

**Restructuring Proposal from
Global A&T Electronics Ltd. Referenced in Press Release**

GLOBAL A&T ELECTRONICS LTD.

Term	Description
Summary	The following proposed restructuring of Global A&T Electronics Ltd. (" <u>GATE</u> ") is intended to be implemented through a court-supervised process or other applicable legal framework, as determined by GATE.
Contribution of the UMS Business	The proposed restructuring contemplates that GATE's existing equity sponsors (the " <u>Sponsors</u> ") will contribute their interests in, or the assets of, UTAC Manufacturing Services Limited (the " <u>UMS Business</u> ") to GATE (as reorganized pursuant to the restructuring, " <u>Reorganized GATE</u> "), and will thereafter retain [70]% of the common equity of Reorganized GATE. The contribution of the UMS Business shall be subject in all respects to approval of the releases described below.
New Secured Notes	Reorganized GATE will issue [\$665 million] in new secured notes (the " <u>New Secured Notes</u> ") consistent with the following terms: • Coupon: [7.75]% cash coupon, payable semi-annually beginning six months after the effective date, with interest accruing as of the earlier of the consummation of the restructuring and January 1, 2018; • Maturity: 5 years from the effective date; • Collateral: Guaranteed on a joint and several basis by Reorganized GATE and its current and future subsidiaries, as applicable, and the entities holding the UMS Business; • Security: First priority liens and security interests in the assets of Reorganized GATE and its subsidiaries and the entities holding the UMS Business; • Call Protection: Solely for the first 24 months after the effective date, as follows: ○ 102% for 12-month period commencing on the effective date of the restructuring; and ○ 101% for the subsequent 12-month period thereafter; • Governing Law: New York. • Other Terms: To be agreed.
Initial Notes	Holders of Secured Notes due 2019 issued in February 2013 (the " <u>Initial Notes</u> ") will receive [\$540 million] in New Secured Notes.
Additional Notes	All holders of the Secured Notes due 2019 issued in November 2013 will receive [\$110 million] in New Secured Notes and [30%] of the common equity of Reorganized GATE, which equity interests will be subject to dilution by Reorganized GATE's management equity incentive plan. The unaffiliated holders of Additional Notes, in their capacity as shareholders of Reorganized GATE, will collectively have the right to appoint one (1) director to Reorganized GATE's Board of Directors, and will receive certain minority shareholder protections, the terms of which will be agreed to by the parties and included in a new shareholder agreement.
Settlement of the N.Y. Action	In addition, the holders of the Initial Notes represented by Lowenstein Sandler LLP who are plaintiffs in the proceeding styled as <i>GSO Coastline Credit Partners LP, et al. v. Global A&T Electronics Ltd., et al.</i> , which proceeding is pending before the Supreme Court of the State of New York (the " <u>N.Y. Action</u> "), will receive [\$15 million] of New Secured Notes and [\$5 million] in cash in full and final settlement of the claims and causes asserted in connection with the N.Y. Action and the fees and out-of-pocket expenses of Lowenstein Sandler LLP incurred in connection with the N.Y. Action shall be paid in full in cash.
Releases	The consummation of the restructuring, including the contribution of the UMS Business, will be subject to dismissal with prejudice of the N.Y. Action and approval of releases of, and an injunction with respect to, any and all claims and causes of action asserted by all third parties against GATE and the Equity Sponsors and each of their respective affiliates, whether in connection with the N.Y. Action or otherwise.

**Original Proposal from Global A&T Electronics Ltd.
Distributed to Certain Noteholders**

August 16, 2017

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF ANY CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE OR ANY OTHER PLAN OF REORGANIZATION, SCHEME OF ARRANGEMENT OR SIMILAR PROCESS UNDER ANY OTHER APPLICABLE LAW. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS, PROVISIONS OF THE BANKRUPTCY CODE AND/OR OTHER APPLICABLE LAWS. NO PARTY SHALL BE BOUND WITH RESPECT TO ANY TRANSACTION UNTIL THE EXECUTION AND DELIVERY OF DEFINITIVE DOCUMENTATION AFTER OBTAINING ALL NECESSARY INTERNAL APPROVALS.

**GLOBAL A&T ELECTRONICS LTD.
RESTRUCTURING TERM SHEET¹**

This Restructuring Term Sheet describes the principal terms of the Restructuring of the Debtors.

This Restructuring Term Sheet is preliminary in nature and does not include a description of all of the terms, conditions, and other provisions that are to be contained in the Definitive Documents, and shall be subject to, among other things, ongoing diligence and the negotiation and execution of the Restructuring Support Agreement, to which this Restructuring Term Sheet shall be attached as **Exhibit A**.

Nothing in this Restructuring Term Sheet shall constitute or be construed as an admission of any fact or liability, a stipulation or a waiver, and each statement contained herein is made without prejudice solely for settlement purposes, with a full reservation as to any rights, remedies or defenses. This Restructuring Term Sheet is confidential, is being provided without prejudice, and is subject to rule 408 of the United States Federal Rules of Evidence.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in **Schedule 1** attached hereto.

<u>Terms of Proposed Restructuring</u>	
Introduction	The Restructuring further described herein is contemplated to result in the following benefits upon the Effective Date, among others: • <u>If the Old Noteholders and the New Noteholders Vote to Accept the Plan:</u> ○ the Old Noteholders will receive approximately \$[335] million of the Reorganized GATE Secured Notes and approximately [68.09]% of Reorganized GATE’s common equity; and ○ the New Noteholders will receive approximately \$[30] million of the Reorganized GATE Secured Notes and approximately [31.91]% of Reorganized GATE’s common equity. • <u>If the Old Noteholders Vote to Accept the Plan and the New Noteholders Reject the Plan:</u> ○ the Old Noteholders will receive all of the Reorganized GATE Secured Notes and approximately [68.09]% of Reorganized GATE’s common equity; and ○ the New Noteholders will receive approximately [31.91]% of Reorganized GATE’s common equity. • <u>Releases for the Debtors and Sponsors:</u> The Old Noteholders party to the Restructuring Support Agreement will release all claims asserted against the Debtors and the Shareholder Entities.
Means of Implementation	The Restructuring will be implemented through the filing of the Chapter 11 Cases in the Bankruptcy Court and the confirmation and consummation of the prearranged Plan. The Restructuring will be subject to the terms of conditions of this Restructuring Term Sheet (including the Milestones) and the Definitive Documents.
DIP Financing²	The Restructuring will be funded with the proceeds of a \$[90 million] DIP Facility to be provided by one or more members of the Old Noteholder Group on terms consistent with the term sheet attached hereto as <u>Annex III</u>.

² DIP terms/sizing TBD and subject to review of DIP budget and other diligence.

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Reorganized GATE Secured Notes	Pursuant to the Restructuring, Reorganized GATE will issue the Reorganized GATE Secured Notes consistent with the following terms: • Principal amount: \$[365] million³ • 7% cash coupon, payable semi-annually beginning six months after the Effective Date • Maturity: 5 years from the Effective Date; • Guaranteed on a joint and several basis by each of the Debtors, as reorganized pursuant to the Plan; • First priority liens and security interests in the assets of the Debtors; • Governing Law: New York; and • Other terms and conditions to be agreed.
Exit Facility	The DIP Facility Claims will be replaced or refinanced on the Effective Date by the Exit Facility.
Plan Classification and Treatment⁴	
DIP Facility Claims	On the Effective Date, each Holder of an allowed Claim under the DIP Facility will receive cash or, at the Debtors’ election, its <i>pro rata</i> share of the Exit Facility.
Old Notes Claims	<u>Old Notes Claims and New Notes Claims Accept the Plan:</u> If the Class of Old Notes Claims votes to accept the Plan, the Requisite New Noteholders sign the Restructuring Support Agreement prior to the Milestone for entry of the Final DIP Order, and the Class of New Notes Claims votes to accept the Plan, each Holder of an Old Notes Claim will receive its <i>pro rata</i> share of (i) \$[335] million of the Reorganized GATE Secured Notes and (ii) [68.09]% of Reorganized GATE’s common equity. <u>Old Notes Claims Accept the Plan and New Notes Claims Reject the Plan:</u> If the Class of Old Notes Claims votes to accept the Plan but either the Requisite New Noteholders do not sign the Restructuring Support Agreement prior to the Milestone for entry of the Final DIP Order or the Class of New Notes Claims does not vote to accept the Plan, each Holder of an allowed Old Notes Claim will receive its <i>pro rata</i> share of (i) all of the Reorganized GATE Secured Notes and (ii)

³ Principal amount subject to projected total debt capacity of \$430 million (including the Exit Facility).

⁴ Classification and treatment of claims subject to diligence and discussion, including treatment of general unsecured claims, vendors, intercompany claims and interests, and whether or not any caps will apply. Furthermore, the Old Notes Claims and the New Notes Claims (as such terms are defined herein) will be classified separately.

