Effective Date and bearing a Cash interest in an annual rate of adjusted LIBOR rate plus 10% for interest periods of 1, 2 or 3 months, subject to a LIBOR floor of 3%.

The New Lender First Lien Notes and the New Lender Second Lien Notes will have such other terms as set forth in **Exhibit C** and **Exhibit D** hereto, respectively.

- Until January 1, 2011, the New Lender First Lien Notes, the New Lender Second Lien Notes and the New Equity Interests shall not be transferred except as part of a transfer to one entity of a strip of New Lender First Lien Notes, New Lender Second Lien Notes and New Equity Interests (a "Strip"), each in an equal proportion to the amount received by such transferring person; provided, that this provision will not apply to the New Lender First Lien Notes, the New Lender Second Lien Notes, the New Equity Interests and the Strip unless such New Lender First Lien Notes, New Lender Second Lien Notes, New Equity Interests and Strip are issued exempt from registration under the Securities Act of 1933 and any state or local law requiring registration pursuant to section 1145 of the Bankruptcy Code; provided, further, that the New Lender Documents will permit the lenders under the New Lender First Lien Facility and the New Lender Second Lien Facility to provide any material non-public information concerning New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco, Reorganized Global Safety Textiles Acquisition GmbH and their Affiliates from and after the Effective Date (the "Post-reorganization GST Group") in their possession, subject to customary confidentiality restrictions, to potential purchasers of debt and/or equity of the Post-reorganization GST Group. The staple requirement may be amended and/or terminated in its entirety without consent of the Debtors at any time by the written consent of a majority of the holders of each of the New Lender First Lien Notes, the New Lender Second Lien Notes or the Equity Interests, in such holders' sole discretion. Unless amended or terminated, this provision will apply to all subsequent transfers by a transferee of New Lender First Lien Notes, New Lender Second Lien Notes, New Equity Interests and the Strip.

The Plan is the product of negotiations between the Debtors, on the one hand, and the Priority Agent and certain Priority Lenders, on the other. The Plan reflects the basic construct around which the parties have negotiated and otherwise represents, in the view of the

Debtors, a reasonable and appropriate compromise that permits the value of the Debtors' business to be maximized.

B. Summary of Distributions Under the Plan The following is a summary of the distributions under the Plan. It is qualified in its entirety by reference to the full text of the Plan, which is attached to this Disclosure Statement as **Exhibit A**.

The claim amounts set forth below are based on information contained in the Debtors' Schedules and reflect what the Debtors believe to be reasonable estimates of the likely resolution of outstanding disputed Claims. The amounts utilized may differ from the outstanding filed claims amounts.

The following chart summarizes the distribution to each class under the Plan:

UNCLASSIFIED CLAIMS

Types of Claims

Administrative Claims (includes costs of the chapter 11 proceedings for the Debtors and expenses of operation as specified in section 503(b) and 507(a)(2) of the Bankruptcy Code including Fee Claims, Claims arising after the Petition Date, obligations with respect to assumed executory contracts and leases, and any outstanding statutory fees).

Estimated Claims: Approximately \$[_____]

Tax Claims (includes all Claims entitled to priority under section 507(a)(8) of the Bankruptcy Code).

Estimated Claims: Approximately \$[_____]

Treatment of Unclassified Claims

On the Distribution Date, each holder of an Allowed Administrative Claim will receive in full satisfaction of such Claims (1) the amount of such holder's Allowed Administrative Claim in one Cash payment, or (2) such other treatment as may be agreed upon in writing by the Debtors and such holder; provided, that such treatment will not provide a return to such holder having a present value as of the Effective Date in excess of such holder's Allowed Administrative Claim; provided, further, that an Administrative Claim representing a liability incurred postpetition in the ordinary course of business of the Debtors may be paid at the Debtors' election in the ordinary course of business.

Estimated Recovery: 100% of Allowed Claim.

Each holder of an Allowed Tax Claim shall receive in full satisfaction of such holder's Allowed Tax Claim (1) payments in Cash, in regular installments over a period ending not later than five (5) years after the Petition Date, of a total value, as of the Effective Date, equal to the Allowed amount of such Claim; (2) a lesser amount in one Cash payment as may be agreed upon in writing by such holder; or (3) such other treatment as may be agreed upon in writing by such holder; provided, that such agreed-upon treatment may not provide such holder with a return having a present value as of the Effective Date that is greater than the

amount of such holder's Allowed Tax Claim or that is less favorable than the treatment provided to the most favored General Unsecured Claims under the Plan.

Estimated Recovery: 100% of Allowed Claim.

CLASSIFIED CLAIMS AND INTERESTS

Classes of Claims and Interests

Treatment of Classes of Claims and Interests

Class 1 – Priority Claims

Unimpaired.

Estimated Claims: Undetermined

Each Allowed Priority Claim will be unimpaired under the Plan, and, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable and contractual rights to which such Claim entitles the holder in respect of such Claim will be fully reinstated and retained, and such Allowed Priority Claim (including any amounts to which such holder is entitled pursuant to section 1124(2) of the Bankruptcy Code) will be paid in full in accordance with such reinstated rights on the Effective Date.

Estimated Recovery: 100% of Allowed Claim.

Class 2 – Priority Lender Claims

Impaired.

Estimated Claims: Approximately [_____]

Each holder of an Allowed Priority Lender Claim will, on the Distribution Date in full satisfaction of such holder's Allowed Priority Lender Claim against all Debtors, receive its Pro Rata Share of (1) the New Equity Interests (excluding the New Equity Interests to be reserved for issuance pursuant to the Management and Director Incentive Program), (2) the New Lender Second Lien Notes and (3) New Lender First Lien Notes in an amount equal to \$70,000,000, referred to as the combined Tranche B and C in the form New Lender First Lien Facility. Each holder of an Allowed Priority Lender Claim who is also a holder of a DIP Claim will, on the Distribution Date in full satisfaction of such holder's Allowed Priority Lender Claim against all Debtors, receive its Pro Rata Share of New Lender First Lien Notes in an amount equal to \$5,000,000, referred to as Tranche A in the form

New Lender First Lien Facility.

Estimated Recovery: []% of Allowed Claim.

Class 3 – Other Secured Claims

Unimpaired.

Estimated Claims: Approximately \$[_____]

Except to the extent that the holder of an Allowed Other Secured Claim agrees to less favorable treatment, each Allowed Other Secured Claim will, on the Distribution Date, be reinstated or rendered unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable nonbankruptcy law that entitles the holder of an Other Secured Claim to demand or receive payment of such Claim prior to its stated maturity from and after the occurrence of a default. All Allowed Other Secured Claims that are not due and payable on or before the Distribution Date will, at the Debtors' option, be paid (1) in the ordinary course of business in accordance with the course of practice between the Debtors and such holder with respect to such Claims, or (2) by transfer of the collateral securing such Claim to the holder of such Claim, each in full and complete satisfaction, settlement and release and in exchange for such Claim.

Estimated Recovery: 100% of Allowed Claim.

Class 4 – General Unsecured Claims

Impaired.

Estimated Claims: Approximately \$[_____]

On the Effective Date, all General Unsecured Claims will be cancelled and holders of such General Unsecured Claims will receive no distributions on account of such General Unsecured Claims;

Estimated Recovery: None.

Class 5 – Convenience Claims

Unimpaired.

Estimated Claims: Approximately \$[_____]

Each holder of an Allowed Convenience Claim will, on the Distribution Date, in full satisfaction of such holder's Allowed Convenience Claim, receive a single Cash payment equal to 100% of its Allowed Convenience Claim.

Estimated Recovery: 100% of Allowed Claim.

Class 6 – Equity Interests

Impaired

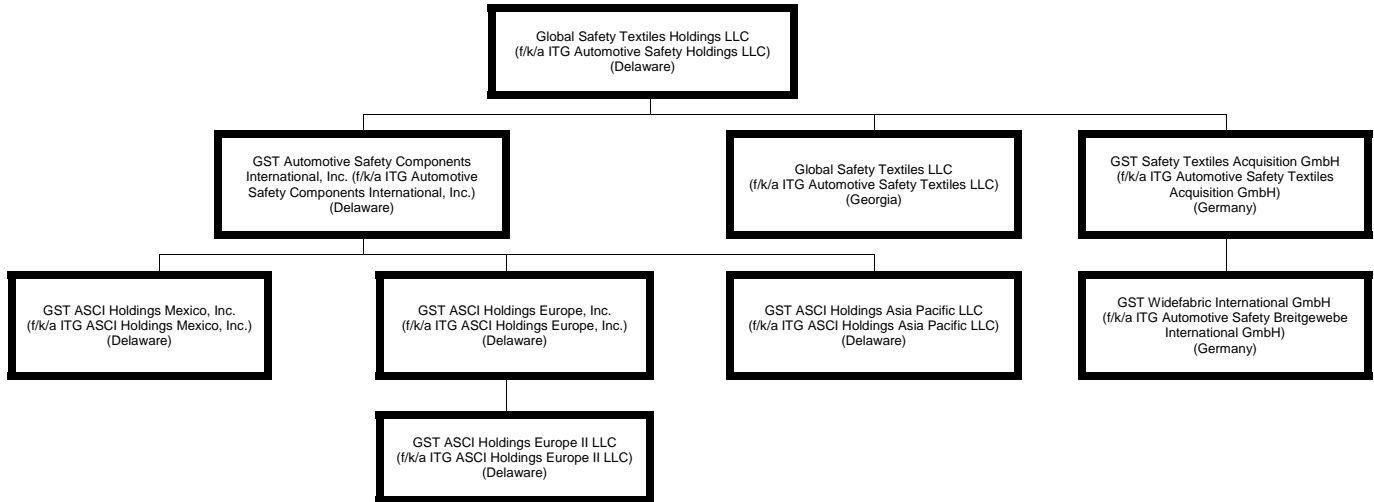
On the Effective Date, all Equity Interests will be cancelled and the holders of such Equity Interests will receive no distribution on account of such interests.

Estimated Recovery: None.

V.

GENERAL INFORMATION

The Debtors consist of Safety Holdings and eight (8) of its direct and indirect subsidiaries. The chart below depicts the corporate structure of Safety Holdings and those subsidiaries that are Debtors as of the date of this Disclosure Statement. The description in “General Information” of the Debtors and their business does not give effect to any changes in the corporate structure of the Debtors in connection with or under the Plan.



A. The Businesses of the Debtors

Safety Holdings is a wholly owned subsidiary of International Textile Group, Inc. (“ITG”), a global, diversified textile manufacturer that produces automotive safety (including airbag fabric and airbag cushions, as discussed below), apparel, government uniforms, technical and specialty textiles. Along with some of their Non-Debtor Subsidiaries and joint venture Affiliates, the Debtors produce automotive airbag fabrics and airbag cushions for automotive airbag modules. The Debtors and other component manufacturers that sell their products to airbag module integrators are generally referred to as Tier 2 suppliers to the automotive industry. (Airbag module integrators, which sell complete airbag modules to automobile manufacturers, are generally referred to as Tier 1 suppliers to the automotive industry.) The Debtors and their Non-Debtor Subsidiaries and joint venture Affiliates are leaders in the Tier 2 global airbag cushion manufacturing business in North America, Asia and Europe, and leading airbag manufacturers in North America and Europe. Safety Holdings is headquartered in Greensboro, North Carolina, and is the parent holding company of ITG’s automotive safety group of companies. In addition to their headquarters in Greensboro, North Carolina, the Debtors operate various manufacturing and warehouse facilities in South Hill, Virginia; Cordova, North Carolina; and Otay, California. Internationally, through their Non-Debtor Subsidiaries, the Debtors indirectly operate manufacturing facilities in Mexico, Germany, the Czech Republic, Romania and Poland.

B. Prepetition Capital Structure and Recapitalizations

Prior to April 15, 2008, certain of ITG's automotive safety business operations were conducted under the ITG brand name. The assets of ITG's Maulburg, Germany-based textiles business (the "German Textiles Business") were pledged as security under the approximately \$220,000,000 credit facility relating to that business (the "BST Facility," described in more detail, as amended and restated, below). In addition, ITG's equity interest in Safety Holdings was pledged as security under ITG's \$80,000,000 senior subordinated notes due June 6, 2011.

On April 15, 2008, ITG completed a corporate realignment of certain of its operating entities (the "Realignment") that resulted in (i) the consolidation of ITG's and its various Affiliates' automotive safety businesses into a single operating group and (ii) related modifications to ITG's various financing agreements. In the Realignment, ITG and its Affiliates consolidated all of the assets, liabilities and operations comprising ITG's automotive safety business segment under a single holding company, Safety Holdings. As a result, ITG's automotive safety businesses, including the German Textiles Business, began to operate under the "ITG Automotive Safety" brand name. As part of the Realignment, certain of the assets and operations of Safety Holdings' then subsidiary, Narricot Industries, LLC ("Narricot"), which produces narrow fabrics for military and technical uses, were separated from the operations of the Debtors. Narricot now operates as a separate, direct subsidiary of ITG. Additionally, the automotive safety operating entities' assets that were pledged under other financing arrangements were exchanged for the equity interests in Narricot together with a \$70,000,000 note payable by Safety Holdings to ITG.

In addition, on April 15, 2008, Safety Holdings amended and restated the BST Facility to provide that the obligations of Safety Holdings thereunder would be secured by substantially all of the assets of the Debtors and the Non-Debtor Subsidiaries which include the subsidiaries transferred to Safety Holdings as part of the Realignment. The amendment and restatement provided, among other things, the consent of the lenders under the BST Facility to all of the matters required to effect the Realignment, including the release of Narricot and its assets, which were transferred to ITG, and for modifications to certain of the financial covenants therein to reflect the changes in the assets, businesses and operations constituting the collateral under the BST Facility after giving effect to the Realignment and to more accurately reflect the currently anticipated operating results and financial condition of the Debtors for the foreseeable future.

As of the Petition Date, the Debtors and the Non-Debtor Subsidiaries are parties to the BST Facility, which is comprised of three facilities: (i) a revolving credit facility (the "Revolving Credit Facility"), (ii) a first lien term loan facility (the "First Lien Term Loan Facility") and (iii) a second lien term loan facility (the "Second Lien Term Loan Facility"). The obligations of the borrowers and guarantors thereunder are secured by substantially all of the assets of the Debtors and the Non-Debtor Subsidiaries. The BST Facility was set to mature on June 30, 2009.

Borrowings under the Revolving Credit Facility bear interest at a variable rate which is equal to EURIBOR or LIBOR, plus an applicable margin. The Debtors used the

borrowings under the Revolving Credit Facility as working capital. On April 15, 2008 the Revolving Credit Facility was amended to set the aggregate commitment to €19.8 million (approximately \$26.1 million at March 31, 2009), to increase the margin to 5.5% after April 15, 2008, and to provide floors on the EURIBOR and LIBOR rates at 4.34% and 2.53%, respectively. As of March 31, 2009 there was approximately \$22.7 million in U.S. dollar loans at an interest rate of 8.03% and €2.5 million in Euro loans (approximately \$3.3 million at March 31, 2009) at an interest rate of 9.8417% outstanding under the Revolving Credit Facility.

Borrowings under the First Lien Term Loan Facility bear interest at a variable rate which is equal to EURIBOR or LIBOR, plus an applicable margin. Borrowings under the First Lien Term Loan Facility were used for the acquisition of the German Textiles Business. On April 15, 2008 the First Lien Term Loan Facility was amended to increase the margin to 5.5% after April 15, 2008, and to provide floors on the EURIBOR and LIBOR rates at 4.34% and 2.53%, respectively. As of the Petition Date, there was €98 million (approximately \$129.4 million at March 31, 2009) outstanding under the First Lien Term Loan Facility at an interest rate of 9.8417%.

As of the Petition Date, borrowings under the Second Lien Term Loan Facility bear interest at a variable rate which is equal to EURIBOR or LIBOR, plus an applicable margin. Borrowings under the Second Lien Term Loan Facility were used for the acquisition of the German Textiles Business. On April 15, 2008 the Second Lien Term Loan Facility was amended to increase the margin to 14.0% after April 15, 2008, and to provide floors on the EURIBOR and LIBOR rates at 4.34% and 2.53%, respectively. The 14.0% margins consist of a cash portion of 9.0% and a noncash payable in-kind portion of 5.0% with the payable in-kind interest compounded semi-annually. As of the Petition Date, there was approximately \$34.1 million in principal amount outstanding under the Second Lien Term Loan Facility at an interest rate of 16.53%.

C. Events Precipitating the Chapter 11 Cases

As of the date of this Disclosure Statement, the Debtors and the Non-Debtor Subsidiaries are parties to the Original Debt Documents.

The Original Debt Documents contain affirmative and negative covenants customary for financing transactions of this type, including, but not limited to, interest coverage, a debt coverage ratio and a fixed charge coverage ratio, which are calculated quarterly, and restrictions on uses of proceeds, capital changes, mergers, dividend payments, capital expenditures, indebtedness, liens, acquisitions and investments, all as defined or described in the Original Debt Documents. At September 30, 2008, the Debtors were in compliance with such debt covenants and other requirements.

The covenant requirements, however, became more burdensome in more recent periods. Due to the tightening of the covenant requirements at the end of December 2008 and March 2009, and reduced operating income in such periods largely attributable to the global financial crisis and the announced planned production cuts and capacity reductions in the automotive industry, certain financial covenants were not met, thereby triggering a default under the Original Debt Documents.

The Debtors were able to obtain forbearance from certain of the Secured Lenders in March 2009 (the “March 2009 Forbearance”). In the March 2009 Forbearance, certain of the Secured Lenders agreed to, inter alia, waive non-compliance with certain of these financial covenants for the financial quarter ending December 31, 2008 and for testing dates arising thereafter up until May 1, 2009. Additionally, although interest payments under the Original Debt Documents were scheduled to be due on and after March 11, 2009, certain of the Secured Lenders agreed that no interest payments otherwise due under the Original Debt Documents would be required to be paid until May 1, 2009, unless the March 2009 Forbearance was terminated prior thereto by the Secured Lenders.

After obtaining the March 2009 Forbearance, the Debtors attempted to restructure the debt under the Original Debt Documents. Prior to the Petition Date, the Debtors had been engaged in negotiations with their Secured Lenders regarding a consensual restructuring of their debt and a recapitalization of their businesses. Nevertheless, because the BST Facility was set to expire on June 30, 2009, the Debtors concluded that continued operation without protection of the Court would not be prudent. Accordingly, to preserve the Debtors’ businesses as going concerns and to facilitate the restructuring of their debt, the Debtors commenced the Chapter 11 Cases on June 30, 2009.

VI.

THE REORGANIZED COMPANY

A. Certain Restructuring Transactions; Issuance of New Equity Interests and New Debt Facilities

(a) Certain Restructuring Transactions On or Prior to the Effective Date.

a. Formation of New GST Holdco, New ASCI Opco, New GST Opco and New European Holdco.

The Plan contemplates that prior to the Effective Date, (i) Safety Holdings will form New GST Holdco as a Delaware corporation, (ii) New GST Holdco will form New ASCI Opco and New GST Opco as Delaware limited liability companies and (iii) Global Safety Textiles Acquisition GmbH will form New European Holdco as a limited liability company under the laws of the Federal Republic of Germany. Upon formation, New GST Holdco will be a direct, wholly-owned subsidiary of Safety Holdings. New ASCI Opco and New GST Opco will each be direct, wholly-owned subsidiaries of New GST Holdco. New European Holdco will be a direct, wholly-owned subsidiary of Global Safety Textiles Acquisition GmbH. New GST Holdco, New ASCI Opco, New GST Opco and New European Holdco will be authorized without further act or action under applicable law, regulation, order or rule, to issue ownership interests to one another or to the Debtors, including, without limitation, interests evidenced by common or preferred stock and equity interests, as provided in this Plan, on or after the Effective Date.

b. Intercompany Transactions.

The Plan further contemplates that on the Effective Date, and in certain instances, at the request, and with the consent, of the Security Agent (acting on the instruction,, or with the consent, of the Priority Agent), the following intercompany transactions will occur and be implemented pursuant to section 1123(a)(5) of the Bankruptcy Code:

(i) Safety Holdings will transfer the Equity Interests of Global Safety Textiles Acquisition GmbH to New GST Holdco in exchange for common stock of New GST Holdco. Global Safety Textiles Acquisition GmbH will contribute its ownership interests of non-Debtor ITG Automotive Safety GT South Africa (Proprietary) Limited to New European Holdco.

(ii) GST ASCI Holdings Asia Pacific LLC will transfer all of its Assets, including, without limitation, its ownership interests in non-Debtor SCI-Huamao China Investment Limited, to New GST Holdco in exchange for common stock of New GST Holdco. New GST Holdco will contribute its ownership interests of non-Debtor SCI-Huamao China Investment Limited to Global Safety Textiles Acquisition GmbH, and Global Safety Textiles Acquisition GmbH will then contribute its ownership interests of non-Debtor SCI-Huamao China Investment Limited to New European Holdco. GST ASCI Holdings Asia Pacific LLC will then dissolve.

(iii) GST Widefabric International GmbH will transfer all of its Assets, including, without limitation, its ownership interests of Non-Debtor Subsidiaries Global Safety Textiles GmbH and ITG Automotive Safety Poland Sp.z.oo, to New European Holdco in exchange for ownership interests of non-Debtor SCI-Huamao China Investment Limited. GST Widefabric International GmbH will then merge into New European Holdco.

(iv) GST ASCI Holdings Mexico, Inc. will transfer all of its Assets, including, without limitation, the ownership interests of Non-Debtor Subsidiary ITG Automotive Safety Components International S.A. de C.V., to New GST Holdco in exchange for common stock of New GST Holdco. New GST Holdco will contribute its ownership interests of Non-Debtor Subsidiary ITG Automotive Safety Components International S.A. de C.V. to New ASCI Opco. GST ASCI Holdings Mexico, Inc. will then dissolve.

(v) GST ASCI Holdings Europe II LLC and GST ASCI Holdings Europe, Inc. will transfer all of their Assets, including, without limitation, their ownership interests of Non-Debtor Subsidiaries ITG Automotive Safety Czech S.R.O. and ITG Automotive Safety UK Limited, to New GST Holdco in exchange for common stock of New GST Holdco. GST ASCI Holdings Europe II LLC and GST ASCI Holdings Europe, Inc. will then dissolve.

(vi) New GST Holdco will contribute its ownership interests of Non-Debtor Subsidiary ITG Automotive Safety Czech S.R.O. to Global Safety Textiles Acquisition GmbH. Global Safety Textiles Acquisition GmbH will contribute 65% of the ownership interests of Non-Debtor Subsidiary ITG Automotive Safety Czech S.R.O. to New

European Holdco, and New European Holdco will then contribute those ownership interests to Non-Debtor Subsidiary ITG Automotive Safety Poland Sp.z.oo.

(vii) New GST Holdco will contribute its ownership interests of Non-Debtor Subsidiary ITG Automotive Safety UK Limited to New European Holdco. New European Holdco will contribute its ownership interests of Non-Debtor Subsidiary ITG Automotive Safety UK Limited to Non-Debtor Subsidiary ITG Automotive Safety Poland Sp.z.oo.

(viii) GST Automotive Safety Components International, Inc. will transfer all of its Assets (other than its common stock of New GST Holdco) to New GST Holdco in exchange for common stock of New GST Holdco. GST Automotive Safety Components International, Inc. will then dissolve. Any Assets held by New GST Holdco that historically were part of the business conducted by GST Automotive Safety Components International, Inc. and its subsidiaries will be contributed by New GST Holdco to New ASCI Opco.

(ix) Global Safety Textiles LLC will transfer all of its Assets to New GST Holdco in exchange for common stock of New GST Holdco. New GST Holdco will further contribute those Assets to New GST Opco. Global Safety Textiles LLC will then dissolve.

(x) Safety Holdings will transfer all of its Assets (other than its common stock of New GST Holdco) to New GST Holdco in exchange for common stock of New GST Holdco.

(xi) New GST Holdco's ownership interests of Global Safety Textiles Acquisition GmbH will be cancelled and new ownership interests of Reorganized Global Safety Textiles Acquisition GmbH will be issued.

(xii) Safety Holdings will issue the New Equity Interests to the holders of Allowed Priority Lender Claims, as described in Section 7.2(d)(i). Safety Holdings will then liquidate.

(b) **New Equity Interests.**

The holders of Allowed Priority Lender Claims will become upon emergence from bankruptcy the holders of all of the New Equity Interests (excluding the New Equity Interests to be reserved for issuance pursuant to the Management and Director Incentive Program), which equity interests will be distributed to each holder of a Priority Lender Claim pro rata, based on the amount of its Allowed Priority Lender Claim.

(c) **New Debt Facilities.**

The Plan further contemplates the issuance of New Lender First Lien Notes in an amount equal to \$70,000,000, referred to as the combined Tranche B and C in the form New Lender First Lien Facility, and New Lender Second Lien Notes in an amount equal to \$30,000,000, which will be distributed to each holder of Priority Lender Claim pro rata, based on

the amount of its Allowed Priority Lender Claim. In addition, the Plan contemplates that each holder of an Allowed Priority Lender Claim who is also a holder of a DIP Claim will receive its Pro Rata Share of New Lender First Lien Notes in an amount equal to \$5,000,000, referred to as Tranche A in the form New Lender First Lien Facility.

VII.

SELECTED FINANCIAL INFORMATION

A. Consolidated and Year-to-Date Annual Financial Information for the Debtors

[To be provided.]