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	[68.09]% of Reorganized GATE’s common equity.
New Notes Claims	<u>Old Notes Claims and New Notes Claims Accept the Plan:</u> If the Class of Old Notes Claims votes to accept the Plan, the Requisite New Noteholders sign the Restructuring Support Agreement prior to the Milestone for entry of the Final DIP Order, and the Class of New Notes Claims votes to accept the Plan, each Holder of an allowed New Notes Claim will receive its <i>pro rata</i> share of (i) \$[30] million of the Reorganized GATE Secured Notes and (ii) [31.91]% of Reorganized GATE’s common equity. <u>Old Notes Claims Accept the Plan and New Notes Claims Reject the Plan:</u> If the Class of Old Notes Claims vote to accept the Plan but either the Requisite New Noteholders do not sign the Restructuring Support Agreement prior to the Milestone for entry of the Final DIP Order or the Class of New Notes Claims does not vote to accept the Plan, each Holder of an allowed New Notes Claim will receive its <i>pro rata</i> share of [31.91]% of Reorganized GATE’s common equity.
General Unsecured Claims	General unsecured obligations of the Debtors (excluding any deficiency or other Claims on account of or otherwise related to the Old Notes Claims and/or the New Notes Claims) will be paid in full in cash in the ordinary course of business on a postpetition basis.
Intercompany Claims and Interests	Claims among the Debtors, and equity interests in the Debtors, shall be reinstated, canceled, or receive such other treatment as the parties to the Restructuring Support Agreement may agree.
Other Claims and Interests	Classification and treatment of all other Claims and Interests to be determined and to be acceptable to the Debtors and the Requisite Old Noteholders.
Plan Settlement	The classification and treatment of Claims under the Plan shall settle and compromise the respective contractual, legal, and equitable subordination rights of such Claims, and any such rights shall be released pursuant to the Plan. The Plan shall also provide for the full settlement of all claims and causes of action asserted by certain Old

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	Bondholders against the Debtors and the Shareholder Entities related to the 2013 debt exchange and otherwise. ⁵
Definitive Documents	All Definitive Documents to be consistent with the Restructuring Support Agreement and otherwise in form and substance acceptable to the Debtors and the Requisite Old Noteholders. Structural, mechanical, and implementation issues to be resolved in Definitive Documents.
Milestones	The Debtors will implement the Restructuring in accordance with the following Milestones: 1. No later than [redacted], 2017, the Debtors shall have filed petitions commencing the Chapter 11 Cases. 2. No later than 3 days following the Petition Date, the Debtors shall have obtained entry of the Interim DIP Order. 3. No later than [15] business days following the Petition Date, the Debtors shall have filed the Plan, the Disclosure Statement, a motion seeking approval of the Disclosure Statement, and related solicitation materials. 4. No later than [45] business days following the Petition Date, the Debtors shall have obtained entry of the Final DIP Order. 5. No later than [90] business days after the Petition Date, the Debtors shall have obtained entry of an order approving the Disclosure Statement and Solicitation Materials. 6. No later than [150] business days after the Petition Date, the Debtors shall have obtained entry of the Confirmation Order. 7. No later than [30] business days following the entry of the Confirmation Order, the Effective Date shall have occurred.
Board of Directors and Corporate Governance	The identities of the members of the initial board of directors of Reorganized GATE shall be set forth in the Plan Supplement, to the extent known at the time of filing.
Management of Reorganized GATE	To be discussed.

⁵ Such litigation to be stayed during the period from the commencement of the Chapter 11 Cases until the earlier of (a) the Effective Date and (b) the occurrence of a termination event under the Restructuring Support Agreement.

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Management Incentive Plan	The Plan will provide for a MIP that provides for the issuance of the MIP Equity. The participants in the MIP, the allocation of MIP compensation to participants (including the amounts allocated, the timing of grants, and the form of options and/or equity compensation allocated) and the terms and conditions of such options and/or equity compensation (including performance, time based vesting, exercise price, base values, hurdles, forfeiture, repurchase rights and transferability) will include Reorganized GATE’s senior management team (as determined at a later date) and any other individuals determined by the Reorganized GATE Board.
Cancellation of Notes, Instruments, Certificates and Other Documents	On the Effective Date, except to the extent otherwise provided under the Plan, all notes, instruments, certificates, and other documents evidencing Claims against or interests in the Debtors shall be cancelled and the obligations of the Debtors related thereto shall be discharged.
Releases and Exculpation	The Plan and Confirmation Order shall provide customary release and exculpation provisions for the benefit of the Debtors, the agent and lenders under the DIP Facility, the members of the Old Noteholder Group, other Holders of the Old Notes and the New Notes that do not opt out of the releases under the Plan, the Shareholder Entities, and their respective agents, affiliates, principals, officers, directors, attorneys, financial advisors or other professionals or representatives, each in their capacity as such. Such provisions shall include (a) mutual releases among each of the Debtors, the members of the Old Noteholder Group, and the Shareholder Entities, and their respective agents, affiliates, principals, officers, directors, attorneys, financial advisors or other professionals or representatives, each in their capacity as such; and (b) consensual third party releases in favor of each of the parties identified in the foregoing clause (a).
Tax Issues	The Debtors will seek to effectuate the terms and conditions of the Restructuring in a tax efficient manner.
Conditions Precedent to the Effective Date	The Plan shall contain conditions precedent to occurrence of the Effective Date, including, without limitation, the following: 1. the Restructuring Support Agreement shall remain in full force and effect and shall not have been terminated; 2. the Debtors shall not be in default under the DIP Credit Agreement or the DIP Orders (or, to the extent that the Debtors have been or are in default on the proposed Effective Date, such default shall have been waived by the lenders thereunder or cured in a manner consistent with the DIP Credit Agreement and the DIP Orders, as applicable); 3. all conditions precedent to the issuance of the Reorganized GATE Secured Notes shall have been satisfied or duly waived;

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	4. the Confirmation Order shall have been duly entered and in full force and effect; 5. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan and each of the other transactions contemplated by the Restructuring; 6. the final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein, and all other schedules, documents, supplements and exhibits to the Plan shall have been filed in a manner consistent with the Restructuring Support Agreement; 7. all reasonable and documented fees and expenses of the Old Noteholder Group shall have been paid in full; <i>provided</i> that if the New Noteholders vote to accept the Plan, the reasonable and documented fees and expenses of the New Noteholder Group shall also be paid in full in cash. 8. the Debtors shall have implemented the Restructuring in a manner consistent in all material respects with the Plan and the Restructuring Support Agreement.
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SCHEDULE 1**DEFINITIONS**

Term	Definition
Bankruptcy Code	Title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended from time to time, as applicable to the Chapter 11 Cases.
Bankruptcy Court	United States Bankruptcy Court for the Southern District of New York.
Chapter 11 Cases	The cases of the Debtors under chapter 11 of the Bankruptcy Code.
Claim	As defined in section 101(5) of the Bankruptcy Code against a Debtor.
Class	A category of Holders of Claims or Interests pursuant to section 1122(a) of the Bankruptcy Code.
Confirmation Order	An order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.
Debtors	GATE and each of its affiliates and subsidiaries set forth on <u>Annex 1</u> hereto.
Definitive Documents	The definitive documents governing the Restructuring, including the Plan, the Disclosure Statement, the Solicitation Materials, the DIP Orders, the Confirmation Order, the credit agreement for the Exit Facility (if any), the Plan Supplement, and the MIP documents. The Definitive Documents will be consistent with the Restructuring Term Sheet in all material respects and otherwise in form and substance reasonably acceptable to the Debtors and the Requisite Old Noteholders in all material respects, in each case, as set forth in the Restructuring Support Agreement.
DIP Credit Agreement	The senior secured debtor-in-possession credit agreement for the DIP Facility.
DIP Facility	The \$[90] million senior secured debtor-in-possession financing facility to be entered into by the Debtors pursuant to the DIP Credit Agreement and the DIP Orders.
DIP Facility Claims	Each allowed Claim arising from or on account of the DIP Facility pursuant to the DIP Credit Agreement and the DIP Orders.
DIP Orders	Collectively, the Interim DIP Order and the Final DIP Order.
Disclosure Statement	The disclosure statement for the Plan, including all exhibits and schedules thereto.
Effective Date	The effective date of the Plan.
Entity	As defined in section 101(15) of the Bankruptcy Code.
Exit Facility	A term loan exit facility sufficient to refinance or replace the DIP Facility Claims.

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Term	Definition
Final DIP Order	The final order entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP Facility and incur the DIP Facility Claims and any other postpetition obligations under the DIP Credit Agreement.
GATE	Global A&T Electronics Ltd., a debtor and debtor in possession in the Chapter 11 Cases.
Holder	An Entity holding a Claim against or Interest in a Debtor, as applicable.
Interest	Any equity security (as defined in section 101(16) of the Bankruptcy Code) in any Debtor.
Interim DIP Order	The interim order entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP Facility and incur the DIP Facility Claims and any other postpetition obligations under the DIP Credit Agreement.
Litigation Settlement	The settlement to be effectuated pursuant to the Plan pursuant to which, as of the Effective Date, all Claims asserted by, and all Claims that may be asserted by, the members of the Old Noteholder Group or any or affiliates thereof, relating to the 2013 debt exchange pursuant to which the Debtors issued the New Notes will be released and extinguished, and all litigation relating thereto will be settled.
Milestones	The dates set forth under the section entitled “Milestones” in the Restructuring Term Sheet.
MIP	A post-Effective Date management incentive plan that provides for the issuance of the MIP Equity.
MIP Equity	The options and/or equity based compensation to members of the management of Reorganized GATE in an amount equal to % of the common equity interests of Reorganized GATE outstanding on the Effective Date, on a fully-diluted basis.
New Notes	GATE’s \$502 million 10.0% Senior Secured Notes due 2019 bearing the CUSIP number 379390AG2 or G3923WAD2 issued on or about September 30, 2013.
New Noteholder Group	The <i>ad hoc</i> group of New Noteholders represented by Ropes & Gray LLP and Houlihan Lokey Capital Inc.
New Noteholders	Holders of the New Notes.
New Notes Claims	Each allowed Claim arising from or on account of the New Notes.
Old Noteholder Group	The <i>ad hoc</i> group of Old Noteholders represented by Milbank, Tweed, Hadley & McCloy LLP and PJT Partners.
Old Notes	GATE’s \$625 million 10.0% Senior Secured Notes due 2019 bearing the CUSIP number 379390AF4 or G3923WAC4 issued on or about February 7, 2013.
Old Noteholders	Holders of the Old Notes.

Term	Definition
Old Notes Claims	Each allowed Claim arising from or on account of the Old Notes. For purposes of the Plan, the Old Notes shall be allowed in the outstanding principal amount of \$625 million.
Petition Date	The date on which the Debtors commence the Chapter 11 Cases.
Plan	The plan of reorganization, as it may be amended or supplemented from time to time, including all exhibits, schedules, supplements, appendices, annexes and attachments thereto, which plan shall be consistent in all material respects with the Restructuring Term Sheet, and to the extent not consistent with this Restructuring Term Sheet in any material respect, acceptable to the Debtors and the Requisite Old Noteholders.
Plan Supplement	The compilation of documents and forms of documents, schedules, and exhibits to the Plan.
Reorganized GATE	The Debtors, as reorganized pursuant to and under the Plan or any successor thereto.
Reorganized GATE Board	The initial board of directors of Reorganized GATE.
Reorganized GATE Secured Notes	The first lien senior secured notes issued by GATE pursuant to the Restructuring.
Requisite New Noteholders	Those New Noteholders holding not less than 66⅔% of the principal amount of New Notes.
Requisite Old Noteholders	Those members of the Old Noteholder Group together holding not less than 50% of the principal amount of Old Notes held by the members of the Old Noteholder Group.
Restructuring	The potential restructuring of the Debtors contemplated by the Restructuring Support Agreement and the Restructuring Term Sheet (including any annexes thereto), which restructuring will be effectuated pursuant to the Plan.
Restructuring Support Agreement	The restructuring support agreement among (i) the Debtors, (ii) the Old Noteholder Group, and (iii) if applicable, the Requisite New Noteholders, to which this Restructuring Term Sheet shall be attached as an exhibit.
Restructuring Term Sheet	This term sheet that describes the principal terms of a potential Restructuring.
Shareholder Entities	The entities set forth on <u>Annex II</u> hereto.
Solicitation Materials	The solicitation materials and documents included in the solicitation packages that will be sent to, among others, Holders of Claims and Interest entitled to vote to accept or reject the Plan, in compliance with Bankruptcy Rules 3017(d) and 2002(b).

ANNEX I

Debtors

GLOBAL A&T ELECTRONICS LTD.

GLOBAL A&T FINCO LTD.

UNITED TEST AND ASSEMBLY CENTER LTD.

UTAC (TAIWAN) CORPORATION

UTAC THAI LTD.

UTAC HONG KONG LIMITED

UTAC THAI HOLDINGS LIMITED

UTAC CAYMAN LTD.

UTAC HEADQUARTERS PTE. LTD.

GATE Draft 8/16/17

Subject to FRE 408

Without Prejudice

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ANNEX II

SHAREHOLDER ENTITIES

[To be attached]

ANNEX III

DIP TERM SHEET

[To be attached]

“Holder Confidential Information” Subject to Confidentiality Agreement**GLOBAL A&T ELECTRONICS, LTD.****TERM SHEET FOR DEBTOR-IN-POSSESSION FINANCING**

This term sheet (this “Term Sheet”) is intended for discussion purposes only and does not constitute a commitment to lend. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in this Term Sheet. This Term Sheet is non-binding and the proposals contained herein are subject to, among other things, the negotiation, documentation and execution of standard and customary definitive documentation, including, without limitation, negotiation and execution of a Restructuring Support Agreement by the Obligors (as defined below) and the members of the ad hoc committee of noteholders represented by Milbank, Tweed, Hadley & McCloy LLP and PJT Partners (the “Committee of Old Noteholders”) with respect to an Acceptable Plan of Reorganization.¹

In addition, the terms and conditions for the extension of credit described herein are dependent upon, among other things, (i) authorization and approval by the Bankruptcy Court (as defined below) and (ii) internal authorization and approval by the appropriate credit committees of the DIP Lenders (as defined below). The terms and conditions with respect to such commitments are mutually dependent on each other and the DIP Lenders shall not be obligated to extend credit unless agreement with the Obligors (as defined below) and approval by the Bankruptcy Court is obtained with respect to such terms and conditions as a whole.

Parties

Borrower: Global A&T Electronics, Ltd., a company organized under the laws of the Cayman Islands (the “Borrower”), as a debtor and debtor-in-possession.

Guarantors: All obligations under the DIP Facility and the other DIP Loan Documents will be unconditionally guaranteed jointly and severally on a first priority secured basis by each subsidiary of the Borrower that is a “Subsidiary Guarantor” as defined in and pursuant to the Prepetition Indenture as set forth on Annex I hereto (the “Guarantors”), each of which will be a debtor and debtor-in-possession. The Borrower and the Guarantors are collectively herein referred to as the “Obligors.”

For the avoidance of any doubt, UTAC Manufacturing Services Holdings Pte. Ltd., a company organized under the laws of the jurisdiction of Singapore, and its subsidiaries will not be borrowers under, or guarantors of, any obligations under the DIP Facility.

DIP Lenders: The initial lenders under the DIP Facility shall be the holders of Prepetition Senior Secured Original Notes listed on Annex II and the holders of the Prepetition Senior Secured Additional Notes and/or their respective affiliates or designees (collectively, the “Initial DIP Lenders”). The Initial DIP Lenders will commit to provide the full amount of the DIP Loan on a ratable basis in accordance with procedures to be agreed upon by the Initial DIP Lenders. Additional holders of Prepetition Senior Secured Original Notes and Prepetition Senior Secured Additional Notes will have the ability to commit to provide their ratable share of the DIP Facility (the holders who so commit, the “Additional DIP Lenders” and, collectively with the Initial DIP Lenders, the “DIP Lenders”) pursuant to procedures acceptable to the Initial DIP Lenders; provided that in no event shall any affiliate of any Obligor become a DIP Lender.

DIP Agent: [] (the “DIP Agent”) shall act as administrative agent for the DIP Lenders under

¹ “Acceptable Plan of Reorganization” means a chapter 11 plan of reorganization that is consistent in all material respects with the Restructuring Term Sheet attached hereto as Exhibit A.

	the DIP Facility.
Chapter 11 Cases	The jointly administered voluntary cases (the “ <u>Chapter 11 Cases</u> ”) to be commenced by the Borrower and each Guarantor pursuant to chapter 11 of title 11 of the United States Code, as amended (the “ <u>Bankruptcy Code</u> ”) in the United States Bankruptcy Court for the Southern District of New York, White Plains Division (the “ <u>Bankruptcy Court</u> ”). The date on which the Chapter 11 Cases are commenced, which is expected to occur not later than August [], 2017, is referred to herein as the “ <u>Petition Date</u> .”
Existing Debt Arrangements	<u>Prepetition Senior Secured Original Notes:</u> The Borrower issued \$625 million in principal amount of 10.0% Senior Secured Notes due 2019 (the “<u>Prepetition Senior Secured Original Notes</u>”) pursuant to that certain Indenture dated as of February 7, 2013 (as amended, supplemented or otherwise modified prior to the date hereof, and including all exhibits and other ancillary documentation in respect thereof, the “<u>Prepetition Indenture</u>”), among the Borrower, as issuer, and certain of the Guarantors, as guarantors, and Citicorp International Limited, as trustee and security agent (the “<u>Prepetition Senior Secured Notes Trustee</u>”). The Prepetition Indenture, the Prepetition Senior Secured Original Notes and all instruments and documents executed at any time in connection therewith, shall be referred to collectively as the “<u>Prepetition Senior Secured Original Notes Documents</u>.” <u>Prepetition Senior Secured Additional Notes:</u> The Borrower issued \$500 million in principal amount of purportedly pari passu 1st lien additional 10.0% Senior Secured Notes due 2019 pursuant to that certain Second Supplemental Indenture dated as of September 30, 2013 to the Prepetition Indenture in connection with an exchange for the outstanding obligations under the Borrower’s 2nd lien credit facility (the “<u>Prepetition Senior Secured Additional Notes</u>”). The Prepetition Senior Secured Additional Notes and all instruments and documents executed at any time in connection therewith, shall be referred to collectively as the “<u>Prepetition Senior Secured Additional Notes Documents</u>.” The Prepetition Senior Secured Original Notes Documents and the Prepetition Senior Secured Additional Notes Documents are collectively herein referred to as the “<u>Prepetition Debt Documents</u>.”
DIP Facility/ Use of Proceeds	<u>DIP Facility:</u> The DIP Facility and all instruments and documents executed at any time in connection therewith, shall be referred to collectively as the “<u>DIP Loan Documents</u>.” The DIP Facility shall be comprised of superpriority priming term loan in an aggregate principal amount of \$[] million (the “<u>DIP Loan</u>”). Amounts paid or prepaid under the DIP Loan may not be reborrowed, except as provided in the Budget. There shall be no limit to the number of draws under the DIP Facility.² <u>Use of Proceeds:</u> Subject to the terms and conditions herein, the proceeds of the DIP Facility (including the Interim Facility) will be used in accordance with the terms of the Budget (subject to permitted variances), including, without limitation: (i) to pay (a) all fees due to the DIP Agent and the DIP Lenders, as provided under the DIP Facility, (b) all professional fees and expenses (including, without limitation, all legal, financial advisor, appraisal and valuation-related fees and expenses, whether U.S. or non-U.S.) incurred by the Borrower, DIP Agent and the DIP Lenders, and the Committee of Old Noteholders, including those incurred in connection with the preparation, negotiation, documentation and court approval of the DIP Facility, (c) administration costs of the Chapter 11 Cases and prepetition claims or amounts