VIII.

FINANCIAL PROJECTIONS AND ASSUMPTIONS

A. Purpose and Objectives

The Debtors' long term business plan (the "Business Plan") and the underlying projections and assumptions serve as the basis for the Plan. The Debtors believe that the assumptions that underlie the projections are reasonable under the circumstances and that achieving the projections set forth herein will maximize the value of the Debtors' businesses.

B. Projected Consolidated Financial Statements

The Debtors have prepared the projected operating and financial results (the "Projections") on a consolidated basis for the period ending December 30, 2012, assuming the effects of certain transactions that will occur in connection with and upon consummation of the Plan. The Projections, and a summary of significant assumptions related thereto, are attached to this Disclosure Statement as Exhibit F.

The Projections should be read in conjunction with the assumptions, qualifications, and the footnotes to the tables containing the Projections, the historical consolidated financial information (including the notes and schedules thereto), and the information contained in "Selected Financial Information."

THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TO COMPLYING WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS NOR IN ACCORDANCE WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. THE DEBTORS' INDEPENDENT ACCOUNTANTS HAVE NEITHER EXAMINED NOR COMPILED THE ACCOMPANYING PROSPECTIVE FINANCIAL INFORMATION AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT THERETO.

THE DEBTORS DO NOT, AS A MATTER OF COURSE, PUBLISH THEIR BUSINESS PLANS AND STRATEGIES OR PROJECTIONS OF THEIR ANTICIPATED FINANCIAL POSITION OR RESULTS OF OPERATIONS. ACCORDINGLY, THE DEBTORS DO NOT INTEND, AND DISCLAIM ANY OBLIGATION, TO (1) FURNISH UPDATED BUSINESS PLANS OR PROJECTIONS TO HOLDERS OF CLAIMS OR EQUITY INTERESTS PRIOR TO THE EFFECTIVE DATE, OR TO HOLDERS OF SECURITIES OF NEW GST HOLDCO, OR ANY OTHER PARTY AFTER THE EFFECTIVE DATE, (2) INCLUDE SUCH UPDATED INFORMATION IN ANY DOCUMENTS THAT MAY BE REQUIRED TO BE FILED WITH THE SEC, OR (3) OTHERWISE MAKE SUCH UPDATED INFORMATION PUBLICLY AVAILABLE.

THE PROJECTIONS CONTAIN CERTAIN STATEMENTS THAT ARE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THE PROJECTIONS HAVE BEEN PREPARED BY THE DEBTORS’ MANAGEMENT AND PROFESSIONALS. THESE PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE BASED UPON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY MANAGEMENT, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE DEBTORS’ CONTROL. THE DEBTORS CAUTION THAT NO ASSURANCES CAN BE MADE AS TO THE ACCURACY OF THE PROJECTIONS OR THE ABILITY OF THE POST-REORGANIZATION GST GROUP TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE, AND EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED, OR MAY BE UNANTICIPATED, AND THUS MAY AFFECT FINANCIAL RESULTS IN A MATERIAL AND POSSIBLY ADVERSE MANNER. THE PROJECTIONS, THEREFORE, MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

THE ASSUMPTIONS AND RESULTANT COMPUTATIONS WERE MADE SOLELY FOR PURPOSES OF PREPARING THE PROJECTIONS. THE DEBTORS WILL BE REQUIRED TO DETERMINE THE ENTERPRISE VALUE, THE FAIR VALUE OF THEIR ASSETS, AND THEIR ACTUAL LIABILITIES AS OF THE EFFECTIVE DATE. SUCH DETERMINATION WILL BE BASED UPON THE FAIR VALUES AS OF THAT DATE, WHICH COULD BE MATERIALLY GREATER OR LOWER THAN THE VALUES ASSUMED IN THE FOREGOING COMPUTATIONS. IN ALL EVENTS, THE ENTERPRISE VALUE, AS WELL AS THE DETERMINATION OF THE FAIR VALUE OF THE DEBTORS’ PROPERTY, EQUIPMENT, AND INVENTORIES AND THE DETERMINATION OF THEIR ACTUAL LIABILITIES, WILL BE MADE AS OF THE EFFECTIVE DATE. ALTHOUGH THE DEBTORS EXPECT TO UTILIZE A CONSISTENT METHODOLOGY, THE CHANGES BETWEEN THE AMOUNTS OF ANY OR ALL OF THE FOREGOING ITEMS AS ASSUMED IN THE PROJECTIONS AND THE ACTUAL AMOUNTS THEREOF AS OF THE EFFECTIVE DATE MAY BE MATERIAL.

IX.

THE CHAPTER 11 CASES

A. Commencement of the Chapter 11 Cases

On June 30, 2009, Safety Holdings and its affiliated Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

B. Continuation of Business After the Petition Date

Since the Petition Date, the Debtors have continued to operate their businesses and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors have sought Bankruptcy Court approval for all transactions that were outside the ordinary course of their businesses. As discussed in this section, during the period immediately following the Petition Date, the Debtors sought and obtained authority from the Bankruptcy Court with respect to a number of matters deemed by the Debtors to be essential to their smooth and efficient transition into chapter 11 and the stabilization of their operations.

(a) Cash Collateral

By motion filed on the Petition Date (the "Cash Collateral Motion"), the Debtors sought emergency relief (i) authorizing the use of the Secured Lenders' cash collateral (ii) granting adequate protection and (iii) scheduling a final hearing. As of the Petition Date, the Debtors' only source of liquidity was the Secured Lenders' cash collateral and the income generated by the Debtors' business operations. Given that substantially all of the Debtors' assets are encumbered by the Secured Lenders' liens, the Debtors would have been unable to continue their business operations or fund their Chapter 11 Cases absent some form of immediate relief from the Bankruptcy Court. The Cash Collateral Motion and the interim and final orders granting the relief requested therein provided adequate protection to the Secured Lenders and/or the Security Agent in the form of (i) replacement liens, (ii) superpriority claims under section 507(b) of the Bankruptcy Code, (iii) certain adequate protection payments (iv) rights to the proceeds of certain sales of the Debtors' assets, (v) financial reporting by the Debtors and (vi) specified rights relating to the monitoring of collateral. The Bankruptcy Court approved the Debtors' use of cash collateral by interim order entered July 2, 2009 and by final order entered July 30, 2009.

(b) Debtor in Possession Financing

Following the Petition Date, the Debtors sought approval of financing pursuant to the terms of the DIP Credit Agreement. The DIP Credit Agreement contemplated the extension of debtor in possession financing to the Debtors by the DIP Lenders on a senior secured superpriority basis through a credit facility in an aggregate principal amount of \$5,000,000. The DIP Credit Agreement was approved by order entered [_____], 2009.

(c) **Business Operations and Employee-Related Relief**

The Debtors also sought, by motion (the “Employee Wages and Benefits Motion”) filed on the Petition Date, authority to pay certain prepetition obligations owing to the Debtors’ employees and independent contractors that the Debtors deemed critical to employee morale and future business needs. Among other things, the Debtors sought authority to pay (i) prepetition employee wages, salaries, overtime pay, incentive pay and bonuses, contractual compensation, sick pay, vacation pay, holiday pay and other accrued compensation (collectively, the “Compensation”); (ii) unreimbursed prepetition business expenses, including travel, lodging, car allowances and other reimbursable business expenses; (iii) certain accrued but unpaid payroll tax obligations and (iv) other miscellaneous employee related expenses and benefits. By the Employee Wages and Benefits Motion, the Debtors also sought authority to continue in the ordinary course, pay and otherwise honor any Compensation in the form of unused vacation days, sick days or other leave benefits that, as of the Petition Date, had accrued but was not yet payable, if and when such Compensation becomes due. Moreover, the Debtors requested authority to remit prepetition amounts withheld or deducted from their employees’ wages to the appropriate third parties. The Debtors sought in the Employee Wages and Benefits Motion to continue a severance program with respect to eligible salaried employees other than “insiders” within the meaning of section 101(31) of the Bankruptcy Code. The Debtors also sought authority to make further payments in the ordinary course at or with respect to Compensation, reimbursable business expenses, payroll tax obligations, deductions and withholdings and contributions to or benefits under their employee benefit plans. The Bankruptcy Court approved the relief requested by the Debtors in the Employee Wages and Benefits Motion by interim order entered July 2, 2009 and by final order entered July 29, 2009.

The Debtors also filed a motion (the “Essential Suppliers Motion”) pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, for the entry of an order (i) authorizing, but not directing, the Debtors to pay the prepetition claims (collectively, the “Essential Supplier Claims”) of certain parties that supply goods or services critical to the continued operation of the Debtors’ businesses (collectively, the “Essential Suppliers”). The Debtors determined in their business judgment that it was imperative that they be authorized to pay the Essential Supplier Claims to (a) ensure that the essential goods and services provided by the Essential Suppliers remained available to the Debtors without interruption, and (b) preserve to the fullest extent the value of the Debtors’ businesses for the benefit of all stakeholders. One of the many reasons why the relief requested in the Essential Suppliers Motion was necessary is that the automotive safety textile manufacturing industry has a customer base that demands a highly specific and customized product. In some cases, the Debtors do not have—and the Debtors’ key customers do not permit—any viable alternatives to obtain substitute goods or services from other vendors or providers. As a quid pro quo for, and as a condition to, the payment of the Essential Supplier Claims, however, the Debtors were authorized to require postpetition commitments from Essential Suppliers to provide the Debtors with goods or services on credit, pricing or payment terms and order limits that are equal to, or better than, those provided to the Debtors prepetition. The Essential Suppliers Motion was granted by order entered July 2, 2009.

The Debtors also moved for authorization (the “Foreign Vendors Motion”) to pay certain prepetition claims (the “Foreign Claims”) of certain foreign vendors (the “Foreign Vendors”) pursuant to sections 105, 363 and 364 of the Bankruptcy Code. The Debtors regularly

transact business with a number of Foreign Vendors, many of which are unfamiliar with the unique debtor in possession mechanism that is at the heart of chapter 11 and the protections available to the Debtors under the Bankruptcy Code. In light of the potential consequences should Foreign Vendors fail to continue to make uninterrupted and timely deliveries of goods, and the lack of any workable enforcement mechanism against these parties, the Debtors determined, in the exercise of their business judgment, that payment of the Foreign Claims was essential to avoid costly disruptions to the Debtors' operations and to preserve the Debtors' ability to timely and adequately satisfy customer desires. As a quid pro quo for, and as a condition to, the payment of the Foreign Claims, however, the Debtors were authorized to require postpetition commitments from Foreign Vendors to provide the Debtors with goods or services on credit, pricing or payment terms and order limits that are equal to, or better than, those provided to the Debtors prepetition. The Foreign Vendors Motion was granted by order entered July 2, 2009.

The Debtors also filed a motion (the "Customer Programs Motion") seeking entry of an order pursuant to sections 105(a) and 363 of the Bankruptcy Code, authorizing, but not directing, the Debtors, in their business judgment, to continue to maintain in the ordinary course certain prepetition rebate and discount programs (collectively, the "Customer Rebate Programs") that the Debtors maintained prior to the Petition Date to develop and sustain positive reputations in the marketplace for their products and services. The Customer Rebate Programs result in off-invoice deductions as well as the issuance of credits to reduce amounts owed to the Debtors or the periodic disbursement of cash. The Debtors also sought via the Customer Programs Motion to pay prepetition amounts owed under, or otherwise honor, these Customer Rebate Programs. The Debtors requested authority to continue their Customer Rebate Programs because such programs had proven to be (a) successful business strategies in the past and (b) responsible for generating valuable goodwill, repeat business, and net revenue increases. Continuing the Customer Rebate Programs throughout the Chapter 11 Cases was deemed essential to (a) preserve their critical business, customer relationships and goodwill for the benefit of their estates and (b) maintain the value of the Debtors' estates as the Debtors attempt to restructure their businesses. The Customer Programs Motion was granted by order entered July 2, 2009.

The Debtors also filed a motion (the "Common Carriers and Warehousemen Motion") seeking entry of an order pursuant to sections 105(a) and 363 of the Bankruptcy Code, authorizing, but not directing, the Debtors, in their business judgment, to pay the prepetition claims (collectively, the "Common Carriers and Warehousemen Claims") of common carriers, shippers, truckers, customs agents and warehousemen (collectively, the "Carriers and Warehousemen") for shipping, storage and related costs. The Debtors sought authority to pay the Common Carriers and Warehousemen Claims to address the risk that the Carriers and Warehousemen would argue that they were entitled to possessory liens for transportation and storage of the goods then in their possession and thus refuse to deliver or release such goods before their claims were satisfied and their liens redeemed. Delay in receipt of materials and other goods could severely impact the timely completion of work at the Debtors' and their non-debtor affiliates' facilities. Accordingly, the relief requested in the Common Carriers and Warehousemen Motion was necessary to enable the Debtors to continue to receive goods and deliver finished products necessary for the Debtors to conduct their businesses and permit the Debtors to preserve their going concern value. The Common Carriers and Warehousemen Motion was granted by order entered July 2, 2009.

Finally, the Debtors filed a motion (the “Cash Management Motion”) pursuant to sections 363(c) and 345 of the Bankruptcy Code, seeking authority to continue use of their current cash management system (the “Cash Management System”). The Debtors sought, among other things, (i) approval of the Debtors’ continued use of their prepetition bank accounts and business forms and (ii) authority for the Debtors’ banks to honor certain transfers. The Cash Management System is an ordinary course, essential business practice of the Debtors, and in light of the substantial size and complexity of the Debtors’ operations, any disruption in their cash management procedures would hamper the Debtors’ efforts to preserve the value of their estates. The Bankruptcy Court approved the relief requested by the Debtors in the Cash Management Motion by interim order entered July 2, 2009 and by final order entered July 29, 2009.

(d) **Injunctive Relief Pursuant to Section 105 of the Bankruptcy Code**

By motion and verified complaint filed on the Petition Date, the Debtors sought (a) pursuant to section 105 of the Bankruptcy Code, (i) a preliminary injunction staying, restraining and enjoining certain of the Secured Lenders not party to a standstill agreement with the Debtors and all other persons or entities acting in concert with any of them or on their behalf from demanding payment from or exercising remedies against any of the Non-Debtor Subsidiaries based on any guaranty or similar assurance of performance, if any, by any of the Non-Debtor Subsidiaries of obligations of any of the Debtors under the Original Debt Documents (the “Non-Debtor Subsidiary Guaranties”) and (ii) a temporary restraining order pending a hearing and ruling on the Debtors’ request for a preliminary injunction or, alternatively, (b) pursuant to sections 105 and 362 of the Bankruptcy Code, an order extending the automatic stay to stay the commencement or continuation of any action or legal proceedings against any of the Non-Debtor Subsidiaries, or any of their property, or the proceeds of such property, by the Secured Lenders or any other creditor of one or more of the Debtors against the Non-Debtor Subsidiaries on account of the Non-Debtor Subsidiary Guaranties.

As noted, the BST Facility expired on June 30, 2009, which created a situation where the Co-proponent, as a guarantor of the Original Debt, likely became either “over-indebted” or “illiquid” under German law, which triggers an obligation of the managing directors of the Co-proponent to commence German insolvency proceedings. However, because at the time there was a real likelihood that the situation creating the over-indebtedness or illiquidity could be removed within twenty-one days, the managing directors were afforded the opportunity attempt during the twenty-one day period to address and remedy the situation before having to commence insolvency proceedings. Conversely, a demand or enforcement action by any of the Secured Lenders could trigger the requirement to commence an insolvency proceeding before the twenty-one day period elapsed.

In seeking a preliminary injunction and temporary restraining order or order extending the automatic stay to the Non-Debtor Subsidiaries, the Debtors sought to prevent the Secured Lenders named as defendants from taking any action to effectively circumvent the Chapter 11 Cases and to disrupt the Debtors’ business operations by exercising remedies against the Non-Debtors Subsidiaries pending a restructuring of the Debtors’ obligations arising under the Original Debt Documents in the Chapter 11 Cases. The Bankruptcy Court approved the

requested injunctive relief by temporary restraining orders dated July 2, 2009, July 13, 2009, July 22, 2009 and July 29, 2009.

C. Negotiations With the Priority Agent and Certain of the Priority Lenders Following the Petition Date

Following the Petition Date, the Debtors continued in negotiations with the Priority Agent and certain Priority Lenders regarding the terms of a restructuring of the Debtors' and the Non-Debtor Subsidiaries' obligations under the Original Debt Documents. On July 21, 2009, a majority of the Priority Lenders holding more than two-thirds in amount of the Priority Lender Claims (the "Supporting Lenders"), delivered to the Debtors an agreement (the "Plan Support Agreement") by the Supporting Lenders pursuant to which the Supporting Lenders agreed, subject to approval of this Disclosure Statement and solicitation of votes in accordance with the Bankruptcy Code, to vote all of their Priority Lender Claims in favor of and to support the Plan. The Plan Support Agreement, while binding on the Supporting Lenders beginning July 21, 2009, subject to the terms and condition thereof, permitted the Debtors seven days, until July 28, 2009, to determine whether to enter into the Plan Support Agreement. On July 28, 2009, the Debtors entered into the Plan Support Agreement with the Supporting Lenders. In brief, the Plan Support Agreement defines the contractual relationships between the Debtors and the Priority Lenders on emergence from chapter 11, which are embodied in the Plan and the Exhibits thereto, and forms the basis of a restructuring of not only the Debtors, but also the Non-Debtor Subsidiaries.

D. Representation of the Debtors

The Debtors retained White & Case LLP ("W&C") as lead bankruptcy counsel to the Debtors in connection with the Chapter 11 Cases. The Debtors also retained Fox Rothschild LLP to serve as bankruptcy co-counsel. The Debtors also retained Zolfo Cooper LLC as the Debtors' bankruptcy consultants and special financial advisors and Zolfo Cooper Corporate Finance Limited as special financial advisors.

E. Formation and Representation of the Committee

On July 22, 2009, the U.S. Trustee appointed the Committee comprised of Dow Corning Corporation, Schreiner Protech N.A. Inc., and YKK (USA) Inc. The Committee retained Winston & Strawn LLC and Cole, Schotz, Meisel, Forman & Leonard, P.A., as counsel.

F. Representation of the Priority Agent and Certain of the Priority Lenders

The Priority Agent is represented in the Chapter 11 Cases by Latham & Watkins LLP. A steering group of the Secured Lenders has retained N M Rothschild & Sons Limited as financial advisors.

G. Matters Relating to Unexpired Leases and Executory Contracts

Section 365 of the Bankruptcy Code grants a debtor the power, subject to the approval of the Bankruptcy Court, to assume or reject executory contracts and unexpired leases. As amended, section 365(d)(4) of the Bankruptcy Code provides that if a debtor does not assume

or reject an unexpired lease of nonresidential real property under which a debtor is the lessee (i) within 120 days after the Petition Date (the “365(d)(4) Deadline”), (ii) within an additional 90-day period as the bankruptcy court, for cause, may allow, or (iii) within such additional time as the bankruptcy court may permit with the consent of the landlord of the leased premises, then such lease is deemed rejected.

H. Exclusivity

Pursuant to sections 1121(b) and (c)(3) of the Bankruptcy Code, the Debtors have a certain amount of time within which (a) to file their Plan (the “Filing Period”); and (b) to solicit acceptances of their timely filed Plan (the “Solicitation Period”) before other parties in interest are permitted to file plans. Debtors have filed the Plan on the date hereof and, unless extended by the Bankruptcy Court, the Solicitation Period will expire on December 7, 2009. Accordingly, no other party may file a plan unless the Solicitation Period expires or the Bankruptcy Court orders otherwise.

I. Claims Administration

(a) Schedules and Bar Dates

On [____], 2009, after having received an extension from the Bankruptcy Court, the Debtors filed their respective Schedules. The aggregate scheduled liabilities for the Debtors were approximately \$[____]. In addition to claims scheduled by the Debtors, approximately [____] proofs of claim have been filed against the Debtors in the Chapter 11 Cases in an amount exceeding \$[____] in the aggregate. Based upon a preliminary analysis conducted by the Debtors, a significant amount of the asserted Claims represent duplicate or otherwise redundant Claims and accordingly, a significant amount of Claims that have been filed are subject to disallowance by the Bankruptcy Court. While it is likely that only a small portion of the filed Claims will be allowed, the Claims resolution process is in its nascent stages and the resolution and allowance of such Claims remain subject to determination of the Bankruptcy Court.

By order dated [____], 2009 (the “Bar Date Order”), the Bankruptcy Court fixed [____], 2009 at 5:00 p.m. Prevailing Eastern Time (the “Bar Date”) as the deadline for all holders of alleged Claims against the Debtors to file proofs of claim against the Debtors. The Bar Date Order also approved the form of publication notice (the “Bar Date Notice”) and the form of the proof of claim to be utilized by creditors. The Bar Date Notice was published on [____], 2009 in the [____].

Pursuant to the Bar Date Order, Claims associated with the rejection of an executory contract or unexpired lease must be filed by the later of the Bar Date or 30 days from the notice of the order rejecting the executory contract or unexpired lease. With respect to Claims affected by amended schedules, such Claims must be filed by the later of the Bar Date or 30 days from the notice of the amended schedules, and only if such schedule amendment affects such Claim as described in the Bar Date Order.

(b) **Claim Objections**

In the ordinary course of business, the Debtors maintain books and records (the “Books and Records”) that reflect, among other things, the Debtors’ liabilities and the amounts owed to their creditors in connection with such liabilities. The Debtors, the Disbursing Agent and their Professional Persons will review the proofs of claim submitted in the Chapter 11 Cases, including any supporting documentation, and compare the Claims asserted in the proofs of claim with the Books and Records to determine the validity of such Claims. The Debtors and the Disbursing Agent may file procedural objections based upon such review.

X.

THE CHAPTER 11 PLAN

A. Introduction

The following is a summary of certain terms and provisions of the Plan. This summary of the Plan is qualified in its entirety by reference to the full text of the Plan, which is annexed to this Disclosure Statement as **Exhibit A**.

B. General Description of the Treatment of Claims and Equity Interests

(a) **Unclassified Claims**

Administrative Claims and Tax Claims are treated in accordance with sections 1129(a)(9)(A) and 1129(a)(9)(C) of the Bankruptcy Code, respectively. Such Claims are not designated as classes of Claims for the purposes of the Plan or for the purposes of sections 1123, 1124, 1125, 1126 or 1129 of the Bankruptcy Code.

(b) **Treatment of Administrative Claims**

a. **Administrative Claims Defined.**

Administrative Claims are rights to payment constituting a cost or expense of administration of any of the Chapter 11 Cases allowed under sections 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the estates of each of the Debtors, any actual and necessary costs and expenses of operating the businesses of each of the Debtors, any indebtedness or obligations incurred or assumed by any of the Debtors in connection with the conduct of its business on or after the Petition Date, any allowances of compensation and reimbursement of expenses to the extent allowed by a Final Order under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estates of the Debtors under 28 U.S.C. § 1930.

b. **Time for Filing Administrative Claims.**

The holder of an Administrative Claim, other than (i) a DIP Claim; (ii) a Fee Claim; (iii) a liability incurred and payable in the ordinary course of business by a Debtor (and not past due); or (iv) an Administrative Claim that has been Allowed on or before the Effective Date, must file with the Bankruptcy Court and serve on the Debtors, the Committee, and the U.S.

Trustee, notice of such Administrative Claim within forty (40) days after service of Notice of Confirmation. Such notice must include at a minimum (A) the name of the Debtor(s) which are purported to be liable for the Claim, (B) the name of the holder of the Claim, (C) the amount of the Claim, and (D) the basis of the Claim. **THE FAILURE TO FILE A NOTICE OF ADMINISTRATIVE CLAIM ON OR BEFORE THE ADMINISTRATIVE CLAIMS BAR DATE WILL RESULT IN SUCH ADMINISTRATIVE CLAIM BEING FOREVER BARRED, DISALLOWED AND DISCHARGED WITHOUT FURTHER ORDER OF THE BANKRUPTCY COURT.**

c. Time for Filing Fee Claims.

Each Professional Person who holds or asserts a Fee Claim will be required to file with the Bankruptcy Court, and serve on all parties required to receive notice, a Fee Application within forty-five (45) days after the Effective Date. **THE FAILURE TO FILE TIMELY AND SERVE SUCH FEE APPLICATION WILL RESULT IN THE FEE CLAIM BEING FOREVER BARRED AND DISCHARGED.**

d. Time for Filing Section 503(b)(9) Claims.

On [____], 2009, the Bankruptcy Court established a bar date for holders of any Claims against the Debtors for the value of any goods received by any of the Debtors within twenty (20) days before the Petition Date in the ordinary course of business pursuant to Section 503(b)(9) of the Bankruptcy Code (the “503(b)(9) Bar Date Order”). Pursuant to the 503(b)(9) Bar Date Order, such holders must submit a request for allowance of 503(b)(9) Claims to the Claims Agent, with copies to counsel for the Debtors and the Committee (the “Notice Parties”) so as to be actually received by the Notice Parties by [____], 2009 at 5:00 p.m. Prevailing Eastern Time (the “Section 503(b)(9) Bar Date”). **THE FAILURE TO SUBMIT SUCH REQUEST BY THE SECTION 503(b)(9) BAR DATE WILL RESULT IN THE SECTION 503(b)(9) CLAIM BEING DEEMED DISALLOWED AS AN ADMINISTRATIVE CLAIM.** Such disallowance will not prevent such Claim from being allowed as a Claim, other than as an Administrative Claim, to the extent otherwise allowable.

e. Allowance of Administrative Claims/Fee Claims/Section 503(b)(9) Claims.