² Note to Milbank: To be modified subject to structure of DIP Facility.

approved by the Bankruptcy Court, and (d)[the fees of Lowenstein Sandler incurred in connection with litigation in the Supreme Court of New York,](ii) to provide working capital for the Obligors and their respective Subsidiaries, including postpetition ordinary course operating expenses and (iii) for other general corporate purposes of the Obligors and their respective Subsidiaries.

No portion of the Obligors' cash collateral (as defined pursuant to section 363 of the Bankruptcy Code) (collectively, the "Cash Collateral"), the DIP Facility, the DIP Collateral, or the Carve-Out may be used:

- (a) for any purpose that is prohibited under the Bankruptcy Code, the Interim Order, the Final Order or the DIP Loan Documents;
- (b) [except as provided in the Acceptable Plan of Reorganization, to finance in any way: (i) any adversary action, suit, arbitration, proceeding, application, motion or other litigation or challenge of any type adverse to the interests of any or all of the DIP Agent, the DIP Lenders, the Prepetition Senior Secured Notes Trustee, the noteholders under the Prepetition Senior Secured Original Notes, or the Prepetition Senior Secured Additional Notes or their respective rights and remedies under DIP Loan Documents, the Interim Order, the Final Order or the Prepetition Debt Documents or (ii) any other action which with the giving of notice or passing of time would result in an Event of Default under the DIP Loan Documents; provided that the DIP Order will include a standard and customary "challenge period" for the Official Committee of Unsecured Creditors (if any) appointed in the Chapter 11 Cases;]
- (c) for the payment of fees, expenses, interest or principal under the Prepetition Debt Documents (except as expressly contemplated herein);
- (d) to make any distribution under a plan of reorganization in the Chapter 11 Cases other than an Acceptable Plan of Reorganization (a "Plan of Reorganization"), except as agreed in writing by the Required DIP Lenders and the Borrower; and/or
- (e) to make any payment in settlement of any claim, action or proceeding, before any court, arbitrator or other governmental body without the prior written consent of the DIP Agent acting at the direction of the Required DIP Lenders.

Use of Cash Collateral: The Obligors shall be authorized to use Cash Collateral in accordance with the Budget (subject to permitted variances measured on an aggregate basis, with any positive variances carried forward by the Obligors to successive measuring periods) or as otherwise agreed by the Required DIP Lenders.

Availability³	<u>Interim Facility:</u> During the period commencing on the date (the “<u>Interim Order Entry Date</u>”) of the Bankruptcy Court’s entry of an interim order (the “<u>Interim Order</u>”) approving the DIP Facility but prior to the entry of a final order (the “<u>Final Order</u>”) approving the DIP Facility or such earlier date upon the occurrence of a maturity event (such period, the “<u>Interim Period</u>”), the maximum amount available to be drawn under the DIP Facility shall be limited to \$[] million (the “<u>Interim Facility</u>”), subject to compliance with the terms, conditions, and covenants described in the DIP Loan Documents and in accordance with the Budget (subject to permitted variances). The DIP Loan made under the Interim Facility will be due and payable on the date that is [45] days after the entry of the Interim Order or such earlier date upon the occurrence of a maturity event unless a Final Order approving the DIP Facility in form and substance satisfactory to the Required DIP Lenders and the Borrower shall have been entered by the Bankruptcy Court on or before such date. <u>Full Availability.</u> Upon the Bankruptcy Court’s entry of the Final Order (the “<u>Final Order Entry Date</u>”), an additional \$[] million shall be available to be draw down under the DIP Facility, subject to compliance with customary terms and conditions described in the DIP Loan Documents and in accordance with the Budget (subject to permitted variances).
Budgets	By no later than [7]⁴ days prior to the Petition Date, the Borrower shall provide the DIP Agent and the DIP Lenders a 13-week statement of sources and uses of the Obligors for the next 13 weeks, broken down by week, including the anticipated uses of the DIP Facility for such period (the “<u>Initial Budget</u>”), which Initial Budget must be satisfactory to the Required DIP Lenders in all material respects. Thereafter, not later than [], 2017, the Borrower shall deliver an updated 13-week statement of sources and uses of the Obligors for the next 13-week period, and, thereafter, at the end of each [4] week period covered in a Budget, which in each case must be reasonably satisfactory to the Required DIP Lenders in all material respects (each, a “<u>Subsequent Budget</u>” and together with the Initial Budget, each, a “<u>Budget</u>” and collectively, the “<u>Budgets</u>”). Each period covered by a Budget shall be referred to as a “<u>Budget Period</u>.”
Priority and Liens/ Ranking/ Security/Collateral	<u>Collateral.</u> “DIP Collateral” shall mean any and all assets of the Obligors, unless otherwise agreed by the Required DIP Lenders. <u>Priority/Collateral.</u> All obligations of the Obligors under the DIP Loan Documents, including all loans made under the DIP Facility, shall, subject to the Carve-Out, at all times: (a) pursuant to Bankruptcy Code section 364(c)(1), be entitled to joint and several superpriority administrative expense claim status in the Chapter 11 Cases, which claims in respect of the DIP Facility shall be superior to all other claims; (b) pursuant to Bankruptcy Code section 364(c)(2), be secured by a first priority lien on all unencumbered assets of the Obligors (now or hereafter acquired and all proceeds thereof); (c) pursuant to Bankruptcy Code section 364(c)(3), be secured by a junior lien on all encumbered assets of the Obligors (now or hereafter acquired and all proceeds thereof)

³ Note to Milbank: To be confirmed.

⁴ Note to Milbank: To be confirmed.

	that will not be primed pursuant to the terms of the DIP Loan Documents; and (d) pursuant to Bankruptcy Code section 364(d), be secured by a first priority priming lien on all assets of the Obligors (now or hereafter acquired and all proceeds thereof) that were subject to a lien as of the Petition Date. It is understood and agreed that the priming liens described herein shall prime the liens securing all secured obligations of the Obligors, including foreign exchange, currency and interest rate hedged obligations (collectively, the “<u>Existing Primed Secured Facilities</u>”), but that the liens so created as described in clauses (b), (c), and (d) above shall be subject in all respects to Permitted Liens (as such term is defined in the DIP Loan Documents) and the Carve-Out.⁵ The liens to be granted by the Bankruptcy Court shall cover all property of the Obligors (now or hereafter acquired and all proceeds thereof), including property or assets that do not secure the Existing Primed Secured Facilities, except until entry of the Final Order, proceeds of claims and causes of action under sections 502(d), 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code, and as otherwise agreed to by the Required DIP Lenders. The Obligors’ obligations to the DIP Lenders and the liens and superpriority claims granted as provided in clauses (a) through (b) above shall be subject in each case only to a carve-out (the “<u>Carve-Out</u>”) in form and substance substantially identical to <u>Exhibit B</u> attached hereto;. All of the liens described herein with respect to the assets of the Obligors shall be effective and perfected on the Interim Order Entry Date and without the necessity of the execution of any mortgages, security agreements, and pledge agreements, financing statements or other agreements and the DIP Lenders hereby agree that no such mortgages, security agreements or pledge agreements or other similar agreements shall be required to be filed nor financing statements shall be required to be filed as a condition to the availability of the DIP Facility.⁶ Except to the extent expressly set forth in this Term Sheet, the Interim Order, and the Final Order shall contain provisions prohibiting the Obligors and their subsidiaries from incurring any indebtedness which (x) ranks pari passu with or senior to the loans under the DIP Facility or (y) benefits from a first priority lien under section 364 of the Bankruptcy Code (other than any such indebtedness and related liens reasonably acceptable to the Required DIP Lenders). All intercompany liens of the Obligors, if any, will be subject to the Carve-Out and contractually subordinated to the DIP Facility on terms satisfactory to the Required DIP Lenders.
Adequate Protection	The DIP Orders will provide for adequate protection on terms acceptable to the Required DIP Lenders and the Obligors, in each case subject to the Carve Out, which shall consist of: (a) the current payment of the reasonable and documented professional fees and reasonable and documented postpetition out-of-pocket expenses of the Prepetition Senior Secured Notes Trustee, and the Committee of Old Noteholders; and

⁵ Note to Milbank: Collateral description/obligors to be confirmed. Intended to cover substantially all assets of the Global A&T Electronics, Ltd. and its subsidiaries, other than those that are not currently guarantors under the Prepetition Indenture.

⁶ Note to Milbank: Discuss how to effectuate liens against the Foreign Obligors in foreign jurisdictions.

	(b) delivery of all reports set forth under “Covenants” below, in each case when and as required under the DIP Facility.
Closing Date	The date on or about the Interim Order Entry Date on which the specified portion of the commitments is made available for borrowings under the DIP Facility (the “ <u>Closing Date</u> ”), which shall be no later than two business days after the Interim Order Entry Date, subject to satisfaction (or waiver by the Required DIP Lenders) of the applicable conditions precedent set forth herein.
Maturity	Borrowings shall either be repaid in full in cash, and the commitments shall terminate, on the earliest to occur (the “<u>Maturity Date</u>”) of, among other things, (i) [365] days from the Closing Date, (ii) the earlier of the effective date and the date of the substantial consummation (as defined in section 1102(2) of the Bankruptcy Code) of a Plan of Reorganization in the Chapter 11 Cases that has been confirmed by an order of the Bankruptcy Court, (iii) the date the Bankruptcy Court orders the conversion of any of the Chapter 11 Cases to a chapter 7 case, (iv) the acceleration of the loans or termination of the commitments under the DIP Facility, including, without limitation, as a result of the occurrence and continuance of an Event of Default, and (v) the date that is [45] days after the Interim Order Entry Date if the Final Order Entry Date shall not have occurred by such date. Any confirmation order entered in the Chapter 11 Cases shall not discharge or otherwise affect in any way any of the joint and several obligations of the Borrower or the other Obligors to the DIP Lenders under the DIP Facility and the DIP Loan Documents, other than after the payment in full in cash, unless the Debtors elect to convert the DIP Facility into an exit facility pursuant to the Acceptable Plan of Reorganization, to the DIP Lenders of all obligations under the DIP Facility and the DIP Loan Documents (other than inchoate indemnity and expense reimbursement obligations) on or before the effective date of a Plan of Reorganization and the termination of the commitments, except to the extent that a DIP Lender agrees to less favorable treatment.
Interest Rate/Default Interest Rate/Fees	The interest rate, default rate and fees are appended as <u>Annex III</u> hereto.
Conditions to DIP Closing	To include conditions required by the Required DIP Lenders limited to the following: <u>Conditions to Interim Facility</u> 1. Interim Order/Bankruptcy Matters. (a) The Chapter 11 Cases shall have been commenced in the Bankruptcy Court and all of the “first day orders” and all related pleadings to be entered at the time of commencement of the Chapter 11 Cases or shortly thereafter shall have been reviewed in advance by the Required DIP Lenders and shall be in form and substance reasonably acceptable to the Required DIP Lenders in all material respects. (b) The Bankruptcy Court shall have entered an Interim Order as to the DIP Facility which Interim Order shall be in form and substance reasonably satisfactory to the Required DIP Lenders in all material respects and shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated, appealed or subject to a stay pending appeal or otherwise challenged or subject to any challenge

	or a motion to amend, modify or vacate or for reconsideration in a manner adverse to the DIP Lenders. (c) The Obligors shall be in compliance in all material respects with the Interim Order. (d) All orders entered by the Bankruptcy Court pertaining to cash management (collectively, the “<u>Cash Management Order</u>”) shall, and all other motions and documents filed or to be filed with, and submitted to, the Bankruptcy Court in connection therewith, be in form and substance reasonably satisfactory to the Required DIP Lenders in all material respects. (e) No trustee, examiner, or receiver shall have been appointed or designated with respect to the Obligors’ or their subsidiaries’ business, properties, or assets. (f) [The Debtors shall have commenced such non-U.S. ancillary proceedings as reasonably requested by the DIP Lenders and used commercially reasonable efforts to seek such relief in such proceedings as reasonably requested by the Required DIP Lenders to effectuate the transactions contemplated under the DIP Loan Documents.] (g) The DIP Lenders shall have been granted a perfected, first priority lien on all collateral and, except with respect to borrowings permitted prior to the execution of the DIP Loan Documents, shall have received UCC, tax and judgment lien searches, real estate title searches, and other appropriate evidence, evidencing the absence of any other liens or mortgages on the collateral, except existing liens acceptable to the Required DIP Lenders or permitted under the DIP Loan Documents. (h) [The Debtors shall have made such filings in any non-U.S. jurisdictions as may have been reasonably requested by the DIP Lenders to grant or perfect the liens and security interests contemplated under the DIP Loan Documents.] 2. Budgets and Financial Information. (a) The DIP Lenders shall have received the Initial Budget, which Initial Budget shall be in form and substance reasonably satisfactory to the Required DIP Lenders in all material respects. (b) [The DIP Agent shall have received reasonable financial information reasonably requested by it.]⁷ 3. Customary Closing Conditions. (a) All costs, fees, expenses (including, without limitation, reasonable and documented legal fees) and other compensation contemplated by the DIP Loan Documents and this Term Sheet to be payable shall have been paid, or will be paid from the proceeds of the Interim Facility, to the extent due and the Obligors shall have complied in all respects with all of their other obligations to the DIP Agent and DIP Lenders. (b) The Required DIP Lenders shall be satisfied that the Obligors have complied with all other customary closing conditions with respect to: (i) the delivery customary
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⁷ Note to Milbank: Please specify what financial information will be required to be delivered for closing.

corporate records, good standing certificates or certificates of existence issued by public officials in the jurisdiction of organization of an Obligor, organizational documents, and officer's certificates; (ii) customary evidence of authority; and (iii) obtaining of any material third party and governmental consents necessary in connection with the DIP Facility, the financings thereunder and related transactions. The Obligors and the transactions contemplated by this Term Sheet shall be in compliance with all applicable laws and regulations, except to the extent such failure to comply could not reasonably be expected to result in a material adverse effect. The DIP Lenders shall have received prior to the Closing Date all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act, with respect to the Obligors, in each case reasonably satisfactory to the DIP Lenders.

- (c) Execution and delivery by the Obligors of the DIP Loan Documents and promissory notes (if requested by any DIP Lender) evidencing the loans made and to be made under the DIP Facility and the validity and perfection of the liens and security interests contemplated under the DIP Loan Documents in all applicable jurisdictions.⁸

4. Such other reasonable conditions as may be reasonably requested by the Required DIP Lenders shall have been satisfied by the Obligors.

Conditions to Full Availability

- (a) Not later than [45] days following the Interim Order Entry Date, a Final Order as to the DIP Facility shall be entered, which Final Order shall be in form and substance reasonably satisfactory to the Required DIP Lenders in all material respects.
- (b) The Final Order shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated, appealed or subject to a stay pending appeal or otherwise challenged or subject to any challenge or any motion to amend, modify or vacate or for reconsideration in a manner adverse to the DIP Lenders.
- (c) The Obligors shall be in compliance in all material respects with the Final Order.
- (d) No trustee, examiner or receiver shall have been appointed or designated with respect to the Obligors' or their subsidiaries' business, properties or assets.

Conditions to All Loans:

- (a) The Interim Order or the Final Order, as the case may be, shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated, appealed or subject to a stay pending appeal.
- (b) The Obligors shall be in compliance with the DIP Orders and the Cash Management Order in all material respects.
- (c) The DIP Agent and the DIP Lenders shall have received all periodic updates required under the Budget, each in form and substance reasonably satisfactory to the DIP

⁸ Note to Milbank: Discuss need for intercreditor agreement.

	Lenders and the Obligors shall be in compliance with the Budget (subject to permitted variances) in all material respects. (d) Except as disclosed, since the Petition Date no material adverse change in the operations, assets, revenues, financial condition or profits of the Obligors (other than by virtue of, or in connection with, the commencement of the Chapter 11 Cases) shall have occurred. (e) There shall exist no claim, action, suit, investigation, litigation or proceeding, pending or threatened in any court or before any arbitrator or governmental instrumentality which relates to the DIP Facility or the transactions contemplated thereby, except for claims, actions, suits, investigations, litigation or proceedings (i) disclosed in a schedule to the DIP Loan Documents or (ii) otherwise stayed by 11 U.S.C. § 362. (f) No default or Event of Default shall have occurred and be continuing and all representations and warranties of the Obligors shall be true, correct and complete in all material respects (or, to the extent already qualified by materiality, all respects) on the date of such borrowing (or to the extent such representation and warranty relates to an earlier date, on such earlier date); <i>provided</i> that, entering the 30-day grace period under the Prepetition Indenture shall not be considered a default or an Event of Default. (g) Other than the Chapter 11 Cases or as expressly consented to by the DIP Lenders, there shall exist no other insolvency proceeding, scheme, or like processes pending in any jurisdiction with respect to any Obligor.
Covenants	To include usual and customary covenants for transactions of this size and nature required by the Required DIP Lenders limited to the following, subject to materiality qualifiers, exceptions, and thresholds to be mutually agreed: <u>Information Covenants:</u> (a) <u>Budget Variance.</u> The Obligors shall be authorized to make disbursements in accordance with the Budget (subject to permitted variances measured on an aggregate basis, with any positive variances carried forward by the Debtors to successive measuring periods) or as otherwise agreed by the Required DIP Lenders. By no later than [Thursday]⁹ at 9:00 p.m. prevailing Eastern Time of each week during a Testing Period, the Borrower shall deliver a report/reconciliation by email setting forth for the immediately preceding week the actual and budgeted results for such week on a cumulative operating cash flow basis. Notwithstanding the forgoing, the DIP Loan Documents will provide that variances to the Budget shall be measured without regard to fees and expenses of [Debtor Professionals] or the DIP Lenders. (b) <u>Chapter 11 Cases Filings.</u> Delivery to the DIP Lenders and their counsel with reasonable prior notice and an opportunity to comment, copies of all pleadings, motions, judicial information, financial information and other documents filed by or on behalf of the Borrower or any other Obligor with the Bankruptcy Court in the Chapter 11 Cases, or distributed by or on behalf of the Borrower or any other Obligor to any official committee appointed in the Chapter 11 Cases.