An Administrative Claim (other than a DIP Claim, a Fee Claim or a Section 503(b)(9) Claim) with respect to which notice has been properly filed and served pursuant to Section 5.2(a) of the Plan, or a Section 503(b)(9) Claim with respect to which notice has been properly filed and served pursuant to Section 5.2(c) of the Plan, will become an Allowed Administrative Claim if no objection is filed within thirty (30) days after the later of (i) the Effective Date, or (ii) the date of service of the applicable notice of Administrative Claim or such later date as may be approved by the Bankruptcy Court on motion of a party in interest, without notice or a hearing. If an objection is filed within such 30-day period (or any extension thereof), the Administrative Claim will become an Allowed Administrative Claim only to the extent allowed by Final Order. A Fee Claim in respect of which a Fee Application has been properly filed and served pursuant to Section 5.2(b) of the Plan will become an Allowed Administrative Claim only to the extent allowed by Final Order.

f. Allowance and Payment of DIP Claims.

The DIP Claims will be Allowed Administrative Claims on the Effective Date and will either (i) be paid in Cash in full on the Effective Date or (ii) convert into New Lender First Lien Notes referred to as Tranche A in the form New Lender First Lien Facility.

g. Payment of Allowed Administrative Claims.

On the Distribution Date, each holder of an Allowed Administrative Claim will receive (i) the amount of such holder's Allowed Administrative Claim in one Cash payment, or (ii) such other treatment as may be agreed upon in writing by the Debtors and such holder; provided, that such treatment will not provide a return to such holder having a present value as of the Effective Date in excess of such holder's Allowed Administrative Claim; provided, further, that an Administrative Claim representing a liability incurred in the ordinary course of business of the Debtors may be paid at the Debtors' election in the ordinary course of business.

(c) **Treatment of Tax Claims**

Each holder of an Allowed Tax Claim will receive in full satisfaction of such holder's Allowed Tax Claim (a) payments in Cash, in regular installments over a period ending not later than five (5) years after the Petition Date, of a total value, as of the Effective Date, equal to the Allowed amount of such Claim; (b) a lesser amount in one Cash payment as may be agreed upon in writing by such holder; or (c) such other treatment as may be agreed upon in writing by such holder; provided, that such agreed-upon treatment may not provide such holder with a return having a present value as of the Effective Date that is greater than the amount of such holder's Allowed Tax Claim or that is less favorable than the treatment provided to the most favored General Unsecured Claims under the Plan. The Confirmation Order will enjoin any holder of an Allowed Tax Claim from commencing or continuing any action or proceeding against any responsible person, officer or director of the Debtors that otherwise would be liable to such holder for payment of a Tax Claim so long as the Debtors are in compliance with Section 5.3 of the Plan. So long as the holder of an Allowed Tax Claim is enjoined from commencing or continuing any action or proceeding against any responsible person, officer or director under Section 5.3 of the Plan or pursuant to the Confirmation Order, the statute of limitations for commencing or continuing any such action or proceeding will be tolled.

(d) **Classified Claims and Equity Interests**

The classified Claims against, and Equity Interests in, the Debtors are classified in the Plan as follows:

- i. Class 1 — Priority Claims
- ii. Class 2 — Priority Lender Claims
- iii. Class 3 — Other Secured Claims
- iv. Class 4 — General Unsecured Claims

- v. Class 5 — Convenience Claims
- vi. Class 6 — Equity Interests

(e) **Treatment of Intercompany Claims**

Intercompany Claims will, solely for purposes of receiving distributions under the Plan, be treated as having been resolved by compromise or otherwise eliminated, and thus, holders of Intercompany Claims will receive no distribution on account of such Intercompany Claims. After the Effective Date, Intercompany Claims may be compromised or otherwise eliminated by the Debtors and their successors under the Plan in the ordinary course of business. Holders of Intercompany claims will not be entitled to vote on the Plan.

C. Treatment of Claims and Equity Interests

The treatment of each class of claims is summarized in Section IV.B – “Summary of Distributions Under the Plan.”

D. Acceptance or Rejection of the Plan; Effect of Rejection by One or More Classes of Claims

(a) **Class Entitled to Vote**

Holders of Priority Lender Claims are entitled to vote on the Plan.

(b) **Class Acceptance Requirement**

A class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such class that have voted on the Plan.

(c) **Cramdown**

If all applicable requirements for confirmation of the Plan are met as set forth in section 1129(a) of the Bankruptcy Code, except subsection (8) thereof, the Plan shall be treated as a request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code, notwithstanding the failure to satisfy the requirements of section 1129(a)(8), on the basis that the Plan is fair and equitable and does not discriminate unfairly with respect to each class of Claims that is impaired under, and has not accepted, the Plan.

(d) **Special Provision Relating to Voting of Claims in Class 4 – General Unsecured Claims**

For purposes of determining whether the requirement for confirmation of the Plan set forth in subsection (8) of section 1129(a) of the Bankruptcy Code is met: (a) Class 4 will be considered a voting class; (b) holders of General Unsecured Claims other than Priority Lender Deficiency Claims will be deemed to vote to reject the Plan; and (c) in the event Class 2 accepts

the Plan, holders of Priority Lender Claims will be deemed to have voted their Priority Lender Deficiency Claims, which are General Unsecured Claims included in Class 4, to accept the Plan.

(e) **Feasibility**

The Bankruptcy Code conditions confirmation of a plan of reorganization on, among other things, a finding that it is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor. For purposes of determining whether the Plan satisfies this condition, the Debtors have analyzed the capacity of each Debtor to service its obligations under the Plan. Based upon its analysis of their Projections, the Debtors believe they or their successors pursuant to the Plan will be able to make all payments required to be made under the Plan. See Article VIII – “Financial Projections and Assumptions.”

E. Means of Implementation of the Plan

(a) **Operations Between the Confirmation Date and the Effective Date**

During the period from the Confirmation Date through and until the Effective Date, the Debtors shall continue to operate their businesses as Debtors-in-Possession, subject to the oversight of the Bankruptcy Court as provided in the Bankruptcy Code, the Bankruptcy Rules and all orders of the Bankruptcy Court that are then in full force and effect.

(b) **Certain Transactions On or Prior to the Effective Date**

Pursuant to section 1123(a)(5) of the Bankruptcy Code, the Debtors and the members of the Post-reorganization GST Group will, on or prior to the Effective Date (i) issue the New Equity Interests; (ii) perform all of their obligations under the New Lender Documents; (iii) implement all settlements and compromises as set forth in or contemplated by the Plan; (iv) amend and restate their constituent documents in accordance with the terms of the Plan; and (v) perform all obligations under the Plan Documents.

(c) **Description of Certain Securities to Be Issued Pursuant to the Plan**

Pursuant to the Plan, the following debt and equity will be issued:

(i) the New Equity Interests comprised of the common stock to be issued or reserved for issuance by New GST Holdco on or after the Effective Date pursuant to the Plan; and

(ii) the New Lender Notes comprised of (i) the New Lender First Lien Notes to be issued to the holders of Allowed Priority Lender Claims in an aggregate amount equal to \$70,000,000 plus the amount of any DIP Claims and (ii) the New Lender Second Lien Notes to be issued to the holders of Allowed Priority Lender Claims in an aggregate amount equal to \$30,000,000.

(d) **Corporate Action**

The entry of the Confirmation Order shall constitute authorization for the Debtors to take or cause to be taken all corporate actions necessary or appropriate to implement all provisions of, and to consummate, the Plan prior to, on and after the Effective Date and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including, without limitation, any action required by the stockholders or directors of the Debtors, including, among other things, (i) the adoption or amendment of any organizational documents; (ii) the termination and cancellation of any Original Debt Documents or any other outstanding instrument, document or agreement evidencing the Original Debt; (iii) the formation of New GST Holdco, New ASCI Opco, New GST Opco and New European Holdco; (iv) all transfers of Assets that are to occur under the Plan; (v) the issuance of any securities to be issued under the Plan; (vi) the execution and delivery of the New Lender Documents; (vii) the incurrence of all obligations contemplated by the Plan and the making of all Plan Distributions; (viii) the reinstatement and assumption of all indemnity obligations to the directors and officers of the Debtors; (ix) the implementation of all settlements and compromises as set forth in or contemplated by the Plan; (x) taking of all actions to preserve and provide for the prosecution of the Avoidance Actions; and (xi) entering into any and all transactions, contracts or arrangements permitted by applicable law, order, rule or regulation.

The officers of the Debtors are authorized and directed to do all things and to execute and deliver all agreements, documents, instruments, notices and certificates as are contemplated by the Plan and to take all necessary action required in connection therewith, in the name of and on behalf of the Debtors. All obligations of the Debtors to indemnify and hold harmless their current and former directors, officers and employees, whether arising under the Debtors' constituent documents, contract, law or equity, will be assumed by the applicable Debtor and assigned to its successor under Section 7.2(b) of the Plan upon the occurrence of the Effective Date with the same effect as though such obligations constituted executory contracts that are assumed (or assumed and assigned, as applicable) under section 365 of the Bankruptcy Code, and all such obligations will be fully enforceable on their terms from and after the Effective Date. The prosecution of any so-indemnified Cause of Action will upon the occurrence of the Effective Date be enjoined and prohibited, except solely for the purpose of obtaining a recovery from the issuer of any available insurance policy proceeds.

The constituent documents of New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH will prohibit the issuance of non-voting equity securities by such entities as required by section 1123(a)(6) of the Bankruptcy Code; provided, however, that following the Effective Date, each of New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH will be entitled to issue such securities, in its sole discretion.

(e) **Termination of Certain Debt Obligations**

Upon the occurrence of the Effective Date, the Original Debt Documents will be cancelled and annulled. Immediately upon (a) consummation of the transfers described in

Section 7.2(b) of the Plan, and (b) completion of all Plan Distributions to the holders of Priority Lender Claims, (i) the Debtors will be authorized and directed (without further approval, act or other determination under applicable law, regulation, order or rule) to take such action as will be necessary or appropriate to terminate and extinguish all of the Debtors' obligations under the Original Debt Documents, and (ii) the Security Agent will, in accordance with the Intercreditor Deed, release (A) the Non-Debtor Subsidiaries from all past, present and future liabilities (both actual and contingent) and/or the obligations of the Non-Debtor Subsidiaries in their capacities as guarantors or borrowers of the whole or any part of the Original Debt (including a release of any liability by way of guaranty, contribution, subrogation or indemnity), and (B) all security interests, liens and other encumbrances granted by the Non-Debtor Subsidiaries over their assets to secure the Original Debt.

(f) **Corporate Existence of the Debtors**

Immediately following consummation of the transactions described in Section 7.2(b) of the Plan, the remaining Debtors (other than Reorganized Global Safety Textiles Acquisition GmbH) will take such action as permitted by applicable law and their constituent documents to liquidate or dissolve, as provided in Section 7.2(b) of the Plan.

(g) **Re-vesting of Assets**

Upon the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all Assets of the Debtors' Estates and any Assets acquired through the Plan will vest in New GST Holdco, New ASCI Opco, New GST Opco, New European Opco and Reorganized Global Safety Textiles Acquisition GmbH free and clear of all Claims, liens, encumbrances, charges and other interests, except as provided herein.

(h) **Management**

Except as set forth in Section 7.8(b) of the Plan, upon the occurrence of the Effective Date, the management, control, and operation of each of the Debtors will be the general responsibility of each such entity's then current board, manager, managing director and management. Entry of the Confirmation Order shall ratify and approve all actions taken by each of the Debtors from the Petition Date through and until the Effective Date.

(i) **Initial Boards of Directors**

On the Effective Date, (i) the board of directors of New GST Holdco will be comprised of five individuals, one of whom will be the Chief Executive Officer of New GST Holdco and four of whom will be acceptable to the Priority Lenders and (ii) the manager of each of New ASCI Opco and New GST Opco will be New GST Holdco. The managing director of each of New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH will be Georg Saint-Denis.

From and after the Effective Date, the members of the board of directors, managers or managing directors, as applicable, of New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH

will be selected and determined in accordance with the provisions of the respective organizational documents and applicable law.

(j) **Officers**

On the Effective Date, the officers of New GST Holdco will be Georg Saint-Denis, Chief Executive Officer and President; Frank Goehring, Chief Operating Officer and Vice President; Anthony Forman, Chief Financial Officer, Vice President and Treasurer; and [____], Vice President and Secretary. The Officers of each of New ASCI Opco and New GST Opco will be Frank Goehring, President; Anthony Forman, Vice President and Treasurer; and [____], Vice President and Secretary.

From and after the Effective Date, the officers of each of New GST Holdco, New ASCI Opco and New GST Opco will be selected and appointed by the respective boards of directors and managers, as applicable, of such entities, in accordance with, and pursuant to, the provisions of applicable law and their respective organizational documents.

(k) **Retention of Causes of Action/Reservation of Rights**

Except as otherwise provided in the Plan, all Causes of Action, including Avoidance Actions, belonging to each of the Debtors will, upon the occurrence of the Effective Date, be vested in the Disbursing Agent. Except as otherwise provided in the Plan, the Debtors' rights to commence, prosecute or settle such Causes of Action, respectively, will be preserved notwithstanding the occurrence of the Effective Date and vested in the Disbursing Agent, which shall determine whether to pursue such Causes of Action in its sole and absolute discretion.

No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Disbursing Agent will not pursue any and all available Causes of Action against them. The Debtors, the Disbursing Agent and the Estates expressly reserve all rights to prosecute any and all Causes of Action against any Person, except as otherwise provided in the Plan. Unless any Causes of Action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final Order, including, without limitation, the Final Cash Collateral Order, the Debtors expressly reserve all Causes of Action for later adjudication, and therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, will apply to such Causes of Action upon or after the confirmation or consummation of the Plan.

(l) **Appointment of the Disbursing Agent**

Upon the occurrence of the Effective Date, New GST Holdco will be appointed to serve as the Disbursing Agent, and will have all powers, rights, duties and protections afforded the Disbursing Agent under the Plan.

(m) **Sources of Cash for Plan Distributions**

All Cash necessary for the Disbursing Agent to make payments and Plan Distributions will be obtained from proceeds of the Debtors' existing Cash balances.

F. Distribution Provisions

(a) **Plan Distributions**

Pursuant to the terms and provisions of the Plan, the Disbursing Agent will make all Plan Distributions. In the event a Plan Distribution will be payable on a day other than a Business Day, such Plan Distribution will instead be paid on the immediately succeeding Business Day, but will be deemed to have been made on the date otherwise due. For federal income tax purposes, except to the extent a Plan Distribution is made in connection with reinstatement of an obligation pursuant to section 1124 of the Bankruptcy Code, a Plan Distribution will be allocated first to the principal amount of a Claim and then, to the extent the Plan Distribution exceeds the principal amount of the Claim, to the portion of the Claim representing accrued but unpaid interest.

The Disbursing Agent will make all distributions on account of Priority Lender Claims to the Security Agent, which distributions the Security Agent will distribute to the holders of Priority Lender Claims pursuant to the Plan and in accordance with the Intercreditor Deed.

(b) **Timing of Plan Distributions**

Each Plan Distribution will be made on the relevant Distribution Date therefor and will be deemed to have been timely made if made on such date or within ten (10) days thereafter.

(c) **Time Bar to Cash Payments**

Checks issued in respect of Allowed Claims will be null and void if not negotiated within ninety (90) days after the date of issuance thereof. Requests for reissuance of any voided check will be made directly to the Disbursing Agent by the holder of the Allowed Claim to whom such check was originally issued. Any claim in respect of such a voided check will be made within ninety (90) days after the date of issuance of such check. If no request is made as provided in the preceding sentence, any claims in respect of such voided check will be discharged and forever barred and such unclaimed Plan Distribution will revert to the Disbursing Agent.

(d) **Surrender and Cancellation of Instruments**

As a condition to receiving any Plan Distribution, on or before the Distribution Date, the holder of an Allowed Claim evidenced by a certificate, instrument or note, other than any such certificate, instrument or note that is being reinstated or being left unimpaired under the Plan, will (a) surrender such certificate, instrument or note representing such Claim, and (b) execute and deliver such other documents as may be necessary to effectuate the Plan. Such

certificate, instrument or note, will thereafter be cancelled and extinguished. The Disbursing Agent will have the right to withhold any Plan Distribution to be made to or on behalf of any holder of such Claims unless and until (i) such certificates, instruments or notes are surrendered, or (ii) any relevant holder provides to the Disbursing Agent an affidavit of loss or such other documents as may be required by the Disbursing Agent together with an appropriate indemnity in the customary form. Any such holder who fails to surrender such certificates, instruments or notes, or otherwise fails to deliver an affidavit of loss and indemnity prior to the second anniversary of the Effective Date, will be deemed to have forfeited its Claims and will not participate in any Plan Distribution. All property in respect of such forfeited Claims will revert to the Disbursing Agent.

G. Procedures for Resolving and Treating Contested Claims

(a) Objection Deadline

As soon as practicable, but in no event later than one hundred and eighty (180) days after the Effective Date (subject to being extended by the order of the Bankruptcy Court upon motion of the Disbursing Agent without notice or a hearing), objections to Claims will be filed with the Bankruptcy Court and served upon the holders of each of the Claims to which objections are made.

(b) Prosecution of Contested Claims

The Disbursing Agent may object to the allowance of Claims filed with the Bankruptcy Court with respect to which liability is disputed in whole or in part. All objections that are filed and prosecuted as provided herein will be litigated to Final Order or compromised and settled in accordance with Section 9.3 of the Plan.

(c) Claims Settlement

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date, the Disbursing Agent will have authority to settle or compromise all Claims and Causes of Action without further review or approval of the Bankruptcy Court, other than any settlement or compromise of a Claim or Cause of Action that involves an Insider.

(d) Entitlement to Plan Distributions Upon Allowance

Notwithstanding any other provision of the Plan, no Plan Distribution will be made with respect to any Claim to the extent it is a Contested Claim, unless and until such Contested Claim becomes an Allowed Claim, subject to the setoff rights as provided in Section 14.17 of the Plan. When a Claim that is not an Allowed Claim as of the Effective Date becomes an Allowed Claim the holder of such Allowed Claim will thereupon become entitled to receive the Plan Distributions in respect of such Claim the same as though such Claim had been an Allowed Claim on the Effective Date.

(e) **Contested Claims Reserve**

The Disbursing Agent will establish one or more Contested Claims Reserves for Cash for the purpose of effectuating distributions to the holders of Contested Claims pending the allowance or disallowance of such Claims in accordance with the Plan.

(f) **Estimation of Claims**

An Estimation Order may be used to calculate and establish the amount of the Contested Claims Reserve. The Debtors and the Disbursing Agent may, at any time, request that the Bankruptcy Court estimate any Contested Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Disbursing Agent previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Contested Claim, that estimated amount may, as determined by the Bankruptcy Court, constitute either (a) the Allowed amount of such Contested Claim, (b) a maximum limitation on such Contested Claim, or (c) in the event such Contested Claim is estimated in connection with the estimation of other Claims within the same class, a maximum limitation on the aggregate amount of Allowed Claims on account of such Contested Claims so estimated; provided, however, that if the estimate constitutes the maximum limitation on a Claim, or on more than one such Claim within a class of Claims, as applicable, the Debtors or the Disbursing Agent, as the case may be, may elect to pursue supplemental proceedings to object to any ultimate allowance of any such Contested Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

(g) **No Recourse Against the Debtors, New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco or Reorganized Global Safety Textiles Acquisition GmbH**

If a Contested Claims Reserve is established pursuant to Section 9.5 of the Plan prior to the Effective Date, any holder of a Contested Claim that ultimately becomes an Allowed Claim shall be entitled to receive its applicable distribution under the Plan solely from the Contested Claims Reserve established on account of such Contested Claim. In no event shall any holder of a Contested Claim have any recourse with respect to distributions made, or to be made, under the Plan to holders of such Claims, to any Debtor, New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco or Reorganized Global Safety Textiles Acquisition GmbH on account of such Contested Claim, regardless of whether such Contested Claim shall ultimately become an Allowed Claim, and regardless of whether sufficient Cash remains available for distribution in the Contested Claims Reserve established on account of such Contested Claim at the time such Claim becomes entitled to receive a distribution under the Plan.

H. Conditions Precedent to Confirmation of Plan

The following are conditions precedent to confirmation of the Plan:

- (a) The Clerk of the Bankruptcy Court shall have entered an order or orders:
 - (i) approving this Disclosure Statement as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code;
 - (ii) authorizing the solicitation of votes with respect to the Plan;
 - (iii) determining that all votes are binding and have been properly tabulated as acceptances or rejections of the Plan;
 - (iv) confirming and giving effect to the terms and provisions of the Plan;
 - (v) determining that all applicable tests, standards and burdens in connection with the Plan have been duly satisfied and met by the Debtors and the Plan;
 - (vi) approving the Plan Documents;
 - (vii) authorizing the Debtors, New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH to execute, enter into, and deliver the Plan Documents and to execute, implement, and to take all actions otherwise necessary or appropriate to give effect to, the transactions contemplated by the Plan and the Plan Documents; and
 - (viii) approving the New Lender Documents.
- (b) The Confirmation Order, the Plan Documents and the Plan are each in a form satisfactory to the Debtors and reasonably satisfactory to the Priority Agent.

I. Conditions Precedent to Occurrence of the Effective Date

The following are conditions precedent to the occurrence of the Effective Date:

- (a) The Confirmation Order shall have been entered by the Clerk of the Bankruptcy Court, be in full force and effect and not be subject to any stay or injunction;
- (b) All necessary consents, authorizations and approvals shall have been given for the transfers of property and the payments provided for or contemplated by the Plan, including, without limitation, satisfaction or waiver of all conditions to (i) the obligations of the Debtors under the Plan and the Plan Documents and (ii) the obligations of the holders of Allowed Priority Lender Claims under the New Lender Documents;
- (c) The New Lender Documents shall have become effective according to their terms; and

(d) The Security Agent shall have released (i) the Non-Debtor Subsidiaries from all past, present and future liabilities (both actual and contingent) and/or the obligations of the Non-Debtor Subsidiaries in their capacities as guarantors or borrowers of the whole or any part of the Original Debt (including a release of any liability by way of guaranty, contribution, subrogation or indemnity), and (ii) all security interests, liens and other encumbrances granted by the Non-Debtor Subsidiaries over their assets to secure the Original Debt.

J. Waiver of Conditions

The Debtors may waive any one or more of the conditions set forth in Section 10.1(a) of the Plan in a writing executed by each of them without notice or order of the Bankruptcy Court and without notice to any parties in interest.

K. Effect of Non-Occurrence of the Effective Date

If the Effective Date will not occur, the Plan shall be null and void and nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims against or Equity Interests in a Debtor; (b) prejudice in any manner the rights of the Debtors, including, without limitation, the right to seek a further extension of the exclusivity periods under section 1121(d) of the Bankruptcy Code, the Priority Agent, the Priority Lenders and the Security Agent; or (c) constitute an admission, acknowledgement, offer or undertaking by the Debtors.

L. Exculpation

The Debtors, the Co-proponent and any Protected Persons will not be liable for any Cause of Action arising in connection with or out of the administration of the Chapter 11 Cases, pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for gross negligence or willful misconduct as determined by Final Order of the Bankruptcy Court. The Confirmation Order shall enjoin all holders of Claims and Equity Interests from asserting or prosecuting any Claim or cause of action against the Debtors, the Co-proponent and any Protected Person as to which such Person has been exculpated from liability pursuant to the preceding sentence.

M. Releases by the Debtors

As of the Effective Date, each of the Debtors shall forever release, waive and discharge all Causes of Action (other than Causes of Action to enforce the terms of the Plan and the Plan Documents), then existing or thereafter arising, that are based in whole or in part on any act, omission, transaction, event, other occurrence or thing occurring or in existence on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Plan or the Disclosure Statement and that could have been asserted by the Debtors against the Protected Persons, including, without limitation, such Causes of Action that have been or could be asserted derivatively on behalf of such Debtor by another Person.

N. Releases by Holders of Claims and Equity Interests

Subject to the occurrence of the Effective Date, any holder of a Claim that is impaired or unimpaired under the Plan or Equity Interest will be presumed conclusively to have released the Debtors, the Non-Debtor Subsidiaries, Reorganized Global Safety Textiles Acquisition GmbH, the Priority Lenders, the Priority Agent, the Security Agent and the DIP Lenders (solely in their capacity as such) and each of their respective employees, officers, directors, members, managers, professionals and agents from any and all liability arising out of or in connection with Original Debt Documents or the Chapter 11 Cases arising prior to the Effective Date; except that nothing in Section 7.15 of the Plan shall be construed to release any party from willful misconduct or gross negligence as determined by Final Order; except, further, that the releases in Section 7.15 of the Plan shall not apply to any holder of a Claim or Equity Interest if such holder “opts out” of the releases provided in Section 7.15 of the Plan by a timely written election.

O. Management and Director Incentive Program

New GST Holdco shall reserve sufficient New Equity Interests for issuance under the Management and Director Incentive Program in order that such New Equity Interests reserved shall represent 15 percent of the New Equity Interests. The Plan shall be deemed a solicitation of the holders of the New Equity Interests for approval of the Management and Director Incentive Program, and the Confirmation Order shall constitute approval of the Management and Director Incentive Program for purposes of the shareholder approval requirements under the Internal Revenue Code and, to the fullest extent permissible by law, such other requirements for shareholder approval under the laws of the jurisdiction of formation of New GST Holdco.