⁹ Note to Milbank: To be confirmed.

- (c) Notice of any insolvency or similar proceedings relating to the Obligors commenced in any jurisdiction, such notice to be given as soon as reasonably practicable thereafter.

Affirmative Covenants:

- (a) Comply in all material respects with each DIP Order as set forth herein.
- (b) Reasonable access to reasonable information (including reasonable historical information) and personnel of the Obligors from time to time during normal business hours upon prior written notice, as may be requested by the DIP Agent or and DIP Lender.
- (c) Maintenance of management systems in a manner reasonably acceptable to the Required DIP Lenders and in accordance with the Interim Order and the Final Order (collectively, the “DIP Orders”), as applicable.
- (d) Delivery to DIP Lenders and DIP Agent of any and all material information and material developments in connection with any event or condition which is reasonably likely to have a material effect on the Obligors, the DIP Loans or the Chapter 11 Cases, including, without limitation, the progress of any proposed or confirmed Plan of Reorganization.
- (e) In consultation with the DIP Lenders, the Obligors shall take such action as shall be reasonably necessary to (i) cause the confirmation of an Acceptable Plan of Reorganization and (ii) minimize the length of time between entry of an order confirming such Acceptable Plan of Reorganization (the “Confirmation Order”) and the effective date of such Acceptable Plan of Reorganization.
- (f) [Anti-hoarding of cash.]¹⁰

Negative Covenants:

- (a) Create or permit to exist (i) any administrative expense, unsecured claim, or other superpriority claim or lien that is pari passu with or senior to the claims of the DIP Lenders under the DIP Facility, or apply to the Bankruptcy Court for authority to do so, except for the Carve-Out or payments authorized by the Bankruptcy Court in accordance with the Budget (subject to permitted variances) (ii) any obligation to make adequate protection payments, or otherwise provide adequate protection without the consent of the Required DIP Lenders, unless otherwise authorized by the Bankruptcy Court in accordance with the Budget (subject to permitted variances).
- (b) Make or permit to be made any change, amendment or modification, or any application or motion for any change, amendment or modification, to any DIP Order, without the consent of the Required DIP Lenders.
- (c) Except as otherwise permitted pursuant to the DIP Orders, (i) assume or reject any executory contract or unexpired lease without the consent of the Required DIP Lenders or (ii) consent to termination of any exclusivity period or fail to object to any motion seeking to terminate or reduce any exclusivity period other than a motion filed by or

¹⁰ Note to Milbank: To Discuss.

	with the consent of the Required DIP Lenders. (d) Create or permit to exist any liens or encumbrances on any assets, other than liens securing the DIP Facility and any Permitted Liens (which liens shall include scheduled liens in existence on the Closing Date, which shall be subordinated to the extent required pursuant to the DIP Orders). (e) Modify or alter (i) in any material manner the nature and type of its business or the manner in which such business is conducted (taken as a whole) or (ii) its organizational documents, except as required by the Bankruptcy Code or any order of the Bankruptcy Court. (f) Assert any right of subrogation or contribution against any other Obligor until all borrowings under the DIP Facility are paid in full in cash or converted into the Exit Facility and the commitments are terminated. (g) Make any payment of principal or interest or otherwise on account of any prepetition indebtedness or payables, other than payments authorized by the Bankruptcy Court in accordance with the Budget (subject to permitted variances) to which the Required DIP Lenders have consented. <u>Financial Covenants:</u> (a) The proceeds of the DIP Loans and all proceeds of DIP Collateral shall be used by the Debtors in accordance with the disbursement categories set forth in the Budget (subject to permitted variances), other than in respect of professional fees and expenses. (b) Mutually acceptable financial covenants to be agreed. For the avoidance of doubt, permitted variances shall be tested on an aggregate basis, not on a line-item basis, and such variances shall be measured without reference to any professional fees, and any such positive variances may be carried forward to subsequent measurement periods.
Reps and Warranties	The DIP Loan Documents shall contain standard representations and warranties customarily made in debtor-in-possession financings for transactions of this size and nature consisting of the following: financial statements; existence and standing, authorization and validity; compliance with law; corporate power and authority; enforceability of DIP Loan Documents; no conflict with law or post-petition contractual obligations; no material unstayed litigation; no default; ownership of property; liens; no material adverse change (other than by virtue of, or in connection with, the commencement of the Chapter 11 Cases), taxes; insurance; Federal Reserve regulations; ERISA; Investment Company Act; subsidiaries; environmental matters; labor matters; accuracy of disclosure, as to priority, collateral, the DIP Orders, the DIP Loan Documents, the Budget, and use of proceeds.
Prepayments	<u>Voluntary Prepayment:</u> Except as otherwise provided in the definitive DIP Loan Documents, the Borrower may, at any time, (i) repay the DIP Loans and/or (ii) reduce the commitments, in each case, in full but not in part, together with payment of the Exit Fee (as defined in <u>Annex III</u> attached hereto). <u>Mandatory Prepayment:</u> The DIP Loans shall be subject to mandatory prepayments with the

	proceeds of incurrence of non-permitted debt, sales of assets outside of the ordinary course of business (other than de minimis asset sales) and casualty events and excess cash flow mandatory prepayments which shall be included in the definitive DIP Loan Documents.
Events of Default	The DIP Loan Documents will contain the following usual and customary Events of Default for transactions of this size and nature, subject to materiality qualifiers, exceptions, and thresholds to be mutually agreed: (a) The Final Order Entry Date shall not have occurred within [45] days after the Interim Order Entry Date. (b) Any of the Chapter 11 Cases shall be dismissed or converted to a chapter 7 case. (c) [Any Obligor files a motion in any Chapter 11 Case without the express written consent of the Required DIP Lenders, to obtain additional financing from a party other than DIP Lenders under section 364(d) of the Bankruptcy Code or to use cash collateral of a DIP Lender under section 363(c) of the Bankruptcy Code.] (d) Any Obligor shall file a motion seeking, or the Bankruptcy Court shall enter, an order (i) approving payment of any pre-petition claim other than (x) as provided for in a “first day order” and included in the Budget or (y) otherwise consented to by the Required DIP Lenders in writing, (ii) granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code to any holder of any security interest to permit foreclosure on any assets having a book value in excess of \$[10] million in the aggregate or to permit other actions that would have a material adverse effect on the Obligors or their estates, or (iii) approving any settlement or other stipulation not approved by the Required DIP Lenders and not included in the Budget with any secured creditor of any Obligor providing for payments as adequate protection or otherwise to such secured creditor. (e) [The commencement or pendency of any involuntary or voluntary insolvency proceeding, scheme, or like processes pending in any jurisdiction with respect to any Obligor other than any ancillary non-U.S. proceeding, scheme, or process requested by the DIP Lenders.]¹¹ (f) Any DIP Order shall be amended, supplemented, stayed, reversed, vacated, or otherwise modified (or any Obligor shall apply for authority to do so) without the written consent of the Required DIP Lenders, or any DIP Order shall cease to be in full force and effect. (g) Any of the Obligors shall fail to comply with the terms and conditions of any DIP Order in any material respect. (h) A trustee, examiner, or receiver shall be appointed or designated in any of the Chapter 11 Cases. (i) Entry of an order by the Bankruptcy Court terminating or modifying the exclusive right of any Obligor to file a chapter 11 plan pursuant to section 1121 of the Bankruptcy Code, without the prior written consent of the Required DIP Lenders.

¹¹ Note to Milbank: Discuss need for foreign proceedings.