P. Shareholders' Agreement

On and after the Effective Date, New GST Holdco and the Priority Lenders will be bound by the Shareholders' Agreement. The Shareholders' Agreement will provide, among other things, that until January 1, 2011, the New Lender First Lien Notes, the New Lender Second Lien Notes and the New Equity Interests shall not be transferred except as part of a transfer to one entity of a Strip of New Lender First Lien Notes, New Lender Second Lien Notes and New Equity Interests, each in an equal proportion to the amount received by such transferring person; provided, that this provision will not apply to the New Lender First Lien Notes, the New Lender Second Lien Notes, the New Equity Interests and the Strip unless such New Lender First Lien Notes, New Lender Second Lien Notes, New Equity Interests and Strip are issued exempt from registration under the Securities Act of 1933 and any state or local law requiring registration pursuant to section 1145 of the Bankruptcy Code; provided, further, that the New Lender Documents will permit the lenders under the New Lender First Lien Facility and the New Lender Second Lien Facility to provide any material non-public information concerning the Post-reorganization GST Group and their Affiliates in their possession, subject to customary confidentiality restrictions, to potential purchasers of debt and/or equity of the Post-reorganization GST Group. The staple requirement may be amended and/or terminated in its entirety without consent of the Debtors at any time by the written consent of a majority of the holders of each of the New Lender First Lien Notes, the New Lender Second Lien Notes or the

Equity Interests, in such holders' sole discretion. Unless amended or terminated, this provision will apply to all subsequent transfers by a transferee of New Lender First Lien Notes, New Lender Second Lien Notes, New Equity Interests and the Strip.

Q. Executory Contracts and Unexpired Leases

(a) Executory Contracts and Unexpired Leases

The Bankruptcy Code entitles the Debtors, subject to the approval of the Bankruptcy Court, to assume or reject executory contracts and unexpired leases. The Bankruptcy Code further entitles the Debtors, subject to satisfaction of certain conditions, to assign assumed executory contracts and unexpired leases to another entity. Rejection or assumption and assignment may be effected under a plan of reorganization.

(b) Assumption and Rejection of Executory Contracts and Unexpired Leases

All executory contracts and unexpired leases of the Debtors shall be rejected pursuant to the provisions of section 365 of the Bankruptcy Code effective as of and subject to the occurrence of the Effective Date, unless another date is specified in the Plan except: (i) any executory contracts and unexpired leases that are the subject of separate motions to assume or assume and assign filed pursuant to section 365 of the Bankruptcy Code by the Debtors before the Effective Date; (ii) contracts and leases listed in Schedule 2 ("List of Assumed Executory Contracts and Unexpired Leases") attached hereto and any subsequently filed "Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases" to be filed by the Debtors with the Bankruptcy Court before the entry of, or as an exhibit to, the Confirmation Order; (iii) all executory contracts and unexpired leases assumed or assumed and assigned under the Plan or by order of the Bankruptcy Court entered before the Effective Date; (iv) any executory contract or unexpired lease that is the subject of a dispute over the amount or manner of cure pursuant to Section 12.2 of the Plan and for which the Debtors make a motion to reject such contract or lease based upon the existence of such dispute filed at any time; (v) any agreement, obligation, security interest, transaction or similar undertaking that the Debtors believe is not executory or a lease that is later determined by the Bankruptcy Court to be an executory contract or unexpired lease that is subject to assumption or rejection under section 365 of the Bankruptcy Code; (vi) any oral or written joint defense agreements relating to actual, potential, or threatened litigation or investigations involving any of the Debtors, which will be assumed; (vii) any guaranty or similar agreement executed by a third party which guarantees repayment or performance of an obligation owed to any of the Debtors or to indemnify the Debtors; and (viii) agreements with third parties regarding preservation of the confidentiality of documents produced by the Debtors. Any order entered postconfirmation by the Bankruptcy Court, after notice and a hearing, authorizing the rejection of an executory contract or unexpired lease will cause such rejection to be a prepetition breach under sections 365(g) and 502(g) of the Bankruptcy Code, as if such relief was granted and such order was entered preconfirmation. The Debtors reserve the right to amend Schedule 2 or any "Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases" prior to the entry of the Confirmation Order. Each executory contract and unexpired lease to be assumed and assigned by the Debtors will include modifications, amendments, supplements, restatements or other similar agreements made directly or indirectly by any agreement, instrument or other document that affects such executory contract or

unexpired lease, without regard to whether such agreement, instrument or other document is listed on **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases.”

The inclusion of a contract, lease or other agreement in Section 12.1(a) of the Plan or on **Schedule 2** or any “Schedule of Assumed Executory Contracts and Unexpired Leases” will not constitute an admission by the Debtors as to the characterization of whether any such included contract, lease, or other agreement is, or is not, an executory contract or unexpired lease or whether any claimants under any such contract, lease or other agreement are time-barred from asserting Claims against the Debtors. The Debtors reserve all rights with respect to the characterization of any such agreements.

The Plan will constitute a motion to reject such executory contracts and unexpired leases rejected pursuant to Section 12.1 of the Plan, and the Debtors will have no liability thereunder except as is specifically provided in the Plan. Entry of the Confirmation Order by the Clerk of the Bankruptcy Court will constitute approval of such rejections pursuant to section 365(a) of the Bankruptcy Code, subject to the occurrence of the Effective Date, and a finding by the Bankruptcy Court that each such rejected agreement, executory contract or unexpired lease is burdensome and that the rejection thereof is in the best interests of the Debtors and their estates.

The Plan will constitute a motion to assume and assign to New GST Holdco, New ASCII Opco, New GST Opco or New European Holdco, as appropriate, such executory contracts and unexpired leases as set forth in **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases.” Entry of the Confirmation Order by the Clerk of the Bankruptcy Court will constitute approval of such assumption and assignment pursuant to sections 365(a), (b) and (f) of the Bankruptcy Code, and a finding by the Bankruptcy Court that the requirements of section 365(f) of the Bankruptcy Code have been satisfied. Any non-Debtor counterparty to an agreement listed on **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” or any other contract or unexpired lease otherwise designated as being assumed or assumed and assigned in Section 12.1(a) of the Plan who disputes the assignment of an executory contract or unexpired lease must file with the Bankruptcy Court, and serve upon the Debtors and the Committee, a written objection to the assumption and assignment, which objection will set forth the basis for the dispute by no later than ten (10) days prior to the Confirmation Hearing. The failure to timely object will be deemed a waiver of any and all objections to the assumption and assignment of executory contracts and leases as set forth in **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” or as otherwise designated as being assumed or assumed and assigned in Section 12.1(a) of the Plan.

(c) **Cure**

At the election of the Debtors, any monetary defaults under each executory contract and unexpired lease to be assumed under the Plan will be satisfied pursuant to section 365(b)(1) of the Bankruptcy Code: (a) by payment of the default amount in Cash on the Effective Date or as soon thereafter as practicable; or (b) on such other terms as agreed to by the parties to such executory contract or unexpired lease. In the event of a dispute regarding: (i) the amount of any cure payments; (ii) the ability to provide adequate assurance of future performance under the

contract or lease to be assumed or assigned; or (iii) any other matter pertaining to assumption or assignment, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving assumption or assignment, as applicable. **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” attached to the Disclosure Statement set forth the Debtors’ cure obligations for each agreement which a cure obligation must be satisfied as a condition to the assumption and assignment of such agreement. Any non-Debtor counterparty to an agreement listed on **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” who disputes the scheduled cure obligation must file with the Bankruptcy Court, and serve upon the Debtors and the Committee, a written objection to the cure obligation, which objection will set forth the basis for the dispute, the alleged correct cure obligation, and any other objection related to the assumption or assumption and assignment of the relevant agreement by no later than ten (10) Business Days prior to the Confirmation Hearing. If a non-Debtor counterparty fails to file and serve an objection which complies with the foregoing, the cure obligation set forth on the **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” will be binding on the non-Debtor counterparty, and the non-Debtor counterparty will be deemed to have waived any and all objections to the assumption and assignment of the relevant agreement as proposed by the Debtors.

(d) **Claims Arising from Rejected Contracts**

Claims created by the rejection of executory contracts and unexpired leases pursuant to Section 12.1 of the Plan or the expiration or termination of any executory contract or unexpired lease prior to the Confirmation Date must be filed and served within forty (40) days after service of Notice of Confirmation. **Any such Claims that are not timely filed and served will be forever barred from assertion and shall not be enforceable against the Debtors, their respective Estates, Affiliates, or the Assets.** Unless otherwise ordered by the Bankruptcy Court, all such Claims that are properly filed and served shall be treated as General Unsecured Claims under the Plan subject to objection by the Disbursing Agent.

R. Retention of Jurisdiction

Pursuant to sections 105(a) and 1142 of the Bankruptcy Code the Bankruptcy Court shall retain and shall have exclusive jurisdiction over any matter (a) arising under the Bankruptcy Code, (b) arising in or related to the Chapter 11 Cases or the Plan, or (c) as otherwise set forth in the Plan.

S. Other Material Provisions of the Plan

(a) **Payment of Statutory Fees**

All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid by the Debtors on or before the Effective Date.

(b) **Satisfaction of Claims**

The rights afforded in the Plan and the treatment of all Claims and Equity Interests therein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Equity Interests of any nature whatsoever, including any accrued postpetition interest, against the Debtors and the Debtors-in-Possession, or any of their Estates, Assets, properties, or interests in property. Except as otherwise provided herein, on the Effective Date, all Claims against and Equity Interests in the Debtors and the Debtors-in-Possession shall be satisfied, discharged, and released in full. The Debtors shall not be responsible for any pre-Effective Date obligations of the Debtors or the Debtors-in-Possession, except those expressly assumed by any such Debtor, as applicable. Except as otherwise provided herein, all Persons shall be precluded and forever barred from asserting against the Debtors, their respective successors or assigns, or their Estates, Assets, properties, or interests in property any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

(c) **Third Party Agreements; Subordination**

The Plan Distributions to the various classes of Claims under the Plan will not affect the right of any Person to levy, garnish, attach, or employ any other legal process with respect to such Plan Distributions by reason of any claimed subordination rights or otherwise including rights arising under the Original Debt Documents. All of such rights and any agreements relating thereto will remain in full force and effect, except as expressly compromised and settled pursuant to the Plan. Plan Distributions will be subject to and modified by any Final Order directing distributions other than as provided in the Plan. Except as otherwise provided in any Final Order of the Bankruptcy Court, including, without limitation, the Final Cash Collateral Order, the right of the Debtors to seek subordination of any Claim or Equity Interest pursuant to section 510 of the Bankruptcy Code is fully reserved, and the treatment afforded any Claim or Equity Interest that becomes a subordinated Claim or subordinated Equity Interest at any time will be modified to reflect such subordination. Unless the Confirmation Order provides otherwise, no Plan Distributions will be made on account of a subordinated Claim or subordinated Equity Interest.

All contractual subordination rights of the Priority Agent, Priority Lenders and Security Agent with respect to any Plan Distribution will be enforceable under the Plan. The classification and manner of satisfying all Claims and Equity Interests under the Plan and the Plan Distributions take into consideration the contractual subordination rights that the Priority Agent, Priority Lenders and Security Agent may have against a holder of another Claim or Equity Interest with respect to Plan Distributions. The Plan gives effect to (i) the irrevocable authorization of the Security Agent by the Second Lien Lenders to, among other things, receive distributions and exercise all powers of voting and representation, on behalf of the Second Lien Lenders as provided in the Intercreditor Deed and (ii) the irrevocable power of attorney granted to the Priority Agent by each of the Second Lien Lenders, in its name and on its behalf, to do anything which such Second Lien Lender has authorized the Security Agent to do under the Intercreditor Deed.

(d) **Discharge of Liabilities**

Except as otherwise provided in the Plan, upon the occurrence of the Effective Date, the Debtors shall be discharged from all Claims and Causes of Action to the fullest extent permitted by section 1141 of the Bankruptcy Code, and all holders of Claims and Equity Interests shall be precluded from asserting against the Debtors, the Disbursing Agent, New GST Holdco, New ASCI Opco, New GST Opco, New European Opco, Reorganized Global Safety Textiles Acquisition GmbH, the Estates, the Assets, or any property dealt with under the Plan, any further or other Cause of Action based upon any act or omission, transaction, event, thing, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date.

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, NEW GST HOLDCO, NEW ASCI OPCO, NEW GST OPCO, NEW EUROPEAN HOLDCO AND REORGANIZED GLOBAL SAFETY TEXTILES ACQUISITION GMBH SHALL NOT HAVE, AND SHALL NOT BE CONSTRUED TO HAVE OR MAINTAIN ANY LIABILITY, CLAIM, OR OBLIGATION, THAT IS BASED IN WHOLE OR IN PART ON ANY ACT, OMISSION, TRANSACTION, EVENT, OTHER OCCURRENCE OR THING OCCURRING OR IN EXISTENCE ON OR PRIOR TO THE EFFECTIVE DATE OF THE PLAN (INCLUDING, WITHOUT LIMITATION, ANY LIABILITY OR CLAIMS ARISING UNDER APPLICABLE NON-BANKRUPTCY LAW AS A SUCCESSOR TO THE DEBTORS) AND NO SUCH LIABILITIES, CLAIMS, OR OBLIGATIONS FOR ANY ACTS SHALL ATTACH TO NEW GST HOLDCO, NEW ASCI OPCO, NEW GST OPCO, NEW EUROPEAN HOLDCO AND REORGANIZED GLOBAL SAFETY TEXTILES ACQUISITION GMBH.

(e) **Discharge of Debtors**

Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date, without further notice or order, all Claims of any nature whatsoever shall be automatically discharged forever. Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date, the Debtors, their Estates, and all successors thereto shall be deemed fully discharged and released from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under section 502 of the Bankruptcy Code; or (c) the holder of a Claim based upon such debt has accepted the Plan. The Confirmation Order shall be a judicial determination of discharge of all liabilities of the Debtors, their Estates, and all successors thereto. As provided in section 524 of the Bankruptcy Code, such discharge shall void any judgment against the Debtors, their Estates, or any successor thereto at any time obtained to the extent it relates to a Claim discharged, and operates as an injunction against the prosecution of any action against New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco, Reorganized Global Safety Textiles Acquisition GmbH or property of the Debtors or their Estates to the extent it relates to a discharged Claim.

(f) **Exemption from Transfer Taxes**

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust, lien, pledge or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under the Plan, will not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

(g) **Retiree Benefits**

Pursuant to section 1129(a)(13), on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, will continue to be paid in accordance with applicable law.

(h) **Interest and Attorneys' Fees**

Interest accrued after the Petition Date will accrue and be paid on Claims only to the extent specifically provided for in the Plan, the Confirmation Order or as otherwise required by the Bankruptcy Court or by applicable law.

Except as set forth in the Plan or as ordered by the Bankruptcy Court, no award or reimbursement of attorneys' fees or related expenses or disbursements shall be allowed on, or in connection with, any Claim.

(i) **Modification of the Plan**

As provided in section 1127 of the Bankruptcy Code, modification of the Plan may be proposed in writing by the Debtors at any time before confirmation; provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. The Debtors may modify the Plan at any time after confirmation and before substantial consummation; provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modifications. A holder of a Claim that has accepted the Plan will be deemed to have accepted such Plan as modified if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

(j) **Revocation of the Plan**

The Debtors reserve the right to revoke and withdraw the Plan or to adjourn the Confirmation Hearing with respect to any one or more of the Debtors prior to the occurrence of the Effective Date. If the Debtors revoke or withdraw the Plan with respect to any one or more of the Debtors, or if the Effective Date does not occur as to any Debtor, then, as to such Debtor, the Plan and all settlements and compromises set forth in the Plan and not otherwise approved by a separate Final Order shall be deemed null and void and nothing contained herein and no acts taken in preparation for consummation of the Plan shall be deemed to constitute a waiver or release of any Claims against or Equity Interests in such Debtor or to prejudice in any manner the rights of any of the Debtors or any other Person in any other further proceedings involving

such Debtor.

In the event that the Debtors choose to adjourn the Confirmation Hearing with respect to any one or more of the Debtors, the Debtors reserve the right to proceed with confirmation of the Plan with respect to those Debtors in relation to which the Confirmation Hearing has not been adjourned. With respect to those Debtors with respect to which the Confirmation Hearing has been adjourned, the Debtors reserve the right to amend, modify, revoke or withdraw the Plan and/or submit any new plan of reorganization at such times and in such manner as they consider appropriate, subject to the provisions of the Bankruptcy Code.

(k) **Setoff Rights**

In the event that any Debtor has a Claim of any nature whatsoever against the holder of a Claim against such Debtor, then such Debtor may, but is not required to, set off against the Claim (and any payments or other Plan Distributions to be made in respect of such Claim under the Plan) such Debtor's Claim against such holder, subject to section 553 of the Bankruptcy Code. Neither the failure to set off nor the allowance of any Claim under the Plan will constitute a waiver or release of any Claims that any Debtor may have against the holder of any Claim.

(l) **Compliance with Tax Requirements**

In connection with the Plan, the Debtors and the Disbursing Agent, as applicable, shall comply with all withholding and reporting requirements imposed by federal, state, local, and foreign taxing authorities and all Plan Distributions under the Plan shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a Plan Distribution shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any government unit, including income, withholding and other tax obligations, on account of such Plan Distribution. The Disbursing Agent has the right, but not the obligation, to not make a Plan Distribution until such holder has made arrangements satisfactory to the Disbursing Agent for payment of any such tax obligations.

(m) **Injunctions**

On the Effective Date and except as otherwise provided in the Plan, all Persons who have been, are, or may be holders of Claims against or Equity Interests in the Debtors shall be permanently enjoined from taking any of the following actions against or affecting the Debtors, Protected Persons, the Estates, the Assets, the Disbursing Agent or any of their current or former respective members, directors, managers, officers, employees, agents, and professionals, successors and assigns or their respective assets and property with respect to such Claims or Equity Interests (other than actions brought to enforce any rights or obligations under the Plan):

(A) **commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, all suits, actions, and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice);**

(B) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order;

(C) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance; and

(D) asserting any setoff, right of subrogation or recoupment of any kind; provided, that any defenses, offsets or counterclaims which the Debtors may have or assert in respect of the above referenced Claims are fully preserved in accordance with Section 14.17 of the Plan.

On the Effective Date, all Persons who have been, are, or may be Priority Lenders or Second Lien Lenders holding Claims against the Debtors and the Non-Debtor Subsidiaries, and the administrative agents, Security Agent and collateral trustees under the Original Debt Documents, shall be permanently enjoined from taking any actions against or affecting the Non-Debtor Subsidiaries to (i) collect or otherwise recover by any manner or means, whether directly or indirectly, any past, present and future liabilities (both actual and contingent) and/or the obligations of the Non-Debtor Subsidiaries in their capacities as guarantors or borrowers of the whole or any part of the Original Debt (including any liability by way of guaranty, contribution, subrogation or indemnity), or (ii) enforce any security interests, liens and other encumbrances granted by the Non-Debtor Subsidiaries over their assets to secure the Original Debt.

(n) **Binding Effect**

The Plan will be binding upon the Debtors, the holders of all Claims and Equity Interests, parties in interest, Persons and their respective successors and assigns. To the extent any provision of the Disclosure Statement or any other solicitation document may be inconsistent with the terms of the Plan, the terms of the Plan will be binding and conclusive.

(o) **Severability**

IN THE EVENT THE BANKRUPTCY COURT DETERMINES THAT ANY PROVISION OF THE PLAN IS UNENFORCEABLE EITHER ON ITS FACE OR AS APPLIED TO ANY CLAIM OR EQUITY INTEREST OR TRANSACTION, THE DEBTORS MAY MODIFY THE PLAN IN ACCORDANCE WITH SECTION 14.15 OF THE PLAN SO THAT SUCH PROVISION WILL NOT BE APPLICABLE TO THE HOLDER OF ANY SUCH CLAIM OR EQUITY INTEREST OR TRANSACTION. SUCH A DETERMINATION OF UNENFORCEABILITY WILL NOT (A) LIMIT OR AFFECT THE ENFORCEABILITY AND OPERATIVE EFFECT OF ANY OTHER PROVISION OF THE PLAN OR (B) REQUIRE THE RESOLICITATION OF ANY ACCEPTANCE OR REJECTION OF THE PLAN.

(p) **No Admissions**

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER CAUSES OF ACTION OR THREATENED CAUSES OF ACTION, THE PLAN

AND THE DISCLOSURE STATEMENT WILL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THE PLAN AND THE DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR WILL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, AND OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, AND EQUITY INTERESTS IN, THE DEBTORS OR THEIR AFFILIATES, AS DEBTORS AND DEBTORS-IN-POSSESSION IN THESE CHAPTER 11 CASES.

(q) **Dissolution of the Committee**

On the Effective Date, the Committee will cease to exist except for the purpose of filing and prosecuting applications for, or objections to, Fee Claims.

(r) **Plan Controls**

Unless otherwise specified, all section, article, and exhibit references in the Plan are to the respective section in, article of, or exhibit to, the Plan, as the same may be amended, waived, or modified from time to time. Words denoting the singular number will include the plural number and vice versa, as appropriate, and words denoting one gender will include the other gender. The Disclosure Statement may be referred to for purposes of interpretation to the extent any term or provision of the Plan is determined by the Bankruptcy Court to be ambiguous.

XI.

RISK FACTORS

A. Certain Bankruptcy Considerations

If the Plan is not confirmed and consummated, there can be no assurance that any alternative plan of reorganization would be on terms as favorable to the holders of Claims as the terms of the Plan. In addition, if a protracted reorganization were to occur, there is a substantial risk that holders of Claims would receive less than they will receive under the Plan. See **Exhibit G** to the Disclosure Statement for a liquidation analysis of the Debtors.

B. The Post-reorganization GST Group's Actual Financial Results May Vary Significantly from the Projections Included in this Disclosure Statement

The financial projections included in this Disclosure Statement are dependent upon the successful implementation of the Post-reorganization GST Group's business plan and the validity of the numerous assumptions contained therein. The significant assumptions underlying the Projections are discussed in greater detail in **Exhibit F** to this Disclosure Statement.

Many of these assumptions are beyond the control of the Debtors and may not materialize. In addition, unanticipated events and circumstances occurring subsequent to the preparation of the projections may adversely affect the financial results of the Post-

reorganization GST Group. Although the Debtors believe that the projections and assumptions are reasonable, variations between the actual financial results and those projected may be material.

C. Competition and Market Considerations/Volatility

Automotive suppliers, such as certain of the Debtors' customers, are currently subject to increasing cost pressures. Consolidation within the automotive supply industry, as well as vertical integration among the Debtors' customers, in either case combined with an increased in-sourcing (whereby the Debtors' customers for airbag fabric and airbag cushions increase their internal production of such materials, reducing their demand for the Debtors' products) could result in decreased sales prices and demand for the Debtors' products. Additionally, such cost pressures increase the possibility that the Debtors' customers may seek to qualify new suppliers in the North American market, with the possibility of decreased sales prices and demand for the Debtors' automotive safety products. New suppliers could be existing U.S. companies in similar or related businesses or existing foreign competition expanding into the North American market.

Downturns in the automotive industry, as well as production stoppages, typically reduce demand for the Debtors' products and, therefore, may also reduce the Post-reorganization GST Group's revenues and income. Automotive manufacturers have from time to time, and are currently, experiencing rising inventories of unsold automobiles, resulting in reduced production in order to balance inventory levels with sales. Additional, sustained reductions in automotive production further reduce demand for the Debtors' products and therefore reduce their revenues and profitability. The results of operations of the automotive safety segment are also subject to the effects of work stoppages within the automotive industry as a whole. In particular, sales of airbag products are vulnerable to interruptions as a result of work stoppages of labor forces of customers and/or major automotive manufacturers whose unionized workers may strike from time to time.

Finally, current, world-wide economic conditions and an uncertain economic outlook could continue to adversely affect the Post-reorganization GST Group's results of operations and financial condition. As the global economy continues to undergo a period of unprecedented volatility, it is not possible to predict when or if the results of the Post-reorganization GST Group will improve or stabilize. A prolonged period of economic volatility or continued decline could continue to have a material adverse effect on the Post-reorganization GST Group's results of operations and financial condition, and exacerbate other risks related to the business of the Post-reorganization GST Group.

The continuation or materialization of any one or more of the above occurrences could have a material adverse effect on the Post-reorganization GST Group's results of operations, cash flows or financial position.

D. The Post-reorganization GST Group May Not Be Able to Raise Additional Financing on Terms Favorable to the Debtors

The Post-reorganization GST Group's business is expected to require certain amounts of working capital and growth capital. While the Projections assume that sufficient funds to meet these needs for the foreseeable future will be available from the cash generated by the business of the Post-reorganization GST Group and from the proceeds of the New Lender First Lien Notes in an amount equal to \$5,000,000, referred to as Tranche A in the form New Lender First Lien Facility, the ability of the Post-reorganization GST Group to gain access to additional capital on terms consistent with the terms assumed in the Projections, if needed, cannot be assured, particularly in light of current financial market conditions.