- (j) The Obligors shall support any other person's opposition of any motion made in the Bankruptcy Court by the DIP Lenders seeking confirmation of the amount of the DIP Lenders' claim or the validity and enforceability of the liens in favor of the DIP Agent.
- (k) (i) The Obligors shall seek to, or shall support (in any such case by way of any motion or other pleading filed with the Bankruptcy Court or any other writing to another party-in-interest executed by or on behalf of the Obligors) any other person's motion to, disallow in whole or in part the DIP Lenders' claim in respect of the obligations under the DIP Loan Documents or to challenge the validity and enforceability of the liens in favor of the DIP Agent or contest any material provision of any DIP Loan Document, (ii) such liens and/or superpriority claims shall otherwise cease to be valid, perfected and enforceable in all respects or (iii) or any material provision of any DIP Loan Document shall cease to be effective.
- (l) The Obligors shall seek to, or shall support (in any such case by way of any motion or other pleading filed with the Bankruptcy Court or any other writing to another party-in-interest executed by or on behalf of the Obligors) any other person's motion to, disallow in whole or in part the claims in respect of the obligations under Prepetition Senior Secured Original Notes or to challenge the validity and enforceability of the liens in favor of the holders thereof.
- (m) The Acceptable Plan of Reorganization is amended, supplemented, or otherwise modified without the prior written consent of the Required DIP Lenders.
- (n) Any Obligor files or publicly announces its intention to file a chapter 11 plan that contains terms and conditions that are inconsistent in any material respect with the Acceptable Plan of Reorganization or any exhibit or supplement attached thereto, without the prior written consent of the Required DIP Lenders.
- (o) The Obligors shall have not filed the Acceptable Plan of Reorganization, the disclosure statement for the Acceptable Plan of Reorganization (the "Disclosure Statement"), and a motion seeking approval of the Disclosure Statement and related solicitation materials (the "Solicitation Materials") on or before 11:59 p.m. prevailing Eastern Time on the date that is days after the Petition Date.
- (p) Any monetary judgments which are in the aggregate in excess of \$ as to any postpetition obligation (excluding amounts covered by insurance to the extent the relevant independent third-party insurer has not denied coverage therefor or third party indemnification to the extent the applicable indemnitor has not breached or otherwise repudiated in writing its indemnity obligations) shall be rendered against any of the Obligors and the enforcement thereof shall not be stayed, vacated or satisfied for a period of sixty (60) days after the entry thereof.
- (q) Entry of an order of the Bankruptcy Court with respect to any pleading or proceeding brought by any other person which results in such a material impairment of the rights or interests of the DIP Lenders.

	(r) [Reserved].¹² (s) Any Obligor or any of their affiliates shall have filed a motion seeking the entry of, or the Bankruptcy Court shall have entered, an order approving a payment to any person that would be materially inconsistent with the treatment of any such person under the Acceptable Plan of Reorganization, without the prior written consent of the Required DIP Lenders. (t) The Confirmation Order or the Acceptable Plan of Reorganization (including any exit financing) is not in form or substance satisfactory to the Required DIP Lenders. (u) The Confirmation Order approving the Acceptable Plan of Reorganization shall not have been entered within [] days of the Petition Date. (v) The effective date of the Acceptable Plan of Reorganization shall not have occurred on or before 11:59 p.m. prevailing Eastern Time on the date that is the earliest of (i) [] days after the Petition Date, (ii) 15 days following the entry of the Confirmation Order or (iii) such later date to which the Required DIP Lenders have consented in writing. (w) Such other usual and customary Events of Default consisting of non-payment of principal when due, non-payment of interest, fees or other amounts after five (5) business days, cross-default to other post-petition indebtedness of the Obligors in excess of an amount to be agreed, violation of covenants (subject, in the case of certain affirmative covenants, to a grace period to be agreed upon), breach of representations or warranties in any material respect when made, and certain ERISA events, and any DIP Loan Documents shall cease to be in full force and effect or the Loan Parties shall so assert;.
Indemnity	The Obligors shall, jointly and severally, be obligated to indemnify and hold harmless the DIP Agent, each of the DIP Lenders, and each of their respective affiliates, officers, directors, fiduciaries, employees, agents, advisors, attorneys and representatives (collectively, the “ <u>DIP Parties</u> ”) from and against all losses, claims, liabilities, damages, and expenses (including, without limitation, out-of-pocket fees and disbursements of counsel) (collectively, “ <u>Claims</u> ”) in connection with any investigation, litigation or proceeding, or the preparation of any defense with respect thereto, arising out of or relating to the DIP Facility or the transactions contemplated in this Term Sheet (other than any such Claims arising from (x) the gross negligence, bad faith or willful misconduct of any DIP Party (as determined by a court of competent jurisdiction in a final, non-appealable order) or (y) disputes solely between DIP Parties). No Obligor shall be responsible or liable to any DIP Parties for consequential or punitive damages.
Transaction Expenses	All expenses of the DIP Agent and the DIP Lenders with respect to the DIP Facility paid in accordance with the DIP Loan Documents.
Release	The Obligors will provide for the benefit of the DIP Lenders and the DIP Agent customary releases for any claims, demands, liabilities, responsibilities, disputes, remedies, causes of

¹² Note to Milbank: Moved to a negative covenant -- failure to provide such evidence or execute/deliver such documents should not result in an immediate event of default.

	action, indebtedness or obligations related to or arising out of the or the DIP Loans. ¹³
Voting	The vote of DIP Lenders holding more than [50] % of the aggregate undrawn commitments and outstanding DIP Loans (the “ <u>Required DIP Lenders</u> ”) shall be required to amend, waive or modify the DIP Facility.
Assignments and Participations	The DIP Loan Documents shall include rights of assignment, subject to the consent of the DIP Agent and the Borrower (not to be unreasonably withheld, delayed, conditioned or denied) and participation rights.
Governing Law	The DIP Facility will provide that the Obligors will submit to the exclusive jurisdiction and venue of the Bankruptcy Court, or in the event that the Bankruptcy Court does not have or does not exercise jurisdiction, then in any state or federal court of competent jurisdiction in the state, county and city of New York, borough of Manhattan; and shall waive any right to trial by jury. New York law shall govern the DIP Loan Documents (other than security documents to be governed by local law, to be determined by the Required DIP Lenders). ¹⁴

The preceding summary of proposed terms and conditions is not intended to be all-inclusive. Any terms and conditions that are not specifically addressed above would be subject to future negotiations with the Required DIP Lenders and comprehensive documentation of the transaction that is acceptable to the Required DIP Lenders will have to be prepared.

¹³ Note to Milbank: To discuss News participation in the DIP Facility.

¹⁴ Unless requested by the Required DIP Lenders, the Obligors shall not commence any insolvency proceedings other than the Chapter 11 Cases in any jurisdiction. To the extent ancillary non-U.S. proceedings and/or actions are required or necessary, they shall only be taken with the prior consent of the Required DIP Lenders.

Annex I

Borrower:

GLOBAL A&T ELECTRONICS, LTD.

Guarantors¹⁵:

GLOBAL A&T FINCO LTD.

UNITED TEST AND ASSEMBLY CENTER LTD

UTAC (TAIWAN) CORPORATION

UTAC THAI LIMITED

UTAC HONG KONG LIMITED

UTAC THAI HOLDINGS LIMITED

UTAC CAYMAN LTD

UTAC HEADQUARTERS PTE. LTD

¹⁵ Note to Milbank: To be confirmed/updated.

Annex II

Initial DIP Lenders

[Brigade
GSO
Income Partners
Southpaw
Taconic]

Annex III

Interest and Fees

Interest Rate:	All amounts outstanding under the DIP Facility will bear interest at 8% <i>per annum</i> .
Default Interest:	During the continuance of an Event of Default, overdue loans and all other outstanding obligations will bear interest at an additional 2% <i>per annum</i> above the interest rate otherwise applicable.
Upfront Fee:	Each DIP Lender will receive an upfront fee in the amount equal to 1% of the aggregate amount of its commitments as of the Closing Date; <u>provided</u> , that such commitment fee may be structured as original issue discount.
Exit Fee:	An amount equal to 1% of the aggregate commitments, payable in cash to the DIP Lenders upon repayment in full of loans.
Agency Fee:	As agreed with the DIP Agent.
Nature of Fees:	Fully earned and non-refundable under all circumstances.

Exhibit A

Restructuring Term Sheet

[TO COME]

Exhibit B

Carve-Out

- a. **Carve-Out.** As used in this Term Sheet, the “Carve-Out” means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to \$[50,000] incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the “Allowed Professional Fees”) incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (the “Debtor Professionals”) and the official committee of unsecured creditors (if any) appointed in the Chapter 11 Cases (the “Creditors’ Committee”) pursuant to section 328 or 1103 of the Bankruptcy Code (the “Committee Professionals” and, together with the Debtor Professionals, the “Professional Persons”) at any time before or on the first business day following delivery by the DIP Agent of a Carve-Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve-Out Trigger Notice; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed \$[] incurred after the first business day following delivery by the DIP Agent of the Carve-Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the “Post-Carve-Out Trigger Notice Cap”). For purposes of the foregoing, “Carve-Out Trigger Notice” shall mean a written notice delivered by email (or other electronic means) by the DIP Agent to the Debtors, their lead restructuring counsel, the U.S. Trustee, and counsel to the Creditors’ Committee, which notice may be delivered following the occurrence and during the continuation of an Event of Default and acceleration of the DIP Obligations under the DIP Facility, stating that the Post-Carve-Out Trigger Notice Cap has been invoked.
- b. **Carve-Out Reserves.** On the day on which a Carve-Out Trigger Notice is given by the DIP Agent to the Debtors with a copy (via electronic mail) to counsel to the Creditors’ Committee (the “Termination Declaration Date”), the Carve-Out Trigger Notice shall (i) be deemed a draw request and notice of borrowing by the Debtors under the DIP Facility (on a pro rata basis with respect to each DIP Lender), in an amount equal to the then unpaid amounts of the Allowed Professional Fees (any such amounts actually advanced shall constitute term loans under the DIP Facility) and (ii) also constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the then unpaid amounts of the Allowed Professional Fees. The Debtors shall deposit and hold such amounts in a segregated account at the DIP Agent in trust to pay such then unpaid Allowed Professional Fees (the “Pre-Carve-Out Trigger Notice Reserve”) prior to any and all other claims. On the Termination Declaration Date, the Carve-Out Trigger Notice shall also be deemed a request by the Debtors for term loans under the DIP Facility (on a pro rata basis with respect to each DIP Lender), in an amount equal to the Post-Carve-Out Trigger Notice Cap (any such amounts actually advanced shall constitute term loans under the DIP Facility). The Debtors shall deposit and hold such amounts in a segregated account at the DIP Agent in trust to pay such Allowed Professional Fees benefiting from the Post-Carve-Out Trigger Notice Cap (the “Post-Carve-Out Trigger Notice Reserve” and, together with the Pre-Carve-Out Trigger Notice Reserve, the “Carve-Out Reserves”) prior to any and all other claims. On the first business day after the DIP Agent gives such notice to such DIP Lenders, notwithstanding anything in this Term Sheet or the DIP Credit Agreement to the contrary, including with respect to the existence of a Default (as defined in the DIP Credit Agreement) or Event of Default, the failure of the Debtors to satisfy any or all of the conditions precedent for under the DIP Facility, any termination of the