E. No Market for New Equity Interests or New Lender Notes

The New Equity Interests will not qualify for listing at the time they are issued on the Effective Date of the Plan, and the Debtors do not anticipate that the New Equity Interests will ever be listed or quoted on any securities exchange or quotation system. Lack of liquidity of the New Equity Interests may make it more difficult for the Post-reorganization GST Group to raise additional capital, if necessary, through equity financings. Similarly, the New Lender Notes also will not be listed or quoted, and are not expected to be listed or quoted, on any securities exchange or quotation system.

XII.

SECURITIES LAW MATTERS

A. Issuance of New Securities

Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from registration under section 5 of the Securities Act of 1933, as amended (the "Securities Act"), and state securities laws if three principal requirements are satisfied: (i) the securities must be offered and sold under a plan of reorganization and must be securities of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under the plan; (ii) the recipients of the securities must hold prepetition or administrative claims against the debtor or interests in the debtor; and (iii) the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or principally in exchange for such claim or interest and partly for cash or property. Except as noted below, the Debtors believe that the offer and sale of the New Equity Interests, the New Lender Notes and the Strips, as the case may be, satisfy the requirements of section 1145(a)(1) of the Bankruptcy Code and are, therefore, exempt from registration under the Securities Act and state securities laws.

B. Subsequent Transfers of Interests

The New Equity Interests, the New Lender Notes and the Strips, as the case may be, to be issued pursuant to the Plan may (except as may be limited under any shareholder or other contractual agreement) generally be freely transferred by recipients following the initial

issuance under the Plan, and all resales and subsequent transfers of the New Equity Interests, the New Lender Notes and the Strips are exempt from registration under the Securities Act and state securities laws, unless the holder is an “underwriter” with respect to such securities. Section 1145(b) of the Bankruptcy Code defines four types of “underwriters”:

- (i) persons who purchase a claim against, an interest in, or a claim for an administrative expense against the debtor with a view to distributing any security received in exchange for such claim or interest;
- (ii) persons who offer to sell securities offered under a plan for the holders of such securities;
- (iii) persons who offer to buy such securities from the holders of such securities, if the offer to buy is:
 - (A) with a view to distributing such securities; and
 - (B) under an agreement made in connection with the plan, the consummation of the plan, or with the offer or sale of securities under the plan; or
- (iv) a person who is an “issuer” with respect to the securities as the term “issuer” is defined in section 2(11) of the Securities Act.

Under section 2(11) of the Securities Act, an “issuer” includes any Person directly or indirectly controlling or controlled by the issuer, or any Person under direct or indirect common control of the issuer.

To the extent that Persons who receive New Equity Interests, New Lender Notes and the Strips pursuant to the Plan are deemed to be “underwriters,” resales by such Persons would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Persons deemed to be underwriters may, however, be permitted to sell such New Equity Interests, the New Lender Notes and the Strips without registration pursuant to the provisions of Rule 144 under the Securities Act. These provisions may permit the public sale of securities received by “underwriters” if current information regarding the issuer is publicly available and if volume limitations and certain other conditions are met.

Whether or not any particular Person would be deemed to be an “underwriter” with respect to the New Equity Interests, the New Lender Notes or the Strips or other security to be issued pursuant to the Plan would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any particular Person receiving New Equity Interests, New Lender Notes or the Strips or other securities under the Plan would be an “underwriter” with respect to such New Equity Interests, New Lender Notes or the Strips or other securities.

BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER, NONE OF THE DEBTORS MAKE ANY REPRESENTATION CONCERNING THE ABILITY OF ANY PERSON TO DISPOSE OF THE SECURITIES TO BE DISTRIBUTED UNDER THE PLAN. The Debtors recommend that potential recipients of the New Equity Interests, the New Lender Notes and the Strips consult their own counsel concerning whether they may freely trade the New Equity Interests, the New Lender Notes or the Strips under the Securities Act and/or state securities laws.

C. Delivery of Disclosure Statement

Under section 1145(a)(4) of the Bankruptcy Code, “stockbrokers” (as that term is defined in section 101(53A) of the Bankruptcy Code) are required to deliver to their customers, for the first 40 days after the Effective Date, a copy of this Disclosure Statement (and any supplement to it ordered by the Bankruptcy Court) at or before the time of delivery of any security issued under the Plan.

D. SEC Reporting Requirements

New GST Holdco is currently not required to file reports with the SEC under the Exchange Act of 1934 because it does not have a class of equity securities with 500 or more record holders. New GST Holdco believes that the number of record holders of the New Equity Interests will be less than 500 and that it will not be required to commence filing reports with the SEC as a result of the transactions provided for in the Plan. However, if the number of record holders of New GST Holdco’s equity securities, including the New Equity Interests, increases to 500 or more and its total assets exceed \$10 million as of the end of any fiscal year, New GST Holdco will be required to commence filing reports with the SEC.

XIII.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

[To be provided.]

XIV.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors have evaluated numerous alternatives to the Plan, including, without limitation, the sale of the Debtors as a going concern, either in their entirety or on limited bases, and the liquidation of the Debtors. After studying these alternatives, the Debtors have concluded that the Plan is the best alternative and will maximize recoveries of holders of Claims. The following discussion provides a summary of the analysis supporting the conclusion that a liquidation of the Debtors or an alternative plan of reorganization for the Debtors will not provide higher value to holders of Claims.

A. Liquidation Under Chapter 7 of the Bankruptcy Code

If no plan of reorganization can be confirmed, the Chapter 11 Cases of the Debtors may be converted to cases under chapter 7, in which event a trustee would be elected or appointed to liquidate the properties and interests in property of the Debtors for distribution to their creditors in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in smaller distributions being made to creditors than those provided for under the Plan because of (1) the increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a trustee for bankruptcy and professional advisors to such trustee; (2) the erosion in value of assets in the context of the expeditious liquidation required under chapter 7 and the “forced sale” environment in which such a liquidation would likely occur; (3) the adverse effects on the salability of business segments as a result of the likely departure of key employees and the loss of customers; and (4) the substantial increases in claims which would have to be satisfied on a priority basis or on parity with creditors in the Chapter 11 Cases. Accordingly, the Debtors have determined that confirmation of the Plan will provide each holder of a Claim with a greater recovery than it would receive pursuant to liquidation of the Debtors under chapter 7.

Section 1129(a)(7) of the Bankruptcy Code provides that with respect to impaired classes, each holder of a claim or interest of such class must receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount such holder would so receive or retain if the debtor liquidated under chapter 7 of the Bankruptcy Code on such date. As the Plan provides for a greater recovery to holders of Claims than they would receive in a liquidation under chapter 7 of the Bankruptcy Code, the Plan satisfies section 1129(a)(7).

B. Alternative Plans of Reorganization

If the Plan is not confirmed, any other party in interest could undertake to formulate a different plan of reorganization. Such a plan of reorganization might involve either (x) a reorganization and continuation of the business of the Debtors, (y) the sale of the Debtors as a going concern or (z) an orderly liquidation of the properties and interests in property of the Debtors. With respect to an alternative plan of reorganization, the Debtors have examined various other alternatives in connection with the process involved in the formulation and development of the Plan. The Debtors believe that the Plan, as described herein, enables holders of Claims to realize the best recoveries under the present circumstances. In a liquidation of the Debtors under chapter 11, the properties and interests in property would be sold in a more orderly fashion and over a more extended period of time than in a liquidation under chapter 7, probably resulting in marginally greater recoveries. Further, if a trustee were not appointed, since one is not required in a chapter 11 case, the expenses for professional fees would most likely be lower than in a chapter 7 case. However, although preferable to a chapter 7 liquidation, the Debtors believe that a liquidation under chapter 11 for the Debtors is a much less attractive alternative to holders of Claims than the Plan because the recovery realized by holders of Claims under the Plan is likely to be greater than the recovery under a chapter 11 liquidation.

XV.

CONCLUSION

The Debtors believe that the Plan is in the best interest of all holders of Claims, and urge all holders of Claims in an impaired class to vote to accept the Plan and to evidence such acceptance by returning their Ballots in accordance with the instructions accompanying the Disclosure Statement.

Dated: August 12, 2009

Global Safety Textiles Holdings LLC

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST Automotive Safety Components International, Inc.

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

Global Safety Textiles LLC

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST ASCI Holdings Mexico, Inc.

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST ASCI Holdings Europe, Inc.

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST ASCI Holdings Europe II LLC

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST ASCI Holdings Asia Pacific LLC

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST Safety Textiles Acquisition GmbH

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Managing Director

GST Widefabric International GmbH

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Managing Director

Global Safety Textiles GmbH, solely in its
capacity as Co-proponent

By: /s/ Georg Saint-Denis
Name: Georg Saint-Denis
Title: Managing Director

SCHEDULE 1
LIST OF DEBTORS

1. Global Safety Textiles Holdings LLC
2. GST ASCI Holdings Asia Pacific LLC
3. GST ASCI Holdings Europe, Inc.
4. GST ASCI Holdings Europe II LLC
5. GST ASCI Holdings Mexico, Inc.
6. GST Automotive Safety Components International, Inc.
7. Global Safety Textiles LLC
8. Global Safety Textiles Acquisition GmbH
9. GST Widefabric International GmbH.

SCHEDULE 2

ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES

[To be provided.]

EXHIBIT A
CHAPTER 11 PLAN OF REORGANIZATION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
Global Safety Textiles Holdings LLC, <u>et al.</u> , ¹)	Case No. 09-12234 (KG)
)	
Debtors.)	(Jointly Administered)

**JOINT CHAPTER 11 PLAN OF REORGANIZATION
FOR GLOBAL SAFETY TEXTILES HOLDINGS LLC
AND ITS AFFILIATED DEBTORS**

Dated: August 12, 2009

WHITE & CASE LLP
Thomas E Lauria
Gerard H. Uzzi
1155 Avenue of the Americas
New York, New York 10036
(212) 819-8200

FOX ROTHSCHILD LLP
Jeffrey M. Schlerf (No. 3047)
Eric M. Suttty (No. 4007)
919 North Market Street, Suite 1600
Wilmington, Delaware 19801
(302) 654-7444

ATTORNEYS FOR THE DEBTORS
AND DEBTORS IN POSSESSION

¹ The Debtors are comprised of the following nine entities (with the last four digits of their respective taxpayer identification numbers, if any, in parentheses): Global Safety Textiles Holdings LLC (1938), GST ASCI Holdings Asia Pacific LLC (7107), GST ASCI Holdings Europe, Inc. (7081), GST ASCI Holdings Europe II LLC (7081), GST ASCI Holdings Mexico, Inc. (7083), GST Automotive Safety Components International, Inc. (1750), Global Safety Textiles LLC (3442), Global Safety Textiles Acquisition GmbH and GST Widefabric International GmbH. The address for each of the Debtors is 804 Green Valley Road, Suite 300, Greensboro, North Carolina 27408.

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Glossary of Defined Terms	Exhibit A
Debtors	Exhibit B

Global Safety Textiles Holdings LLC and its affiliated debtors and debtors-in-possession in the above-captioned jointly administered chapter 11 cases, together with Global Safety Textiles GmbH, a non-Debtor indirect subsidiary of Global Safety Textiles Holdings LLC organized under the laws of the Federal Republic of Germany, hereby collectively and jointly propose the following joint chapter 11 plan of reorganization:

ARTICLE I.

DEFINITIONS AND INTERPRETATION

1.1. Definitions.

The capitalized terms used herein shall have the respective meanings set forth in the Glossary of Defined Terms attached hereto as **Exhibit A.**

1.2. Interpretation.

Unless otherwise specified, all section, article, and exhibit references in the Plan are to the respective section in, article of, or exhibit to, the Plan, as the same may be amended, waived, or modified from time to time. Words denoting the singular number shall include the plural number and vice versa, as appropriate, and words denoting one gender shall include the other gender. The Disclosure Statement may be referred to for purposes of interpretation to the extent any term or provision of the Plan is determined by the Bankruptcy Court to be ambiguous.

1.3. Application of Definitions and Rules of Construction Contained in the Bankruptcy Code.

Words and terms defined in section 101 of the Bankruptcy Code shall have the same meanings when used in the Plan, unless a different definition is given in the Glossary of Defined Terms. The rules of construction contained in section 102 of the Bankruptcy Code, other than section 102(5) of the Bankruptcy Code, shall apply to the construction of the Plan. For the purposes of construction of the Plan, “or” is disjunctive.

1.4. Other Terms.

The words “herein,” “hereof,” “hereto,” “hereunder,” and others of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan.

1.5. Appendices and Plan Documents.

All appendices to the Plan and the Plan Documents are incorporated into the Plan by this reference and are a part of the Plan as if set forth in full herein. All Plan Documents shall be filed with the Clerk of the Bankruptcy Court not less than ten (10) days prior to the commencement of the Confirmation Hearing. Holders of Claims and Equity Interests may obtain a copy of the Plan Documents, once filed, by a written request sent to the following address:

WHITE & CASE LLP
325 South Biscayne Boulevard, Suite 4900
Miami, Florida 33131
Attn: Mark B. Fuhr
Facsimile: (305) 358-5744

ARTICLE II.

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

For the purposes of organization, voting and all confirmation matters, except as otherwise provided herein, all Claims (except as provided in Section 2.1) and all Equity Interests in the Debtors shall be classified as set forth in this Article II.

2.1. Administrative Claims and Tax Claims.

As provided by section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Tax Claims shall not be classified under the Plan, and shall instead be treated separately as unclassified Claims on the terms set forth in Article V.

2.2. Claims and Equity Interests.

The Claims against and the Equity Interests in, with respect to and to the extent applicable for, each Debtor shall be classified under the Plan as follows:

(a) Class 1 – Priority Claims

Class 1 shall consist of all Priority Claims against a Debtor.

(b) Class 2 – Priority Lender Claims

Class 2 shall consist of all Priority Lender Claims against a Debtor.

(c) Class 3 – Other Secured Claims

Class 3 shall consist of all Other Secured Claims against a Debtor.

(d) Class 4 – General Unsecured Claims

Class 4 shall consist of all General Unsecured Claims against a Debtor.

(e) Class 5 – Convenience Claims

Class 5 shall consist of all Convenience Claims against a Debtor.

(f) Class 6 – Equity Interests

Class 6 shall consist of all Equity Interests.

ARTICLE III.

IDENTIFICATION OF IMPAIRED CLASSES OF CLAIMS AND EQUITY INTERESTS

3.1. Impaired and Unimpaired Classes of Claims and Equity Interests.

Priority Claims, Other Secured Claims and Convenience Claims are not impaired under the Plan. All other classes of Claims and Equity Interests are impaired under the Plan.

3.2. Impairment Controversies.

If a controversy arises as to whether any Claim or Equity Interest, or any class of Claims or Equity Interests, is impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy.

ARTICLE IV.

PROVISIONS FOR TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THE PLAN

4.1. Claims and Equity Interests.

The classes of Claims against and Equity Interests in, with respect to and to the extent applicable for, each Debtor shall be treated under the Plan as follows:

(a) Class 1 – Priority Claims

Each holder of an Allowed Priority Claim shall be unimpaired under the Plan, and, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable and contractual rights to which such Claim entitles such holder in respect of such Claim shall be fully reinstated and retained, and such Allowed Priority Claim (including any amounts to which such holder is entitled pursuant to section 1124(2) of the Bankruptcy Code) shall be paid in full in accordance with such reinstated rights on the Distribution Date.

(b) Class 2 – Priority Lender Claims

Each holder of an Allowed Priority Lender Claim shall, on the Distribution Date in full satisfaction of such holder's Allowed Priority Lender Claim against all Debtors, receive its Pro Rata Share of (1) the New Equity Interests (excluding the New Equity Interests to be reserved for issuance pursuant to the Management and Director Incentive Program), (2) the New Lender Second Lien Notes and (3) New Lender First Lien Notes in an amount equal to \$70,000,000, referred to as the combined Tranche B and C in the form New Lender First Lien Facility. Each holder of an Allowed Priority Lender Claim who is also a holder of a DIP Claim shall, on the Distribution Date in full satisfaction of such holder's Allowed Priority Lender Claim against all Debtors, receive its Pro Rata Share of New Lender First Lien Notes in an amount equal to \$5,000,000, referred to as Tranche A in the form New Lender First Lien Facility.

(c) Class 3 – Other Secured Claims

Except to the extent that the holder of an Allowed Other Secured Claim agrees to less favorable treatment, each Allowed Other Secured Claim shall, on the Distribution Date, be reinstated or rendered unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable nonbankruptcy law that entitles the holder of an Other Secured Claim to demand or receive payment of such Claim prior to its stated maturity from and after the occurrence of a default. All Allowed Other Secured Claims that are not due and payable on or before the Distribution Date shall, at the Debtors' option, be paid (i) in the ordinary course of business in accordance with the course of practice between the Debtors and such holder with respect to such Claims, or (ii) by transfer of the collateral securing such Claim to the holder of such Claim, each in full and complete satisfaction, settlement and release of, and in exchange for, such Claim.

(d) Class 4 – General Unsecured Claims

On the Effective Date, all General Unsecured Claims shall be cancelled and the holders of such General Unsecured Claims shall receive no distribution on account of such General Unsecured Claims.

(e) Class 5 – Convenience Claims

Each holder of an Allowed Convenience Claim shall, on the Distribution Date in full satisfaction of such holder's Allowed Convenience Claim, receive a single Cash payment equal to 100 percent of its Allowed Convenience Claim.

(f) Class 6 – Equity Interests

On the Effective Date, all Equity Interests shall be cancelled and the holders of such Equity Interests shall receive no distribution on account of such Equity Interests.

4.2. Treatment of Intercompany Claims.

Intercompany Claims shall, solely for purposes of receiving distributions under this Plan, be treated as having been resolved by compromise or otherwise eliminated, and thus, holders of Intercompany Claims shall receive no distribution on account of such Intercompany Claims. After the Effective Date, Intercompany Claims may be compromised or otherwise eliminated by the Debtors or their successors under the Plan in the ordinary course of business. Holders of Intercompany Claims shall not be entitled to vote on the Plan.

4.3. Limitation on Recovery for Claims Against More Than One Debtor.

Holders of any Claims against any of the Debtors arising under the same facts and circumstances, but asserted against more than one Debtor, may not receive greater than 100 percent of the Allowed amount of such Claim asserted against any one Debtor after giving effect to the distributions made by all Debtors on account of such holder's Allowed Claim. The allocation of Plan Distributions received by holders of Allowed Priority Lender Claims having

Claims against more than one of the Debtors shall be determined by the holders of such Claims in consultation with the Debtors.

ARTICLE V.

PROVISIONS FOR TREATMENT OF UNCLASSIFIED CLAIMS UNDER THE PLAN

5.1. Unclassified Claims.

Administrative Claims and Tax Claims are treated in accordance with sections 1129(a)(9)(A) and 1129(a)(9)(C) of the Bankruptcy Code, respectively. Such Claims are not designated as classes of Claims for the purposes of this Plan or for the purposes of sections 1123, 1124, 1125, 1126 or 1129 of the Bankruptcy Code.

5.2. Treatment of Administrative Claims.

All Administrative Claims shall be treated as follows:

(a) **Time for Filing Administrative Claims.**

The holder of an Administrative Claim, other than (i) a DIP Claim; (ii) a Fee Claim; (iii) a liability incurred and payable in the ordinary course of business by a Debtor (and not past due); or (iv) an Administrative Claim that has been Allowed on or before the Effective Date, must file with the Bankruptcy Court and serve on the Debtors, the Committee and the U.S. Trustee, notice of such Administrative Claim within forty (40) days after service of Notice of Confirmation. Such notice must include at a minimum (A) the name of the Debtor(s) which are purported to be liable for the Claim, (B) the name of the holder of the Claim, (C) the amount of the Claim, and (D) the basis of the Claim. **Failure to file and serve such notice timely and properly shall result in the Administrative Claim being forever barred and discharged.**

(b) **Time for Filing Fee Claims.**

Each Professional Person who holds or asserts a Fee Claim shall be required to file with the Bankruptcy Court, and serve on all parties required to receive notice, a Fee Application within forty-five (45) days after the Effective Date. **The failure to file timely and serve such Fee Application shall result in the Fee Claim being forever barred and discharged.**

(c) **Time for Filing Section 503(b)(9) Claims.**

Each holder of a Section 503(b)(9) Claim will be required to file with the Bankruptcy Court and serve on the Debtors, the Committee and the U.S. Trustee, notice of such Section 503(b)(9) Claim prior to the Section 503(b)(9) Bar Date. **If such Claim is not filed by the Section 503(b)(9) Bar Date, such Claim will be deemed Disallowed as an Administrative Claim.** Such disallowance will not prevent such Claim from being Allowed as a Claim other than as an Administrative Claim to the extent otherwise allowable.

(d) Allowance of Administrative Claims/Fee Claims/Section 503(b)(9) Claims.

An Administrative Claim (other than a DIP Claim, a Fee Claim or a Section 503(b)(9) Claim) with respect to which notice has been properly filed and served pursuant to Section 5.2(a), or a Section 503(b)(9) Claim with respect to which notice has been properly filed and served pursuant to Section 5.2(c), shall become an Allowed Administrative Claim if no objection is filed within thirty (30) days after the later of (i) the Effective Date, or (ii) the date of service of the applicable notice of Administrative Claim or such later date as may be approved by the Bankruptcy Court on motion of a party in interest, without notice or a hearing. If an objection is filed within such 30-day period (or any extension thereof), the Administrative Claim shall become an Allowed Administrative Claim only to the extent allowed by Final Order. A Fee Claim in respect of which a Fee Application has been properly filed and served pursuant to Section 5.2(b) shall become an Allowed Administrative Claim only to the extent allowed by Final Order.

(e) Payment of Allowed Administrative Claims.

On the Distribution Date, each holder of an Allowed Administrative Claim shall receive (i) the amount of such holder's Allowed Administrative Claim in one Cash payment, or (ii) such other treatment as may be agreed upon in writing by the Debtors and such holder; provided, that such treatment shall not provide a return to such holder having a present value as of the Effective Date in excess of such holder's Allowed Administrative Claim; provided, further, that an Administrative Claim representing a liability incurred in the ordinary course of business of the Debtors may be paid at the Debtors' election in the ordinary course of business.

(f) Allowance and Payment of DIP Claims.

The DIP Claims shall be Allowed Administrative Claims on the Effective Date and shall either (i) be paid in Cash in full on the Effective Date or (ii) convert into New Lender First Lien Notes referred to as Tranche A in the form New Lender First Lien Facility.

5.3. Treatment of Tax Claims.

Each holder of an Allowed Tax Claim shall receive in full satisfaction of such holder's Allowed Tax Claim (a) payments in Cash, in regular installments over a period ending not later than five (5) years after the Petition Date, of a total value, as of the Effective Date, equal to the Allowed amount of such Claim; (b) a lesser amount in one Cash payment as may be agreed upon in writing by such holder; or (c) such other treatment as may be agreed upon in writing by such holder; provided, that such agreed-upon treatment may not provide such holder with a return having a present value as of the Effective Date that is greater than the amount of such holder's Allowed Tax Claim or that is less favorable than the treatment provided to the most favored General Unsecured Claims under the Plan. The Confirmation Order shall enjoin any holder of an Allowed Tax Claim from commencing or continuing any action or proceeding against any responsible person, officer or director of the Debtors that otherwise would be liable to such holder for payment of a Tax Claim so long as the Debtors are in compliance with Section 5.3. So long as the holder of an Allowed Tax Claim is enjoined from commencing or continuing any action or proceeding against any responsible person, officer or director under Section 5.3 or

pursuant to the Confirmation Order, the statute of limitations for commencing or continuing any such action or proceeding shall be tolled.

ARTICLE VI.

ACCEPTANCE OR REJECTION OF THE PLAN; EFFECT OF REJECTION BY ONE OR MORE CLASSES OF CLAIMS

6.1. Classes Entitled to Vote.

Holders of Priority Lender Claims are entitled to vote on the Plan.

6.2. Class Acceptance Requirement.

A class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such class that have voted on the Plan.

6.3. Cramdown.

If all applicable requirements for confirmation of the Plan are met as set forth in section 1129(a) of the Bankruptcy Code, except subsection (8) thereof, the Plan shall be treated as a request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code, notwithstanding the failure to satisfy the requirements of section 1129(a)(8), on the basis that the Plan is fair and equitable and does not discriminate unfairly with respect to each class of Claims that is impaired under, and has not accepted, the Plan.

6.4. Special Provision Relating to Voting of Claims in Class 4 – General Unsecured Claims.

For purposes of determining whether the requirement for confirmation of the Plan set forth in subsection (8) of section 1129(a) of the Bankruptcy Code is met: (a) Class 4 will be considered a voting class; (b) holders of General Unsecured Claims other than Priority Lender Deficiency Claims will be deemed to vote to reject the Plan; and (c) in the event Class 2 accepts the Plan, holders of Priority Lender Claims will be deemed to have voted their Priority Lender Deficiency Claims, which are General Unsecured Claims included in Class 4, to accept the Plan.

ARTICLE VII.

MEANS FOR IMPLEMENTATION OF THE PLAN

7.1. Operations Between the Confirmation Date and the Effective Date.

During the period from the Confirmation Date through and until the Effective Date, the Debtors shall continue to operate their businesses as Debtors-in-Possession, subject to the oversight of the Bankruptcy Court as provided in the Bankruptcy Code, the Bankruptcy Rules and all orders of the Bankruptcy Court that are then in full force and effect.

7.2. Certain Transactions On or Prior to the Effective Date.

(a) Formation of New GST Holdco, New ASCI Opco, New GST Opco and New European Holdco.

Prior to the Effective Date, (i) Safety Holdings shall form New GST Holdco as a Delaware corporation, (ii) New GST Holdco shall form New ASCI Opco and New GST Opco as Delaware limited liability companies and (iii) Global Safety Textiles Acquisition GmbH shall form New European Holdco as a limited liability company under the laws of the Federal Republic of Germany. Upon formation, New GST Holdco shall be a direct, wholly-owned subsidiary of Safety Holdings. New ASCI Opco and New GST Opco shall each be direct, wholly-owned subsidiaries of New GST Holdco. New European Holdco shall be a direct, wholly-owned subsidiary of Global Safety Textiles Acquisition GmbH. New GST Holdco, New ASCI Opco, New GST Opco and New European Holdco shall be authorized without further act or action under applicable law, regulation, order or rule, to issue ownership interests to one another or to the Debtors, including, without limitation, interests evidenced by common or preferred stock and equity interests, as provided in this Plan, on or after the Effective Date.

(b) Intercompany Transactions.

On the Effective Date, and in certain instances, at the request of the Security Agent (acting on the instruction, or with the consent, of the Priority Agent), the following intercompany transactions shall occur and be implemented pursuant to section 1123(a)(5) of the Bankruptcy Code:

(i) Safety Holdings shall transfer the Equity Interests of Global Safety Textiles Acquisition GmbH to New GST Holdco in exchange for common stock of New GST Holdco. Global Safety Textiles Acquisition GmbH shall contribute its ownership interests of non-Debtor ITG Automotive Safety GT South Africa (Proprietary) Limited to New European Holdco.

(ii) GST ASCI Holdings Asia Pacific LLC shall transfer all of its Assets, including, without limitation, its ownership interests in non-Debtor SCI-Huamao China Investment Limited, to New GST Holdco in exchange for common stock of New GST Holdco. New GST Holdco shall contribute its ownership interests of non-Debtor SCI-Huamao China Investment Limited to Global Safety Textiles Acquisition GmbH, and Global Safety Textiles Acquisition GmbH shall then contribute its ownership interests of non-Debtor SCI-Huamao China Investment Limited to New European Holdco. GST ASCI Holdings Asia Pacific LLC shall then dissolve.

(iii) GST Widefabric International GmbH shall transfer all of its Assets, including, without limitation, its ownership interests of Non-Debtor Subsidiaries Global Safety Textiles GmbH and ITG Automotive Safety Poland Sp.z.oo, to New European Holdco in exchange for ownership interests of non-Debtor SCI-Huamao China Investment Limited. GST Widefabric International GmbH shall then merge into New European Holdco.

(iv) GST ASCI Holdings Mexico, Inc. shall transfer all of its Assets, including, without limitation, the ownership interests of Non-Debtor Subsidiary ITG Automotive Safety Components International S.A. de C.V., to New GST Holdco in exchange for common stock of New GST Holdco. New GST Holdco shall contribute its ownership interests of Non-Debtor Subsidiary ITG Automotive Safety Components International S.A. de C.V. to New ASCI Opco. GST ASCI Holdings Mexico, Inc. shall then dissolve.

(v) GST ASCI Holdings Europe II LLC and GST ASCI Holdings Europe, Inc. shall transfer all of their Assets, including, without limitation, their ownership interests of Non-Debtor Subsidiaries ITG Automotive Safety Czech S.R.O. and ITG Automotive Safety UK Limited, to New GST Holdco in exchange for common stock of New GST Holdco. GST ASCI Holdings Europe II LLC and GST ASCI Holdings Europe, Inc. shall then dissolve.

(vi) New GST Holdco shall contribute its ownership interests of Non-Debtor Subsidiary ITG Automotive Safety Czech S.R.O. to Global Safety Textiles Acquisition GmbH. Global Safety Textiles Acquisition GmbH shall contribute 65% of the ownership interests of Non-Debtor Subsidiary ITG Automotive Safety Czech S.R.O. to New European Holdco, and New European Holdco shall then contribute those ownership interests to Non-Debtor Subsidiary ITG Automotive Safety Poland Sp.z.oo.

(vii) New GST Holdco shall contribute its ownership interests of Non-Debtor Subsidiary ITG Automotive Safety UK Limited to New European Holdco. New European Holdco shall contribute its ownership interests of Non-Debtor Subsidiary ITG Automotive Safety UK Limited to Non-Debtor Subsidiary ITG Automotive Safety Poland Sp.z.oo.

(viii) GST Automotive Safety Components International, Inc. shall transfer all of its Assets (other than its common stock of New GST Holdco) to New GST Holdco in exchange for common stock of New GST Holdco. GST Automotive Safety Components International, Inc. shall then dissolve. Any Assets held by New GST Holdco that historically were part of the business conducted by GST Automotive Safety Components International, Inc. and its subsidiaries will be contributed by New GST Holdco to New ASCI Opco.

(ix) Global Safety Textiles LLC shall transfer all of its Assets to New GST Holdco in exchange for common stock of New GST Holdco. New GST Holdco shall further contribute those Assets to New GST Opco. Global Safety Textiles LLC shall then dissolve.

(x) Safety Holdings shall transfer all of its Assets (other than its common stock of New GST Holdco) to New GST Holdco in exchange for common stock of New GST Holdco.

(xi) New GST Holdco's ownership interests of Global Safety Textiles Acquisition GmbH shall be cancelled and new ownership interests of Reorganized Global Safety Textiles Acquisition GmbH shall be issued.

(xii) Safety Holdings shall issue the New Equity Interests to the holders of Allowed Priority Lender Claims, as described in Section 7.2(d)(i). Safety Holdings shall then liquidate.

(c) Exit Financing.

On the Effective Date, New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH shall be authorized without further act or action under applicable law, regulation, order or rule, to enter into the New Lender First Lien Documents and the New Lender Second Lien Documents. New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH are hereby authorized to enter into such agreements and documents and issue such instruments as may be necessary to effectuate their entry into such documents, in form and substance reasonably satisfactory to the holders of Allowed Priority Lender Claims.

(d) Issuance of New Equity Interests and New Lender Notes.

On the Effective Date, New GST Holdco shall authorize the issuance to the holders of Allowed Priority Lender Claims of:

(i) the New Equity Interests representing at the time of issuance 100 percent of the equity interests in New GST Holdco (excluding the New Equity Interests to be reserved for issuance pursuant to the Management and Director Incentive Program). The issuance of the New Equity Interests shall be exempt from registration under applicable securities laws pursuant to section 1145(a) of the Bankruptcy Code.

(ii) the New Lender First Lien Notes. The issuance of the New Lender First Lien Notes shall be exempt from registration under applicable securities laws pursuant to section 1145(a) of the Bankruptcy Code. The issuance and delivery of the New Lender First Lien Notes shall be in accordance with the terms of the New Lender First Lien Documents.

(iii) the New Lender Second Lien Notes. The issuance of the New Lender Second Lien Notes shall be exempt from registration under applicable securities laws pursuant to section 1145(a) of the Bankruptcy Code. The issuance and delivery of the New Lender Second Lien Notes shall be in accordance with the terms of the New Lender Second Lien Documents.

7.3. Corporate Action.

(a) The entry of the Confirmation Order shall constitute authorization for the Debtors to take or cause to be taken all corporate actions necessary or appropriate to implement all provisions of, and to consummate, the Plan prior to, on and after the Effective Date and all such

actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including, without limitation, any action required by the stockholders or directors of the Debtors, including, among other things, (i) the adoption or amendment of any organizational documents; (ii) the termination and cancellation of any Original Debt Documents or any other outstanding instrument, document or agreement evidencing the Original Debt; (iii) the formation of New GST Holdco, New ASCI Opco, New GST Opco and New European Holdco; (iv) all transfers of Assets that are to occur under the Plan; (v) the issuance of any securities to be issued under the Plan; (vi) the execution and delivery of the New Lender Documents; (vii) the incurrence of all obligations contemplated by the Plan and the making of all Plan Distributions; (viii) the reinstatement and assumption of all indemnity obligations to the directors and officers of the Debtors; (ix) the implementation of all settlements and compromises as set forth in or contemplated by the Plan; (x) taking of all actions to preserve and provide for the prosecution of the Avoidance Actions; and (xi) entering into any and all transactions, contracts or arrangements permitted by applicable law, order, rule or regulation.

(b) The officers of the Debtors are authorized and directed to do all things and to execute and deliver all agreements, documents, instruments, notices and certificates as are contemplated by the Plan and to take all necessary action required in connection therewith, in the name of and on behalf of the Debtors. All obligations of the Debtors to indemnify and hold harmless their current and former directors, officers and employees, whether arising under the Debtors' constituent documents, contract, law or equity, shall be assumed by the applicable Debtor and assigned to its successor under Section 7.2(b) upon the occurrence of the Effective Date with the same effect as though such obligations constituted executory contracts that are assumed (or assumed and assigned, as applicable) under section 365 of the Bankruptcy Code, and all such obligations shall be fully enforceable on their terms from and after the Effective Date. The prosecution of any so-indemnified Cause of Action shall upon the occurrence of the Effective Date be enjoined and prohibited, except solely for the purpose of obtaining a recovery from the issuer of any available insurance policy proceeds.

(c) The constituent documents of New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH shall prohibit the issuance of non-voting equity securities by such entities as required by section 1123(a)(6) of the Bankruptcy Code; provided, however, that following the Effective Date, each of New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH shall be entitled to issue such securities, in its sole discretion.

7.4. Termination of Certain Debt Obligations.

Upon the occurrence of the Effective Date, the Original Debt Documents shall be cancelled and annulled. Immediately upon (a) consummation of the transfers described in Section 7.2(b), and (b) completion of all Plan Distributions to the holders of Priority Lender Claims, (i) the Debtors shall be authorized and directed (without further approval, act or other determination under applicable law, regulation, order or rule) to take such action as shall be necessary or appropriate to terminate and extinguish all of the Debtors' obligations under the Original Debt Documents, and (ii) the Security Agent shall, in accordance with the Intercreditor

Deed, release (A) the Non-Debtor Subsidiaries from all past, present and future liabilities (both actual and contingent) and/or the obligations of the Non-Debtor Subsidiaries in their capacities as guarantors or borrowers of the whole or any part of the Original Debt (including a release of any liability by way of guaranty, contribution, subrogation or indemnity), and (B) all security interests, liens and other encumbrances granted by the Non-Debtor Subsidiaries over their assets to secure the Original Debt.

7.5. Corporate Existence of the Debtors.

Immediately following consummation of the transactions described in Section 7.2(b), the remaining Debtors (other than Global Safety Textiles Acquisition GmbH) shall take such action as permitted by applicable law and their constituent documents to liquidate or dissolve, as provided in Section 7.2(b).

7.6. Re-vesting of Assets.

Upon the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all Assets of the Debtors' Estates and any Assets acquired through the Plan shall vest in New GST Holdco, New ASCI Opco, New GST Opco, New European Opco and Reorganized Global Safety Textiles Acquisition GmbH free and clear of all Claims, liens, encumbrances, charges and other interests, except as provided herein.

7.7. Management.

Except as set forth in Section 7.8(b) hereof, upon the occurrence of the Effective Date, the management, control, and operation of each of the Debtors shall be the general responsibility of each such entity's then current board, manager, managing director and management. Entry of the Confirmation Order shall ratify and approve all actions taken by each of the Debtors from the Petition Date through and until the Effective Date.

7.8. Initial Boards of Directors, Managers and Managing Directors.

(a) On the Effective Date, (i) the board of directors of New GST Holdco shall be comprised of five individuals, one of whom shall be the Chief Executive Officer of New GST Holdco and four of whom shall be acceptable to the Priority Lenders and (ii) the manager of each of New ASCI Opco and New GST Opco shall be New GST Holdco. The managing director of each of New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH shall be Georg Saint-Denis.

(b) From and after the Effective Date, the members of the board of directors, managers or managing directors, as applicable, of New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH shall be selected and determined in accordance with the provisions of the respective organizational documents and applicable law.

7.9. **Officers.**

(a) On the Effective Date, the officers of New GST Holdco shall be Georg Saint-Denis, Chief Executive Officer and President; Frank Goehring, Chief Operating Officer and Vice President; Anthony Forman, Chief Financial Officer, Vice President and Treasurer; and [_____], Vice President and Secretary. The Officers of each of New ASCI Opco and New GST Opco shall be Frank Goehring, President; Anthony Forman, Vice President and Treasurer; and [_____], Vice President and Secretary.

(b) From and after the Effective Date, the officers of each of New GST Holdco, New ASCI Opco and New GST Opco shall be selected and appointed by the respective boards of directors and managers, as applicable, of such entities, in accordance with, and pursuant to, the provisions of applicable law and their respective organizational documents.

7.10. **Causes of Action.**

(a) Except as otherwise provided in the Plan, all Causes of Action, including Avoidance Actions, belonging to each of the Debtors shall, upon the occurrence of the Effective Date, be vested in the Disbursing Agent. Except as otherwise provided in the Plan, the Debtors' rights to commence, prosecute or settle such Causes of Action, respectively, shall be preserved notwithstanding the occurrence of the Effective Date and vested in the Disbursing Agent, which shall determine whether to pursue such Causes of Action in its sole and absolute discretion.

(b) **No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Disbursing Agent will not pursue any and all available Causes of Action against them. The Debtors, the Disbursing Agent and the Estates expressly reserve all rights to prosecute any and all Causes of Action against any Person, except as otherwise provided in the Plan.** Unless any Causes of Action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final Order, including, without limitation, the Final Cash Collateral Order, the Debtors expressly reserve all Causes of Action for later adjudication, and therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such Causes of Action upon or after the confirmation or consummation of the Plan.

7.11. **Appointment of the Disbursing Agent.**

Upon the occurrence of the Effective Date, New GST Holdco shall be appointed to serve as the Disbursing Agent, and shall have all powers, rights, duties and protections afforded the Disbursing Agent under the Plan.

7.12. **Sources of Cash for Plan Distributions.**

All Cash necessary for the Disbursing Agent to make payments and Plan Distributions shall be obtained from proceeds of the Debtors' existing Cash balances.

7.13. Investment of Funds Held by the Disbursing Agent; Tax Reporting by the Disbursing Agent.

The Disbursing Agent may, but shall not be required to, invest any funds held by the Disbursing Agent pending the distribution of such funds pursuant to the Plan in investments that are exempt from federal, state, and local taxes. Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Disbursing Agent of a private letter ruling if the Disbursing Agent so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Disbursing Agent), the Disbursing Agent may (a) treat the funds and other property held by it as held in a single trust for federal income tax purposes in accordance with the trust provisions of the Internal Revenue Code (sections 641 et seq.), and (b) to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes.

7.14. Releases by the Debtors.

As of the Effective Date, each of the Debtors shall forever release, waive and discharge all Causes of Action (other than Causes of Action to enforce the terms of the Plan and the Plan Documents), then existing or thereafter arising, that are based in whole or in part on any act, omission, transaction, event, other occurrence or thing occurring or in existence on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Plan or the Disclosure Statement and that could have been asserted by the Debtors against the Protected Persons, including, without limitation, such Causes of Action that have been or could be asserted derivatively on behalf of such Debtor by another Person.

7.15. Releases by Holders of Claims and Equity Interests.

Subject to the occurrence of the Effective Date, any holder of a Claim that is impaired or unimpaired under the Plan or Equity Interest will be presumed conclusively to have released the Debtors, the Non-Debtor Subsidiaries, Reorganized Global Safety Textiles Acquisition GmbH, the Priority Lenders, the Priority Agent, the Security Agent and the DIP Lenders (solely in their capacity as such) and each of their respective employees, officers, directors, members, managers, professionals and agents from any and all liability arising out of or in connection with Original Debt Documents or the Chapter 11 Cases arising prior to the Effective Date; except that nothing in this Section 7.15 shall be construed to release any party from willful misconduct or gross negligence as determined by Final Order; except, further, that the releases in this Section 7.15 shall not apply to any holder of a Claim or Equity Interest if such holder “opts out” of the releases provided in this Section by a timely written election.

7.16. Management and Director Incentive Program.

New GST Holdco shall reserve sufficient New Equity Interests for issuance under the Management and Director Incentive Program in order that such New Equity Interests reserved shall represent 15 percent of the New Equity Interests. The Plan shall be deemed a solicitation of the holders of the New Equity Interests for approval of the Management and

Director Incentive Program, and the Confirmation Order shall constitute approval of the Management and Director Incentive Program for purposes of the shareholder approval requirements under the Internal Revenue Code and, to the fullest extent permissible by law, such other requirements for shareholder approval under the laws of the jurisdiction of formation of New GST Holdco.

7.17. Shareholders' Agreement.

On and after the Effective Date, New GST Holdco and the Priority Lenders will be bound by the Shareholders' Agreement.

ARTICLE VIII.

DISTRIBUTION PROVISIONS

8.1. Plan Distributions.

(a) The Disbursing Agent shall make all Plan Distributions. In the event a Plan Distribution shall be payable on a day other than a Business Day, such Plan Distribution shall instead be paid on the immediately succeeding Business Day, but shall be deemed to have been made on the date otherwise due. For federal income tax purposes, except to the extent a Plan Distribution is made in connection with reinstatement of an obligation pursuant to section 1124 of the Bankruptcy Code, a Plan Distribution will be allocated first to the principal amount of a Claim and then, to the extent the Plan Distribution exceeds the principal amount of the Claim, to the portion of the Claim representing accrued but unpaid interest.

(b) The Disbursing Agent shall make all distributions on account of Priority Lender Claims to the Security Agent, which distributions the Security Agent shall distribute to the holders of Priority Lender Claims pursuant to the Plan and in accordance with the Intercreditor Deed.

8.2. Timing of Plan Distributions.

Each Plan Distribution shall be made on the relevant Distribution Date therefor and shall be deemed to have been timely made if made on such date or within ten (10) days thereafter.

8.3. Address for Delivery of Plan Distributions/Unclaimed Distributions.

Subject to Bankruptcy Rule 9010, any Plan Distribution or delivery to a holder of an Allowed Claim shall be made at the address of such holder as set forth (a) in the Schedules, (b) on the proof of Claim filed by such holder, (c) in any notice of assignment filed with the Bankruptcy Court with respect to such Claim pursuant to Bankruptcy Rule 3001(e) or (d) in any notice served by such holder giving details of a change of address. If any Plan Distribution is returned to the Disbursing Agent as undeliverable, no Plan Distributions shall be made to such holder unless the Disbursing Agent is notified of such holder's then current address within ninety (90) days after such Plan Distribution was returned. After such date, if such notice was not provided, a holder shall have forfeited its right to such Plan Distribution, and the undeliverable

Plan Distributions shall be returned to New GST Holdco. Supplemental Plan Distributions may be made from time to time at the discretion of the Disbursing Agent.

8.4. De Minimis Distributions.

No Plan Distribution of less than one hundred dollars (\$100.00) shall be made by the Disbursing Agent to the holder of any Claim unless a request therefor is made in writing to the Disbursing Agent. If no request is made as provided in the preceding sentence within ninety (90) days of the Effective Date, all such Plan Distributions shall revert to the Disbursing Agent.

8.5. Time Bar to Cash Payments.

Checks issued in respect of Allowed Claims shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. Requests for reissuance of any voided check shall be made directly to the Disbursing Agent by the holder of the Allowed Claim to whom such check was originally issued. Any claim in respect of such a voided check shall be made within ninety (90) days after the date of issuance of such check. If no request is made as provided in the preceding sentence, any claims in respect of such voided check shall be discharged and forever barred and such unclaimed Plan Distribution shall revert to the Disbursing Agent.

8.6. Manner of Payment under the Plan.

Unless the Person receiving a Plan Distribution agrees otherwise, any Plan Distribution to be made in Cash under the Plan shall be made, at the election of the Disbursing Agent, by check drawn on a domestic bank or by wire transfer from a domestic bank. Cash payments to foreign creditors may, in addition to the foregoing, be made, at the option of the Disbursing Agent, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

8.7. Expenses Incurred On or After the Effective Date and Claims of the Disbursing Agent.

Except as otherwise ordered by the Bankruptcy Court or as provided in the Plan, the amount of any reasonable fees and expenses incurred (or to be incurred) by the Disbursing Agent on or after the Effective Date (including, but not limited to, taxes) shall be paid when due. Professional fees and expenses incurred by the Disbursing Agent from and after the Effective Date in connection with the effectuation of the Plan shall be paid in the ordinary course of business. Any dispute regarding compensation shall be resolved by agreement of the parties or, if the parties are unable to agree, as determined by the Bankruptcy Court.

8.8. Fractional Plan Distributions.

Notwithstanding anything to the contrary contained herein, no Plan Distributions of fractional shares or fractions of dollars (whether in Cash or New Lender Notes) will be made. Fractional shares and fractions of dollars (whether in Cash or New Lender Notes) shall be rounded to the nearest whole unit (with any amount equal to or less than one-half share or one-half dollar, as applicable, to be rounded down).

8.9. Surrender and Cancellation of Instruments.

As a condition to receiving any Plan Distribution, on or before the Distribution Date, the holder of an Allowed Claim evidenced by a certificate, instrument or note, other than any such certificate, instrument or note that is being reinstated or being left unimpaired under the Plan, shall (a) surrender such certificate, instrument or note representing such Claim, and (b) execute and deliver such other documents as may be necessary to effectuate the Plan. Such certificate, instrument or note, shall thereafter be cancelled and extinguished. The Disbursing Agent shall have the right to withhold any Plan Distribution to be made to or on behalf of any holder of such Claims unless and until (i) such certificates, instruments or notes are surrendered, or (ii) any relevant holder provides to the Disbursing Agent an affidavit of loss or such other documents as may be required by the Disbursing Agent together with an appropriate indemnity in the customary form. Any such holder who fails to surrender such certificates, instruments or notes, or otherwise fails to deliver an affidavit of loss and indemnity prior to the second anniversary of the Effective Date, shall be deemed to have forfeited its Claims and shall not participate in any Plan Distribution. All property in respect of such forfeited Claims shall revert to the Disbursing Agent.

ARTICLE IX.

PROCEDURES FOR RESOLVING AND TREATING CONTESTED CLAIMS

9.1. Objection Deadline.

As soon as practicable, but in no event later than one hundred and eighty (180) days after the Effective Date (subject to being extended by the order of the Bankruptcy Court upon motion of the Disbursing Agent without notice or a hearing), objections to Claims shall be filed with the Bankruptcy Court and served upon the holders of each of the Claims to which objections are made.

9.2. Prosecution of Contested Claims.

The Disbursing Agent may object to the allowance of Claims filed with the Bankruptcy Court with respect to which liability is disputed in whole or in part. All objections that are filed and prosecuted as provided herein shall be litigated to Final Order or compromised and settled in accordance with Section 9.3.

9.3. Claims Settlement.

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date, the Disbursing Agent shall have authority to settle or compromise all Claims and Causes of Action without further review or approval of the Bankruptcy Court, other than any settlement or compromise of a Claim or Cause of Action that involves an Insider.

9.4. Entitlement to Plan Distributions Upon Allowance.

Notwithstanding any other provision of the Plan, no Plan Distribution shall be made with respect to any Claim to the extent it is a Contested Claim, unless and until such Contested Claim becomes an Allowed Claim, subject to the setoff rights as provided in Section 14.17. When a Claim that is not an Allowed Claim as of the Effective Date becomes an Allowed Claim the holder of such Allowed Claim shall thereupon become entitled to receive the Plan Distributions in respect of such Claim the same as though such Claim had been an Allowed Claim on the Effective Date.

9.5. Contested Claims Reserve.

The Disbursing Agent shall establish one or more Contested Claims Reserves for Cash for the purpose of effectuating distributions to the holders of Contested Claims pending the allowance or disallowance of such Claims in accordance with the Plan.

9.6. Estimation of Claims.

An Estimation Order may be used to calculate and establish the amount of the Contested Claims Reserve. The Debtors and the Disbursing Agent may, at any time, request that the Bankruptcy Court estimate any Contested Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Disbursing Agent previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Contested Claim, that estimated amount may, as determined by the Bankruptcy Court, constitute either (a) the Allowed amount of such Contested Claim, (b) a maximum limitation on such Contested Claim, or (c) in the event such Contested Claim is estimated in connection with the estimation of other Claims within the same Class, a maximum limitation on the aggregate amount of Allowed Claims on account of such Contested Claims so estimated; provided, however, that if the estimate constitutes the maximum limitation on a Claim, or on more than one such Claim within a Class of Claims, as applicable, the Debtors or the Disbursing Agent, as the case may be, may elect to pursue supplemental proceedings to object to any ultimate allowance of any such Contested Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

9.7. No Recourse Against the Debtors, New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco or Reorganized Global Safety Textiles Acquisition GmbH.

Any holder of a Contested Claim that ultimately becomes an Allowed Claim shall be entitled to receive its applicable distribution under the Plan solely from the Contested Claim Reserve established on account of such Contested Claim. In no event shall any holder of a Contested Claim have any recourse with respect to distributions made, or to be made, under the Plan to holders of such Claims, to any Debtor, New GST Holdco, New ASCI Opco, New GST

OpcO, New European Holdco or Reorganized Global Safety Textiles Acquisition GmbH on account of such Contested Claim, regardless of whether such Contested Claim shall ultimately become an Allowed Claim, and regardless of whether sufficient Cash remains available for distribution in the Contested Claim Reserve established on account of such Contested Claim at the time such Claim becomes entitled to receive a distribution under the Plan.

ARTICLE X.

CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN AND THE OCCURRENCE OF THE EFFECTIVE DATE

10.1. Conditions Precedent to Confirmation.

The following are conditions precedent to confirmation of the Plan:

- (a) The clerk of the Bankruptcy Court shall have entered an order or orders:
 - (i) approving the Disclosure Statement as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code;
 - (ii) authorizing the solicitation of votes with respect to the Plan;
 - (iii) determining that all votes are binding and have been properly tabulated as acceptances or rejections of the Plan;
 - (iv) confirming and giving effect to the terms and provisions of the Plan;
 - (v) determining that all applicable tests, standards and burdens in connection with the Plan have been duly satisfied and met by the Debtors and the Plan;
 - (vi) approving the Plan Documents;
 - (vii) authorizing the Debtors, New GST Holdco, New ASCI OpcO, New GST OpcO, New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH to execute, enter into, and deliver the Plan Documents and to execute, implement, and to take all actions otherwise necessary or appropriate to give effect to, the transactions contemplated by the Plan and the Plan Documents; and
 - (viii) approving the New Lender Documents.
- (b) The Confirmation Order, the Plan Documents and the Plan are each in a form satisfactory to the Debtors and reasonably satisfactory to the Priority Agent.

10.2. Conditions Precedent to the Occurrence of the Effective Date.

The following are conditions precedent to the occurrence of the Effective Date:

- (a) The Confirmation Order shall have been entered by the Clerk of the Bankruptcy Court, be in full force and effect and not be subject to any stay or injunction;

(b) All necessary consents, authorizations and approvals shall have been given for the transfers of property and the payments provided for or contemplated by the Plan, including, without limitation, satisfaction or waiver of all conditions to (i) the obligations of the Debtors under the Plan and the Plan Documents and (ii) the obligations of the holders of Allowed Secured Lenders under the New Lender Documents;

(c) The New Lender Documents shall have become effective according to their terms; and

(d) The Security Agent shall have released (i) the Non-Debtor Subsidiaries from all past, present and future liabilities (both actual and contingent) and/or the obligations of the Non-Debtor Subsidiaries in their capacities as guarantors or borrowers of the whole or any part of the Original Debt (including a release of any liability by way of guaranty, contribution, subrogation or indemnity), and (ii) all security interests, liens and other encumbrances granted by the Non-Debtor Subsidiaries over their assets to secure the Original Debt.

10.3. Waiver of Conditions.

The Debtors may waive any one or more of the conditions set forth in Section 10.1(a) in a writing executed by each of them without notice or order of the Bankruptcy Court and without notice to any parties in interest.

10.4. Effect of Non-Occurrence of the Effective Date.

If the Effective Date shall not occur, the Plan shall be null and void and nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims against or Equity Interests in a Debtor; (b) prejudice in any manner the rights of the Debtors, including, without limitation, the right to seek a further extension of the exclusivity periods under section 1121(d) of the Bankruptcy Code, the Priority Agent, the Priority Lenders or the Security Agent; or (c) constitute an admission, acknowledgement, offer or undertaking by the Debtors.

ARTICLE XI.

THE DISBURSING AGENT

11.1. Powers and Duties.

Pursuant to the terms and provisions of the Plan, the Disbursing Agent shall be empowered and directed to: (a) take all steps and execute all instruments and documents necessary to make Plan Distributions to holders of Allowed Claims; (b) comply with the Plan and the obligations thereunder; (c) employ, retain, or replace professionals to represent it with respect to its responsibilities; (d) object to Claims as specified in Article IX, and prosecute such objections; (e) compromise and settle any issue or dispute regarding the amount, validity, priority, treatment, or Allowance of any Claim as provided in Article IX; (f) make annual and other periodic reports regarding the status of distributions under the Plan to the holders of Allowed Claims that are outstanding at such time; such reports to be made available upon request to the holder of any Contested Claim; and (g) exercise such other powers as may be

vested in the Disbursing Agent pursuant to the Plan, the Plan Documents or order of the Bankruptcy Court.

11.2. Plan Distributions.

Pursuant to the terms and provisions of the Plan, the Disbursing Agent shall make the required Plan Distributions specified under the Plan on the relevant Distribution Date therefor.

11.3. Exculpation.

Except as otherwise provided in this Section 11.3, the Disbursing Agent, together with its officers, directors, employees, agents, and representatives, are exculpated pursuant to the Plan by all Persons, holders of Claims and Equity Interests, and all other parties in interest, from any and all Causes of Action arising out of the discharge of the powers and duties conferred upon the Disbursing Agent by the Plan, any Final Order of the Bankruptcy Court entered pursuant to or in the furtherance of the Plan, or applicable law, except solely for actions or omissions arising out of the Disbursing Agent's willful misconduct or gross negligence. No holder of a Claim or an Equity Interest, or representative thereof, shall have or pursue any Cause of Action (a) against the Disbursing Agent or their respective officers, directors, employees, agents, and representatives for making Plan Distributions in accordance with the Plan, or (b) against any holder of a Claim for receiving or retaining Plan Distributions as provided for by the Plan; provided, however, that the foregoing clause (b) does not in any way alter or limit the rights of the Priority Agent, Priority Lenders or Security Agent under any applicable subordination or intercreditor agreement, including, without limitation, the Intercreditor Deed. Nothing contained in this Section 11.3 shall preclude or impair any holder of an Allowed Claim from bringing an action in the Bankruptcy Court against the Disbursing Agent to compel the making of Plan Distributions contemplated by the Plan on account of such Claim.

ARTICLE XII.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

12.1. Assumption and Rejection of Executory Contracts and Unexpired Leases.

(a) All executory contracts and unexpired leases of the Debtors shall be rejected pursuant to the provisions of section 365 of the Bankruptcy Code effective as of and subject to the occurrence of the Effective Date, unless another date is specified in the Plan except: (i) any executory contracts and unexpired leases that are the subject of separate motions to assume or assume and assign filed pursuant to section 365 of the Bankruptcy Code by the Debtors before the Effective Date; (ii) contracts and leases listed in Schedule 2 attached to the Disclosure Statement and any subsequently filed "Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases" to be filed by the Debtors with the Bankruptcy Court before the entry of, or as an exhibit to, the Confirmation Order; (iii) all executory contracts and unexpired leases assumed or assumed and assigned under this Plan or by order of the Bankruptcy Court entered before the Effective Date; (iv) any executory contract or unexpired lease that is the subject of a

dispute over the amount or manner of cure pursuant to the next section hereof and for which the Debtors make a motion to reject such contract or lease based upon the existence of such dispute filed at any time; (v) any agreement, obligation, security interest, transaction or similar undertaking that the Debtors believe is not executory or a lease that is later determined by the Bankruptcy Court to be an executory contract or unexpired lease that is subject to assumption or rejection under section 365 of the Bankruptcy Code; (vi) any oral or written joint defense agreements relating to actual, potential, or threatened litigation or investigations involving any of the Debtors, which shall be assumed; (vii) any guaranty or similar agreement executed by a third party which guarantees repayment or performance of an obligation owed to any of the Debtors or to indemnify the Debtors; and (viii) agreements with third parties regarding preservation of the confidentiality of documents produced by the Debtors. Any order entered postconfirmation by the Bankruptcy Court, after notice and a hearing, authorizing the rejection of an executory contract or unexpired lease shall cause such rejection to be a prepetition breach under sections 365(g) and 502(g) of the Bankruptcy Code, as if such relief was granted and such order was entered preconfirmation. The Debtors reserve the right to amend Disclosure Statement **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” prior to the entry of the Confirmation Order. Each executory contract and unexpired lease to be assumed and assigned by the Debtors shall include modifications, amendments, supplements, restatements or other similar agreements made directly or indirectly by any agreement, instrument or other document that affects such executory contract or unexpired lease, without regard to whether such agreement, instrument or other document is listed on Disclosure Statement **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases.”

(b) The inclusion of a contract, lease or other agreement in Section 12.1(a) or on Disclosure Statement **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” shall not constitute an admission by the Debtors as to the characterization of whether any such included contract, lease, or other agreement is, or is not, an executory contract or unexpired lease or whether any claimants under any such contract, lease or other agreement are time-barred from asserting Claims against the Debtors. The Debtors reserve all rights with respect to the characterization of any such agreements.

(c) The Plan shall constitute a motion to reject such executory contracts and unexpired leases rejected pursuant to this Section 12.1, and the Debtors shall have no liability thereunder except as is specifically provided in the Plan. Entry of the Confirmation Order by the Clerk of the Bankruptcy Court shall constitute approval of such rejections pursuant to section 365(a) of the Bankruptcy Code, subject to the occurrence of the Effective Date, and a finding by the Bankruptcy Court that each such rejected agreement, executory contract or unexpired lease is burdensome and that the rejection thereof is in the best interests of the Debtors and their estates.

(d) The Plan shall constitute a motion to assume and assign to New GST Holdco, New ASCI Opco, New GST Opco or New European Holdco, as appropriate, such executory contracts and unexpired leases as set forth in Disclosure Statement **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases.” Entry of the Confirmation Order by the Clerk of the Bankruptcy Court shall constitute approval of such assumption and assignment pursuant to sections 365(a), (b) and (f) of the Bankruptcy Code, and a finding by the Bankruptcy Court that the requirements of section 365(f) of the Bankruptcy

Code have been satisfied. Any non-Debtor counterparty to an agreement listed on Disclosure Statement **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” or any other contract or unexpired lease otherwise designated as being assumed or assumed and assigned in Section 12.1(a) who disputes the assignment of an executory contract or unexpired lease must file with the Bankruptcy Court, and serve upon the Debtors and the Committee, a written objection to the assumption and assignment, which objection shall set forth the basis for the dispute by no later than ten (10) days prior to the Confirmation Hearing. The failure to timely object shall be deemed a waiver of any and all objections to the assumption and assignment of executory contracts and leases as set forth in Disclosure Statement **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” or as otherwise designated as being assumed or assumed and assigned in Section 12.1(a).

12.2. Cure.

At the election of the Debtors, any monetary defaults under each executory contract and unexpired lease to be assumed under this Plan shall be satisfied pursuant to section 365(b)(1) of the Bankruptcy Code: (a) by payment of the default amount in Cash on the Effective Date or as soon thereafter as practicable; or (b) on such other terms as agreed to by the parties to such executory contract or unexpired lease. In the event of a dispute regarding: (i) the amount of any cure payments; (ii) the ability to provide adequate assurance of future performance under the contract or lease to be assumed or assigned; or (iii) any other matter pertaining to assumption or assignment, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving assumption or assignment, as applicable. Disclosure Statement **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” attached to the Disclosure Statement set forth the Debtors’ cure obligations for each agreement which a cure obligation must be satisfied as a condition to the assumption and assignment of such agreement. Any non-Debtor counterparty to an agreement listed on the Disclosure Statement **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” who disputes the scheduled cure obligation must file with the Bankruptcy Court, and serve upon the Debtors and the Committee, a written objection to the cure obligation, which objection shall set forth the basis for the dispute, the alleged correct cure obligation, and any other objection related to the assumption or assumption and assignment of the relevant agreement by no later than ten (10) Business Days prior to the Confirmation Hearing. If a non-Debtor counterparty fails to file and serve an objection which complies with the foregoing, the cure obligation set forth on the Disclosure Statement **Schedule 2** or any “Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases” shall be binding on the non-Debtor counterparty, and the non-Debtor counterparty shall be deemed to have waived any and all objections to the assumption and assignment of the relevant agreement as proposed by the Debtors.

12.3. Claims Arising from Rejected Contracts.

Claims created by the rejection of executory contracts and unexpired leases pursuant to Section 12.1 or the expiration or termination of any executory contract or unexpired lease prior to the Confirmation Date must be filed and served within forty (40) days after service of Notice of Confirmation. **Any such Claims that are not timely filed and served will be**

forever barred from assertion and shall not be enforceable against the Debtors, their respective Estates, Affiliates, or the Assets. Unless otherwise ordered by the Bankruptcy Court, all such Claims that are properly filed and served shall be treated as General Unsecured Claims under the Plan subject to objection by the Disbursing Agent.

ARTICLE XIII.

RETENTION OF JURISDICTION

Pursuant to sections 105(a) and 1142 of the Bankruptcy Code the Bankruptcy Court shall retain and shall have exclusive jurisdiction over any matter (a) arising under the Bankruptcy Code, (b) arising in or related to the Chapter 11 Cases or the Plan, or (c) that relates to the following:

- (i) To hear and determine any and all motions or applications pending on the Confirmation Date or thereafter brought in accordance with Article XII hereof for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases to which any of the Debtors is a party or with respect to which any of the Debtors may be liable, and to hear and determine any and all Claims and any related disputes (including, without limitation, the exercise or enforcement of setoff or recoupment rights, or rights against any third party or the property of any third party resulting therefrom or from the expiration, termination or liquidation of any executory contract or unexpired lease);
- (ii) To determine any and all adversary proceedings, applications, motions, and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted by the Disbursing Agent or the Debtors, as applicable, after the Effective Date;
- (iii) To hear and determine any objections to the allowance of Claims, whether filed, asserted, or made before or after the Effective Date, including, without express or implied limitation, to hear and determine any objections to the classification of any Claim and to allow, disallow or estimate any Contested Claim in whole or in part;
- (iv) To issue such orders in aid of execution of the Plan to the extent authorized or contemplated by section 1142 of the Bankruptcy Code;
- (v) To consider any modifications of the Plan, remedy any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
- (vi) To hear and determine all Fee Applications and applications for allowances of compensation and reimbursement of any other fees and expenses authorized to be paid or reimbursed under the Plan or the Bankruptcy Code;
- (vii) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with the Plan, the Plan Documents or their interpretation, implementation, enforcement, or consummation;

(viii) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with the Confirmation Order (and all exhibits to the Plan) or its interpretation, implementation, enforcement, or consummation;

(ix) To the extent that Bankruptcy Court approval is required, to consider and act on the compromise and settlement of any Claim or Cause of Action by, on behalf of, or against the Estates;

(x) To determine such other matters that may be set forth in the Plan, or the Confirmation Order, or that may arise in connection with the Plan, or the Confirmation Order;

(xi) To hear and determine matters concerning state, local, and federal taxes, fines, penalties, or additions to taxes for which the Debtors, the Debtors-in-Possession, or the Disbursing Agent may be liable, directly or indirectly, in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(xii) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with any setoff and/or recoupment rights of the Debtors or any Person under the Plan;

(xiii) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with Causes of Action of the Debtors (including Avoidance Actions) commenced by the Debtors, the Disbursing Agent, New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco, Reorganized Global Safety Textiles Acquisition GmbH or any third parties, as applicable, before or after the Effective Date;

(xiv) To enter an order or final decree closing the Chapter 11 Cases;

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

(xvi) To hear and determine any other matters related hereto and not inconsistent with chapter 11 of the Bankruptcy Code.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

14.1. Payment of Statutory Fees.

All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid by the Debtors on or before the Effective Date.

14.2. Satisfaction of Claims.

The rights afforded in the Plan and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Equity Interests of any nature whatsoever, including any accrued postpetition interest, against the Debtors and the Debtors-in-Possession, or any of their Estates, Assets, properties, or interests in property. Except as otherwise provided herein, on the Effective Date, all Claims against and Equity Interests in the Debtors and the Debtors-in-Possession shall be satisfied, discharged, and released in full. The Debtors shall not be responsible for any pre-Effective Date obligations of the Debtors or the Debtors-in-Possession, except those expressly assumed by any such Debtor, as applicable. Except as otherwise provided herein, all Persons shall be precluded and forever barred from asserting against the Debtors, their respective successors or assigns, or their Estates, Assets, properties, or interests in property any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

14.3. Third Party Agreements; Subordination.

(a) The Plan Distributions to the various classes of Claims hereunder shall not affect the right of any Person to levy, garnish, attach, or employ any other legal process with respect to such Plan Distributions by reason of any claimed subordination rights or otherwise including rights arising under the Original Debt Documents. All of such rights and any agreements relating thereto shall remain in full force and effect, except as expressly compromised and settled pursuant to the Plan. Plan Distributions shall be subject to and modified by any Final Order directing distributions other than as provided in the Plan. Except as otherwise provided in any Final Order of the Bankruptcy Court, including, without limitation, the Final Cash Collateral Order, the right of the Debtors to seek subordination of any Claim or Equity Interest pursuant to section 510 of the Bankruptcy Code is fully reserved, and the treatment afforded any Claim or Equity Interest that becomes a subordinated Claim or subordinated Equity Interest at any time shall be modified to reflect such subordination. Unless the Confirmation Order provides otherwise, no Plan Distributions shall be made on account of a subordinated Claim or subordinated Equity Interest.

(b) All contractual subordination rights of the Priority Agent, Priority Lenders and Security Agent with respect to any Plan Distribution shall be enforceable under the Plan. The classification and manner of satisfying all Claims and Equity Interests under the Plan and the Plan Distributions take into consideration the contractual subordination rights that the Priority Agent, Priority Lenders and Security Agent may have against a holder of another Claim or Equity Interest with respect to Plan Distributions. The Plan gives effect to (i) the irrevocable authorization of the Security Agent by the Second Lien Lenders to, among other things, receive distributions and exercise all powers of voting and representation, on behalf of the Second Lien Lenders as provided in the Intercreditor Deed and (ii) the irrevocable power of attorney granted to the Priority Agent by each of the Second Lien Lenders, in its name and on its behalf, to do anything which such Second Lien Lender has authorized the Security Agent to do under the Intercreditor Deed.

14.4. Exculpation.

The Debtors, the Co-proponent and any Protected Persons shall not be liable for any Cause of Action arising in connection with or out of the administration of the Chapter 11 Cases, pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for gross negligence or willful misconduct as determined by Final Order of the Bankruptcy Court. The Confirmation Order shall enjoin all holders of Claims and Equity Interests from asserting or prosecuting any Claim or cause of action against the Debtors, the Co-proponent and any Protected Person as to which such Person has been exculpated from liability pursuant to the preceding sentence.

14.5. Discharge of Liabilities.

Except as otherwise provided in the Plan, upon the occurrence of the Effective Date, the Debtors shall be discharged from all Claims and Causes of Action to the fullest extent permitted by section 1141 of the Bankruptcy Code, and all holders of Claims and Equity Interests shall be precluded from asserting against the Debtors, the Disbursing Agent, New GST Holdco, New ASCI Opco, New GST Opco, New European Opco, Reorganized Global Safety Textiles Acquisition GmbH, the Estates, the Assets, or any property dealt with under the Plan, any further or other Cause of Action based upon any act or omission, transaction, event, thing, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date.

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, NEW GST HOLDCO, NEW ASCI OPCO, NEW GST OPCO, NEW EUROPEAN HOLDCO AND REORGANIZED GLOBAL SAFETY TEXTILES ACQUISITION GMBH SHALL NOT HAVE, AND SHALL NOT BE CONSTRUED TO HAVE OR MAINTAIN ANY LIABILITY, CLAIM, OR OBLIGATION, THAT IS BASED IN WHOLE OR IN PART ON ANY ACT, OMISSION, TRANSACTION, EVENT, OTHER OCCURRENCE OR THING OCCURRING OR IN EXISTENCE ON OR PRIOR TO THE EFFECTIVE DATE OF THE PLAN (INCLUDING, WITHOUT LIMITATION, ANY LIABILITY OR CLAIMS ARISING UNDER APPLICABLE NON-BANKRUPTCY LAW AS A SUCCESSOR TO THE DEBTORS) AND NO SUCH LIABILITIES, CLAIMS, OR OBLIGATIONS FOR ANY ACTS SHALL ATTACH TO NEW GST HOLDCO, NEW ASCI OPCO, NEW GST OPCO, NEW EUROPEAN HOLDCO AND REORGANIZED GLOBAL SAFETY TEXTILES ACQUISITION GMBH.

14.6. Discharge of Debtors.

Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date, without further notice or order, all Claims of any nature whatsoever shall be automatically discharged forever. Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date, the Debtors, their estates, and all successors thereto shall be deemed fully discharged and released from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (a) a proof of Claim

based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under section 502 of the Bankruptcy Code; or (c) the holder of a Claim based upon such debt has accepted the Plan. The Confirmation Order shall be a judicial determination of discharge of all liabilities of the Debtors, their estates, and all successors thereto. As provided in section 524 of the Bankruptcy Code, such discharge shall void any judgment against the Debtors, their estates, or any successor thereto at any time obtained to the extent it relates to a Claim discharged, and operates as an injunction against the prosecution of any action against New GST Holdco, New ASCI Opco, New GST Opco, New European Holdco, Reorganized Global Safety Textiles Acquisition GmbH or property of the Debtors or their estates to the extent it relates to a discharged Claim.

14.7. Notices.

Any notices, requests, and demands required or permitted to be provided under the Plan, in order to be effective, shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

[New GST Holdco]
Attention: Georg Saint-Denis
[_____]
[_____]
Telephone: ([____]) [____]-[____]
Telecopier: ([____]) [____]-[____]

and

White & Case LLP
Attention: Thomas E Lauria
Attention: Gerard H. Uzzi
1155 Avenue of the Americas
New York, New York 10036
Telephone: (212) 819-8200
Telecopier: (212) 354-8113

14.8. Headings.

The headings used in the Plan are inserted for convenience only, and neither constitute a portion of the Plan nor in any manner affect the construction of the provisions of the Plan.

14.9. Governing Law.

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules), the laws of the State of Delaware, without giving effect to the conflicts of laws principles thereof, shall govern the construction of the Plan and any

agreements, documents, and instruments executed in connection with the Plan, except as otherwise expressly provided in such instruments, agreements or documents.

14.10. Expedited Determination.

The Disbursing Agent is hereby authorized to file a request for expedited determination under section 505(b) of the Bankruptcy Code for all tax returns filed with respect to the Debtors.

14.11. Exemption from Transfer Taxes.

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust, lien, pledge or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

14.12. Retiree Benefits.

Pursuant to section 1129(a)(13), on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

14.13. Notice of Entry of Confirmation Order and Relevant Dates.

Promptly upon entry of the Confirmation Order, the Debtors shall publish as directed by the Bankruptcy Court and serve on all known parties in interest and holders of Claims and Equity Interests, notice of the entry of the Confirmation Order and all relevant deadlines and dates under the Plan.

14.14. Interest and Attorneys' Fees.

(a) Interest accrued after the Petition Date will accrue and be paid on Claims only to the extent specifically provided for in this Plan, the Confirmation Order or as otherwise required by the Bankruptcy Court or by applicable law.

(b) Except as set forth in the Plan or as ordered by the Bankruptcy Court, no award or reimbursement of attorneys' fees or related expenses or disbursements shall be allowed on, or in connection with, any Claim.

14.15. Modification of the Plan.

As provided in section 1127 of the Bankruptcy Code, modification of the Plan may be proposed in writing by the Debtors at any time before confirmation; provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. The Debtors may modify the Plan at any time after confirmation and before substantial consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the

Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modifications. A holder of a Claim that has accepted the Plan shall be deemed to have accepted such Plan as modified if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

14.16. Revocation of Plan.

(a) The Debtors reserve the right to revoke and withdraw the Plan or to adjourn the Confirmation Hearing with respect to any one or more of the Debtors prior to the occurrence of the Effective Date. If the Debtors revoke or withdraw the Plan with respect to any one or more of the Debtors, or if the Effective Date does not occur as to any Debtor, then, as to such Debtor, the Plan and all settlements and compromises set forth in the Plan and not otherwise approved by a separate Final Order shall be deemed null and void and nothing contained herein and no acts taken in preparation for consummation of the Plan shall be deemed to constitute a waiver or release of any Claims against or Equity Interests in such Debtor or to prejudice in any manner the rights of any of the Debtors or any other Person in any other further proceedings involving such Debtor.

(b) In the event that the Debtors choose to adjourn the Confirmation Hearing with respect to any one or more of the Debtors, the Debtors reserve the right to proceed with confirmation of the Plan with respect to those Debtors in relation to which the Confirmation Hearing has not been adjourned. With respect to those Debtors with respect to which the Confirmation Hearing has been adjourned, the Debtors reserve the right to amend, modify, revoke or withdraw the Plan and/or submit any new plan of reorganization at such times and in such manner as they consider appropriate, subject to the provisions of the Bankruptcy Code.

14.17. Setoff Rights.

In the event that any Debtor has a Claim of any nature whatsoever against the holder of a Claim against such Debtor, then such Debtor may, but is not required to, set off against the Claim (and any payments or other Plan Distributions to be made in respect of such Claim hereunder) such Debtor's Claim against such holder, subject to section 553 of the Bankruptcy Code. Neither the failure to set off nor the allowance of any Claim under the Plan shall constitute a waiver or release of any Claims that any Debtor may have against the holder of any Claim.

14.18. Compliance with Tax Requirements.

In connection with the Plan, the Debtors and the Disbursing Agent, as applicable, shall comply with all withholding and reporting requirements imposed by federal, state, local, and foreign taxing authorities and all Plan Distributions hereunder shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a Plan Distribution shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any government unit, including income, withholding and other tax obligations, on account of such Plan Distribution. The Disbursing Agent has the right, but not the obligation, to not make a Plan Distribution until such

holder has made arrangements satisfactory to the Disbursing Agent for payment of any such tax obligations.

14.19. Rates.

The Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date.

14.20. Injunctions.

(a) **On the Effective Date and except as otherwise provided herein, all Persons who have been, are, or may be holders of Claims against or Equity Interests in the Debtors shall be permanently enjoined from taking any of the following actions against or affecting the Debtors, Protected Persons, the Estates, the Assets, the Disbursing Agent or any of their current or former respective members, directors, managers, officers, employees, agents, and professionals, successors and assigns or their respective assets and property with respect to such Claims or Equity Interests (other than actions brought to enforce any rights or obligations under the Plan):**

(i) **commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, all suits, actions, and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice);**

(ii) **enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order;**

(iii) **creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance; and**

(iv) **asserting any setoff, right of subrogation or recoupment of any kind; provided, that any defenses, offsets or counterclaims which the Debtors may have or assert in respect of the above referenced Claims are fully preserved in accordance with Section 14.17.**

(b) **On the Effective Date, all Persons who have been, are, or may be Priority Lenders or Second Lien Lenders holding Claims against the Debtors and the Non-Debtor Subsidiaries, and the administrative agents, Security Agent and collateral trustees under the Original Debt Documents, shall be permanently enjoined from taking any actions against or affecting the Non-Debtor Subsidiaries to (i) collect or otherwise recover by any manner or means, whether directly or indirectly, any past, present and future liabilities (both actual and contingent) and/or the obligations of the Non-Debtor Subsidiaries in their capacities as guarantors or borrowers of the whole or any part of the Original Debt (including any liability by way of guaranty, contribution, subrogation or indemnity), or (ii) enforce any security interests, liens and other encumbrances granted by the Non-Debtor Subsidiaries over their assets to secure the Original Debt.**

14.21. Binding Effect.

The Plan shall be binding upon the Debtors, the holders of all Claims and Equity Interests, parties in interest, Persons and their respective successors and assigns. To the extent any provision of the Disclosure Statement or any other solicitation document may be inconsistent with the terms of the Plan, the terms of the Plan shall be binding and conclusive.

14.22. Severability.

IN THE EVENT THE BANKRUPTCY COURT DETERMINES THAT ANY PROVISION OF THE PLAN IS UNENFORCEABLE EITHER ON ITS FACE OR AS APPLIED TO ANY CLAIM OR EQUITY INTEREST OR TRANSACTION, THE DEBTORS MAY MODIFY THE PLAN IN ACCORDANCE WITH SECTION 14.15 SO THAT SUCH PROVISION SHALL NOT BE APPLICABLE TO THE HOLDER OF ANY SUCH CLAIM OR EQUITY INTEREST OR TRANSACTION SUCH A DETERMINATION OF UNENFORCEABILITY SHALL NOT (A) LIMIT OR AFFECT THE ENFORCEABILITY AND OPERATIVE EFFECT OF ANY OTHER PROVISION OF THE PLAN OR (B) REQUIRE THE RESOLICITATION OF ANY ACCEPTANCE OR REJECTION OF THE PLAN.

14.23. No Admissions.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER CAUSES OF ACTION OR THREATENED CAUSES OF ACTION, THIS PLAN SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS PLAN SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, AND OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, AND EQUITY INTERESTS IN, THE DEBTORS OR THEIR AFFILIATES, AS DEBTORS AND DEBTORS-IN-POSSESSION IN THESE CHAPTER 11 CASES.

14.24. Dissolution of the Committee.

On the Effective Date, the Committee shall cease to exist except for the purpose of filing and prosecuting applications for, or objections to, Fee Claims.

Dated: August 12, 2009

Global Safety Textiles Holdings LLC

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST Automotive Safety Components International, Inc.

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

Global Safety Textiles LLC

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST ASCI Holdings Mexico, Inc.

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST ASCI Holdings Europe, Inc.

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST ASCI Holdings Europe II LLC

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST ASCI Holdings Asia Pacific LLC

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Vice President of Finance

GST Safety Textiles Acquisition GmbH

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Managing Director

GST Widedfabric International GmbH

By: /s/ Anthony J. Forman
Name: Anthony J. Forman
Title: Managing Director

Global Safety Textiles GmbH, solely in its
capacity as Co-proponent

By: /s/ Georg Saint-Denis
Name: Georg Saint-Denis
Title: Managing Director

EXHIBIT A

GLOSSARY OF DEFINED TERMS

1. “Administrative Claim” means a Claim incurred by a Debtor (or its Estate) on or after the Petition Date and before the Effective Date for a cost or expense of administration in the Chapter 11 Cases entitled to priority under sections 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, Fee Claims, DIP Claims and Section 503(b)(9) Claims.
2. “Affiliate” means, with respect to any Person, all Persons that would fall within the definition assigned to such term in section 101(2) of the Bankruptcy Code, if such Person was a debtor in a case under the Bankruptcy Code.
3. “Allowed,” when used
 - (a) with respect to any Claim, except for a Claim that is an Administrative Claim, means such Claim to the extent it is not a Contested Claim or a Disallowed Claim;
 - (b) with respect to an Administrative Claim, means such Administrative Claim to the extent it has become fixed in amount and priority pursuant to the procedures set forth in Section 5.2(d) of this Plan; and
 - (c) with respect to Equity Interests in any Debtor, means (i) the Equity Interests in any Debtor as reflected in the stock transfer ledger or similar register of such Debtor as of the Effective Date.
4. “Assets” means, with respect to any Debtor, all of such Debtor’s right, title and interest of any nature in property of any kind, wherever located, as specified in section 541 of the Bankruptcy Code.
5. “Avoidance Actions” means all Causes of Action of the Estates that arise under chapter 5 of the Bankruptcy Code and that are not released pursuant to the Plan.
6. “Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as codified at title 11 of the United States Code, as amended from time to time and applicable to the Chapter 11 Cases.
7. “Bankruptcy Court” means the United States Bankruptcy Court for the District of Delaware, or such other court having jurisdiction over the Chapter 11 Cases.
8. “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, as prescribed by the United States Supreme Court pursuant to section 2075 of title 28 of the United States Code and as applicable to the Chapter 11 Cases.
9. “BST Facility” means that certain Term and Revolving Facility Agreement, dated December 8, 2006, as amended April 1, 2007, June 11, 2007, November 16, 2007, and amended and restated on April 15, 2008, between Safety Holdings, as parent, Global Safety Textiles Acquisition GmbH, Global Safety Textiles GmbH, and Narricot Industries L.P., as original borrowers, Safety Holdings, Narricot Industries Management Corp., Narricot Industries L.P., Global Safety Textiles LLC, Global Safety Textiles Acquisition GmbH, Global Safety Textiles GmbH, GST Widefabric International GmbH, ITG Automotive Safety Poland Sp.z.oo,

and BST Breitgewebe Verwaltungs GmbH, as original guarantors, Goldman Sachs Credit Partners, L.P. as mandated co-lead arranger, priority agent and security agent, UBS Securities LLC as mandated co-lead arranger, UBS AG, Stamford Branch as issuing bank and second lien agent, and GE Corporate Finance Bank SAS and SunTrust Bank acting as documentation agents, and the lenders from time to time party thereto.

10. “Business Day” means any day other than a Saturday, a Sunday or any other day on which commercial banks are required or authorized to close for business in New York, New York.

11. “Cash” means legal tender of the United States of America or readily marketable direct obligations of, or obligations guaranteed by, the United States of America.

12. “Causes of Action” means all claims, rights, actions, causes of action, liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages or judgments, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, foreseen or unforeseen, asserted or unasserted, arising in law, equity or otherwise.

13. “Chapter 11 Cases” means the cases commenced under chapter 11 of the Bankruptcy Code pending before the Bankruptcy Court with respect to each of the Debtors styled as In re Global Safety Textiles Holdings LLC, et al., Chapter 11 Case No. 09-12234 (KG), Jointly Administered.

14. “Claim” means (a) any right to payment, whether or not such right is known or unknown, reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment, whether or not such right to an equitable remedy is known or unknown, reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

15. “Claims Agent” means the entity designated by order of the Bankruptcy Court to process proofs of claim.

16. “Co-proponent” means Global Safety Textiles GmbH, a non-Debtor indirect subsidiary of Global Safety Textiles Holdings LLC organized under the laws of the Federal Republic of Germany, solely in its capacity as co-proponent of this Plan.

17. “Committee” means the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases.

18. “Confirmation Date” means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases.

19. “Confirmation Hearing” means the hearing held by the Bankruptcy Court, as it may be continued from time to time, to consider confirmation of the Plan.

20. “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan.

21. “Contested” (a) when used with respect to a Claim, means such Claim (i) to the extent it is listed in the Schedules as disputed, contingent, or unliquidated, in whole or in part, and as to which no proof of claim has been filed; (ii) if it is listed in the Schedules as undisputed, liquidated, and not contingent and as to which a proof of claim has been filed with the Bankruptcy Court, to the extent (A) the proof of claim amount exceeds the amount indicated in the Schedules, or (B) the proof of claim priority differs from the priority set forth in the Schedules, in each case as to which an objection was filed on or before the Objection Deadline, unless and to the extent allowed in amount and/or priority by a Final Order of the Bankruptcy Court; (iii) if it is not listed in the Schedules or was listed in the Schedules as disputed, contingent or unliquidated, in whole or in part, but as to which a proof of claim has been filed with the Bankruptcy Court, or, to the extent such Claim is a Claim arising under a rejected executory contract or unexpired lease, will be filed with the Bankruptcy Court; provided, however, in each case if an objection is not filed on or before the Objection Deadline, such Claim shall become an Allowed Claim to the extent not otherwise allowed prior thereto by a Final Order; or (iv) as to which an objection has been filed on or before the Effective Date; provided, that a Claim that is fixed in amount and priority pursuant to the Plan or by Final Order on or before the Effective Date shall not be a Contested Claim; and (b) when used with respect to an Equity Interest, means such Equity Interest to the extent it is not reflected on the applicable Debtor’s stock transfer register as of the Effective Date.
22. “Contested Claims Reserve” means a reserve of Cash established in accordance with Section 9.5 of the Plan.
23. “Convenience Claims” means any general unsecured claim in an amount equal to or less than \$15,000.
24. “Debtor” means Safety Holdings, or any of its direct and indirect subsidiaries that are debtors in the Chapter 11 Cases as identified on Exhibit B annexed hereto.
25. “Debtor-in-Possession” means any Debtor, in its capacity as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
26. “DIP Claims” means the Claims of the DIP Lenders under the DIP Credit Agreement.
27. “DIP Credit Agreement” means that certain credit agreement entered into on [_____], 2009 by Safety Holdings and Global Safety Textiles Acquisition GmbH, as borrowers, Safety Holdings and certain subsidiaries of Safety Holdings, as guarantors, and the DIP Lenders, as lenders, together with all documents, instruments and agreements executed or entered into in connection therewith, and any amendments thereto.
28. “DIP Lenders” means [_____].
29. “DIP Loan” means the loan provided by the DIP Lenders to the Debtors pursuant to the DIP Credit Agreement.
30. “Disallowed” when used with respect to a Claim, means a Claim, or such portion of a Claim, that has been disallowed by a Final Order.
31. “Disbursing Agent” means New GST Holdco or any agent selected by New GST Holdco, acting on behalf of the Debtors in (a) making the Plan Distributions contemplated under the

Plan, the Confirmation Order, or any other relevant Final Order, and (b) performing any other act or task that is or may be delegated to the Disbursing Agent under the Plan.

32. “Disclosure Statement” means the Disclosure Statement filed with respect to the Plan, as it may be amended or modified from time to time.

33. “Disclosure Statement Order” means the order entered by the Bankruptcy Court (a) approving the Disclosure Statement as containing adequate information required under section 1125 of the Bankruptcy Code, and (b) authorizing the use of the Disclosure Statement for soliciting votes on the Plan.

34. “Distribution Date” means, with respect to any Claim, (a) the Effective Date or a date that is as soon as reasonably practicable after the Effective Date, if such Claim is then an Allowed Claim, or (b) a date that is as soon as reasonably practicable after the date such Claim becomes Allowed, if not Allowed on the Effective Date.

35. “Effective Date” means a date selected by the Debtors which shall be a Business Day that is no later than thirty (30) Business Days after all of the conditions specified in Section 10.2 have been satisfied or waived (to the extent waivable).

36. “Equity Interest” means any outstanding ownership interest in any of the Debtors, including, without limitation, interests evidenced by common or preferred stock, membership interests and options or other rights to purchase or otherwise receive any ownership interest in any of the Debtors and any right to payment or compensation based upon any such interest, whether or not such interest is owned by the holder of such right to payment or compensation.

37. “Estate” means the estate of any Debtor created by section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases.

38. “Estimation Order” means an order or orders of the Bankruptcy Court (a) estimating or otherwise establishing the allowed amounts of estimated Claims, and (b) entered by the Bankruptcy Court in connection with Section 9.6 of the Plan. The Estimation Order may be the Confirmation Order if the Confirmation Order grants the same relief that otherwise would have been granted in separate Estimation Order(s).

39. “Fee Application” means an application for allowance and payment of a Fee Claim (including Claims for “substantial contribution” pursuant to section 503(b) of the Bankruptcy Code).

40. “Fee Claim” means a Claim of a Professional Person.

41. “Final Cash Collateral Order” means the Final Order (I) Authorizing the Use of Prepetition Lenders’ Cash Collateral Under 11 U.S.C. § 363, (II) Granting Adequate Protection Under 11 U.S.C. §§ 361, 362 and 363, and (III) Modifying the Automatic Stay, entered by the Bankruptcy Court in the Chapter 11 Cases on July 30, 2009.

42. “Final Order” means (a) an order or judgment of the Bankruptcy Court or any other court or adjudicative body as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending, or (b) in the event that an

appeal, writ of certiorari, reargument, or rehearing thereof has been sought, such order of the Bankruptcy Court or any other court or adjudicative body shall have been affirmed by the highest court to which such order was appealed, or certiorari has been denied, or from which reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to section 502(j) of the Bankruptcy Code, Rule 59 or Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024 may be filed with respect to such order.

43. “General Unsecured Claim” means any Claim against a Debtor, including any Claim arising on account of a rejected executory contract or unexpired lease and a Secured Lender Deficiency Claim, other than an Administrative Claim, a Priority Claim, Other Secured Claim, a Priority Lender Claim, an Intercompany Claim, a Convenience Claim or a Tax Claim.

44. “Insider” means with respect to any Person, all Persons that would fall within the definition assigned to such terms in section 101(31) of the Bankruptcy Code.

45. “Intercompany Claim” means any Claim held by any of the non-Debtor direct or indirect subsidiaries of Safety Holdings against the Debtors or by any Debtor against any other Debtor.

46. “Intercreditor Deed” means that certain Intercreditor Deed, dated December 8, 2006, as amended and restated on April 15, 2008, between Safety Holdings, as parent, Global Safety Textiles Acquisition GmbH, Global Safety Textiles GmbH, Narricot Industries, L.P., as original obligors, Safety Holdings, Narricot Management Corp., Narricot Industries, L.P., Global Safety Textiles LLC, Global Safety Textiles Acquisition GmbH, GST Widefabric International GmbH, ITG Automotive Safety Poland Sp.z.oo, BST Safety Textiles GmbH & Co KG and BST Breitgewebe Verwaltungs GmbH, as original guarantors, Goldman Sachs Credit Partners L.P. and UBS Loan Finance LLC, as original lenders, Goldman Sachs Credit Partners L.P., as priority agent, UBS AG, Stamford Branch, as second lien agent, Goldman Sachs Credit Partners L.P., as security agent, UBS AG, Stamford Branch, as Polish collateral trustee, and the hedge counterparties thereto.

47. “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and any applicable rulings, regulations (including temporary and proposed regulations) promulgated thereunder, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or the IRS.

48. “IRS” means the United States Internal Revenue Service.

49. “Management and Director Incentive Program” means the management and director incentive equity program [_____].

50. “New ASCI Opco” means a direct subsidiary of New GST Holdco formed pursuant to Section 7.2(a).

51. “New Equity Interests” means the common stock to be issued or reserved for issuance by New GST Holdco on or after the Effective Date pursuant to the Plan.

52. “New European Holdco” means a direct subsidiary of Global Safety Textiles Acquisition GmbH formed pursuant to Section 7.2(b).

53. “New GST Holdco” means the legal entity created by the Debtors to serve as the ultimate parent of (a) New ASCI Opco, New GST Opco, New European Holdco and Reorganized Global Safety Textiles Acquisition GmbH and (b) the Non-Debtor Subsidiaries and to acquire the Assets of Safety Holdings pursuant to Section 7.2(b).
54. “New GST Opco” means a direct subsidiary initially of Safety Holdings and later New GST Holdco formed pursuant to Section 7.2(a).
55. “New Lender Documents” means, collectively, the New Lender First Lien Documents and the New Lender Second Lien Documents.
56. “New Lender First Lien Documents” means the New Lender First Lien Facility, together with all documents, instruments, including the New Lender First Lien Note, and agreements executed or entered into in connection therewith, and any amendments thereto. The New Lender First Lien Documents shall be Plan Documents.
57. “New Lender First Lien Facility” means the first-priority senior secured, three-tranche facility extended to New GST Holdco and the Co-proponent, as borrowers, New GST Holdco and certain subsidiaries of New GST Holdco, as guarantors, and some or all of the holders of Allowed Priority Lender Claims and/or their affiliates (and any entities designated by the arranger thereof), as lenders, with the terms set forth on Exhibit C to the Disclosure Statement. The form of New Lender First Lien Facility shall be a Plan Document.
58. “New Lender First Lien Notes” means the notes to be issued to the holders of Allowed Priority Lender Claims in an aggregate amount equal to \$70,000,000 plus the amount of any DIP Claims.
59. “New Lender Notes” means, collectively, the New Lender First Lien Notes and the New Lender Second Lien Notes.
60. “New Lender Second Lien Documents” means the New Lender Second Lien Facility, together with all documents, instruments, including the New Lender Second Lien Note, and agreements executed or entered into in connection therewith, and any amendments thereto. The New Lender Second Lien Documents shall be Plan Documents.
61. “New Lender Second Lien Facility” means the second-priority term loan facility extended to New GST Holdco and the Co-proponent, as borrowers, New GST Holdco and certain subsidiaries of New GST Holdco, as guarantors, and some or all of the holders of Allowed Priority Lender Claims and/or their affiliates (and any entities designated by the arranger thereof), as lenders, with the terms set forth on Exhibit D to the Disclosure Statement. The form of New Lender Second Lien Facility shall be a Plan Document.
62. “New Lender Second Lien Notes” means the convertible notes to be issued to the holders of Allowed Priority Lender Claims in an aggregate amount equal to \$30,000,000.
63. “Non-Debtor Subsidiaries” means the non-Debtor wholly-owned subsidiaries of the Debtors that are borrowers and/or guarantors under the Original Debt Documents.

64. “Notice of Confirmation” means the notice of entry of the Confirmation Order to be filed with the Bankruptcy Court and mailed by the Claims Agent to holders of Claims and Equity Interests.
65. “Objection Deadline” means the deadline for filing objections to Claims as set forth in Section 9.1 of the Plan.
66. “Original Debt” means the indebtedness outstanding under the Original Debt Documents on the Effective Date.
67. “Original Debt Documents” means the BST Facility, as amended, and any other documents related thereto.
68. “Other Secured Claims” means a Secured Claim other than a Priority Lender Claim.
69. “Person” means an individual, corporation, partnership, limited liability company, joint venture, trust, estate, unincorporated association, unincorporated organization, governmental entity, or political subdivision thereof, or any other entity.
70. “Petition Date” means June 30, 2009.
71. “Plan” means this chapter 11 plan, either in its present form or as it may be amended, supplemented, or otherwise modified from time to time, and the exhibits and schedules hereto, as the same may be in effect at the time such reference becomes operative.
72. “Plan Distribution” means the payment or distribution under the Plan of Cash, Assets, securities or instruments evidencing an obligation under the Plan to the holder of an Allowed Claim.
73. “Plan Documents” means the documents that aid in effectuating the Plan as specifically identified as such herein and filed with the Bankruptcy Court as specified in Section 1.5 of the Plan.
74. “Priority Agent” means Goldman Sachs Credit Partners, L.P., in its capacity as administrative agent for the Priority Lenders under the Original Debt Documents.
75. “Priority Claim” means any Claim to the extent such Claim is entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, other than Secured Claims, Administrative Claims, and Tax Claims.
76. “Priority Lender Claim” means a Secured Claim against any of the Debtors arising from the revolving facility and first lien facility under the BST Facility and the Original Debt Documents.
77. “Priority Lender Deficiency Claim” means the unsecured deficiency portion of any Claim of any Priority Lender against any Debtor arising under the Original Debt Documents.
78. “Priority Lenders” means, collectively, the revolving facility and first lien facility lenders under the BST Facility.

79. “Pro Rata Share” means the proportion that an Allowed Claim bears to the aggregate amount of all Claims in a particular class, including Contested Claims, but excluding Disallowed Claims, (a) as calculated by the Disbursing Agent; or (b) as determined or estimated by the Bankruptcy Court.
80. “Professional Person” means a Person retained or to be compensated for services rendered or costs incurred on or after the Petition Date and on or prior to the Effective Date pursuant to sections 327, 328, 329, 330, 331, 503(b), or 1103 of the Bankruptcy Code in these Chapter 11 Cases.
81. “Protected Persons” means (i) all professionals, officers, directors and managers of the Debtors, (ii) the members of the Committee and its professionals and (iii) the Priority Lenders, Priority Agent, Security Agent, DIP Lenders (solely in their capacity as such) and their respective professionals.
82. “Record Date” means the date established by the Court for the purpose of determining the right to vote on and receive distributions under the Plan with respect to any Claim.
83. “Reorganized Global Safety Textiles Acquisition GmbH” means Global Safety Textiles Acquisition GmbH from and after the Effective Date.
84. “Safety Holdings” means Global Safety Textile Holdings LLC, a Delaware limited liability company, one of the Debtors and Debtors-in-Possession in the Chapter 11 Cases.
85. “Schedules” means the schedules of assets and liabilities and list of Equity Interests and the statements of financial affairs filed by each of the Debtors with the Bankruptcy Court, as required by section 521 of the Bankruptcy Code and in conformity with the Official Bankruptcy Forms of the Bankruptcy Rules, as such schedules and statements have been or may be amended or supplemented by the Debtors from time to time in accordance with Bankruptcy Rule 1009.
86. “Second Lien Lenders” means, collectively, the second lien facility lenders under the BST Facility.
87. “Section 503(b)(9) Bar Date” means [_____].
88. “Section 503(b)(9) Claims” means any Claims against any of the Debtors entitled to administrative expense status pursuant to section 503(b)(9) of the Bankruptcy Code.
89. “Secured Claim” means (a) a Claim secured by a lien on any Assets, which lien is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, and which is duly established in the Chapter 11 Cases, but only to the extent of the value of the holder’s interest in the collateral that secures payment of the Claim; (b) a Claim against the Debtors that is subject to a valid right of recoupment or setoff under section 553 of the Bankruptcy Code, but only to the extent of the Allowed amount subject to recoupment or setoff as provided in section 506(a) of the Bankruptcy Code; and (c) a Claim deemed or treated under the Plan as a Secured Claim; provided, that, to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, the unsecured portion of such Claim shall be treated as a General Unsecured Claim unless, in any such case the class of which Claim is a part makes a

valid and timely election in accordance with section 1111(b) of the Bankruptcy Code to have such Claim treated as a Secured Claim to the extent allowed.

90. “Secured Lender Deficiency Claim” means the unsecured deficiency portion of any Claim against any Debtor arising under the Original Debt Documents, including, without limitation, a Priority Lender Deficiency Claim.

91. “Secured Lenders” means, collectively, the Priority Lenders and the Second Lien Lenders.

92. “Security Agent” means Goldman Sachs Credit Partners, L.P., in its capacity as security agent under the Original Debt Documents.

93. “Shareholders’ Agreement” means the shareholders’ agreement to be entered into by New GST Holdco and the Priority Lenders, or securities exercisable for the New Equity Interests, pursuant to the Plan on the Effective Date and with the terms set forth on **Exhibit F** to the Disclosure Statement. The form of Shareholders’ Agreement shall be a Plan Document.

94. “Tax Claim” means a Claim against any of the Debtors that is of a kind specified in section 507(a)(8) of the Bankruptcy Code.

95. “U.S. Trustee” means the Office of the United States Trustee for Region 3.

EXHIBIT B

DEBTORS

1. Global Safety Textiles Holdings LLC
2. GST ASCI Holdings Asia Pacific LLC
3. GST ASCI Holdings Europe, Inc.
4. GST ASCI Holdings Europe II LLC
5. GST ASCI Holdings Mexico, Inc.
6. GST Automotive Safety Components International, Inc.
7. Global Safety Textiles LLC
8. Global Safety Textiles Acquisition GmbH
9. GST Widefabric International GmbH

EXHIBIT B

**DISCLOSURE STATEMENT ORDER, SOLICITATION PROCEDURES
ORDER AND NOTICE OF THE CONFIRMATION HEARING**

[To be provided.]

EXHIBIT C
TERMS OF NEW LENDER FIRST LIEN FACILITY

[To be provided.]

EXHIBIT D
TERMS OF NEW LENDER SECOND LIEN FACILITY

[To be provided.]

EXHIBIT E
TERMS OF SHAREHOLDERS' AGREEMENT

[To be provided.]

EXHIBIT F
PROJECTIONS AND SUMMARY OF SIGNIFICANT ASSUMPTIONS
RELATED THERETO

[To be provided.]

EXHIBIT G
LIQUIDATION ANALYSIS OF THE DEBTORS

[To be provided.]