DIP Facility following an Event of Default, or the occurrence of the Maturity Date, each DIP Lender with an outstanding commitment under the DIP Facility (on a pro rata basis based on the then outstanding commitments under the DIP Facility) shall make available to the DIP Agent such DIP Lender's pro rata share with respect to such borrowing in accordance with the DIP Facility. All funds in the Pre-Carve-Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve-Out set forth above (the "Pre-Carve-Out Amounts"), but not, for the avoidance of doubt, the Post-Carve-Out Trigger Notice Cap, until paid in full, and then, to the extent the Pre-Carve-Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Agent for the benefit of the DIP Lenders, unless the DIP Obligations have been indefeasibly paid in full, in cash, all Commitments have been terminated, and all Letters of Credit have been cancelled, in which case any such excess shall be paid to the Prepetition First Lien Creditors in accordance with their rights and priorities as of the Petition Date. All funds in the Post-Carve-Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve-Out set forth above (the "Post-Carve-Out Amounts"), and then, to the extent the Post-Carve-Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Agent for the benefit of the DIP Lenders, unless the DIP Obligations have been indefeasibly paid in full, in cash and all commitment under the DIP Facility have been terminated, in which case any such excess shall be paid to the Debtors' prepetition secured creditors in accordance with their rights and priorities as of the Petition Date. Notwithstanding anything to the contrary in the DIP Documents, the Interim Order, or the Final Order, if either of the Carve-Out Reserves is not funded in full in the amounts set forth herein, then, any excess funds in one of the Carve-Out Reserves following the payment of the Pre-Carve-Out Amounts and Post-Carve-Out Amounts, respectively, shall be used to fund the other Carve-Out Reserve, up to the applicable amount set forth herein, prior to making any payments to the DIP Agent or the Prepetition First Lien Creditors, as applicable. Notwithstanding anything to the contrary in the DIP Documents, the Interim Order, or the Final Order, following delivery of a Carve-Out Trigger Notice, the DIP Agent and the Prepetition First Lien Agents shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve-Out Reserves have been fully funded, but shall have a security interest in any residual interest in the Carve-Out Reserves, with any excess paid to the DIP Agent for application in accordance with the DIP Documents. Further, notwithstanding anything to the contrary in the Final Order, (i) disbursements by the Debtors from the Carve-Out Reserves shall not constitute Loans (as defined in the DIP Credit Agreement) or increase or reduce the DIP Obligations, (ii) the failure of the Carve-Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve-Out, and (iii) in no way shall the Initial Budget, Budget, Annual Operating Forecast, Carve-Out, Post-Carve-Out Trigger Notice Cap, Carve-Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary herein or in the Interim Order, the Final Order, the DIP Facility, or in any Prepetition Indenture, the Carve-Out shall be senior to all liens and claims securing the DIP Facility, any adequate protection liens, and any claim under section 507(b) provided under the Interim Order and/or the Final Order, and any and all other forms of adequate protection, liens, or claims securing the DIP Obligations or the Prepetition Secured Obligations.

- c. Payment of Allowed Professional Fees Prior to the Termination Declaration Date. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve-Out.
- d. Payment of Carve-Out On or After the Termination Declaration Date. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of

any Allowed Professional Fees shall permanently reduce the Carve-Out on a dollar-for-dollar basis. Any funding of the Carve-Out shall be added to, and made a part of, the DIP Obligations secured by the DIP Collateral and shall be otherwise entitled to the protections granted under the Final Order, the DIP Documents, the Bankruptcy Code, and applicable law.

**DIP Financing Diligence Materials Provided by
Global A&T Electronics Ltd. to Certain Noteholders**

DRAFT

Global A&T Electronics, Ltd (GATE)
Debtor-in-Possession Financing Requirements

August 2017

Disclaimer

This presentation includes statements that are, or may be deemed to be, “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and the securities laws of other jurisdictions. These statements appear in a number of places throughout this presentation and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which we operate. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “expects,” “projects,” “may,” “will,” “could,” “would,” “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and our actual results of operations, financial condition and liquidity, and the development of the semiconductor industry may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. Important factors that could cause those differences include, but are not limited to: the cyclical nature of the semiconductor industry; our reliance on certain major customers, our history of substantial losses; our ability to manage our geographically diverse manufacturing facilities and expand our business, our significant indebtedness affecting our operations and our ability to repay or refinance our indebtedness as it falls due; increased competition from other companies and our ability to retain and increase our market share; pending litigation by certain holders of our senior secured notes, litigation relating to our intellectual property and other potential legal liabilities; our ability to successfully develop new technologies; our ability to acquire equipment and supplies necessary to meet our business needs; our ability to generate sufficient cash to meet our capital expenditure requirements; our ability to hire and maintain qualified personnel; fires, natural disasters, acts of terrorism and other developments outside our control; the political stability of our local region; and general local and global economic conditions. In addition, even if our results of operations, financial condition and liquidity are consistent with the forward-looking statements contained in this communication, those results or developments may not be indicative of results or developments in subsequent periods.

Given the risks and uncertainties which may cause actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this presentation, undue reliance must not be placed on those statements or information. GATE does not represent or warrant that their actual future results, performance or achievements will be as discussed in those forward looking statements. Further, GATE disclaims any responsibility, and undertakes no obligation to update or revise any forward-looking statements contained in this presentation to reflect any change in their expectations with respect to such statements or information after the date of this presentation or to reflect any change in events, conditions or circumstances on which GATE based any such statements.

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I. Base Case

Base Case

Key assumptions related to the base case:

P&L for 2017:

- 2017 Base Case is based on the latest actuals through June 2017
- Board forecast for July – December reflecting current operating trends and expected operating performance

P&L for 2018:

- The Company has not prepared a detailed bottoms up 2018 business plan (this would typically completed in February 2018) therefore the revenue forecast is based on high level review of the top 10 customers at each plant.
- Operating margins are consistent with YTD and current 2017 forecast run rates with an implicit assumption that productivity gains will offset pricing pressures or customer expectations on price reductions
- Shanghai is assumed to cease operations on September 1, 2017 with full closure completed by February 2018, no 3rd party asset sale proceeds assumed in 2017 and GATE does not expect to conduct a sale of the Shanghai business as a going concern

Working Capital Assumptions:

- Assumed to be consistent with current and historical norms
- AP contraction is expected in August 2017. The company implemented vendor escalation procedures after the bond payment announcement. Some contraction in DPO has been already been flagged by vendors, and an increased use of cash to settle trade vendor accounts is expected.

II. Alternative Filing Scenarios

Alternative Filing Scenarios

The Chapter 11 filing will be completed either as a prearranged filing or a prolonged restructuring process. While we've assumed that general trade creditors will not be impaired, the lack of consensual restructuring plan materially increases the perceived risk profile of GATE to customers and is expected to have a significant impact to 2018 revenue (and beyond):

Key assumptions – Changes to Base Case	Prearranged Chapter 11 with No Vendor Impairment (Primary Scenario)	Prolonged Chapter 11 restructuring (Primary Scenario)
'Deal' in place prior to filing?	Yes	No
Projected 'Emergence' From Chapter 11	December 2017	August 2018
Vendor Impact	Moderate – some vendor contraction	Moderate – some vendor contraction
Trade Vendor Impairment?	GATE expects to seek approval to pay all foreign vendors in the ordinary course of business	GATE expects to seek approval to pay all foreign vendors in the ordinary course of business
2017 Revenue Deterioration	No impact	-5% November, -11% December
2018 Revenue Deterioration	-3% (Post emergence)	-15%
Margin Deterioration	Variable contribution margin	Variable contribution margin

Alternative Filing Scenarios: Assumptions

Prearranged Ch.11	Prolonged Ch.11 restructuring
- A Chapter 11 filing takes place contemporaneous with the announcement of a deal with one or both bondholder groups by August 31 - Solicitation of the deal through a Plan of Reorganization to occur during the pendency of the case - A Prearranged bankruptcy is estimated to be completed by December 2017, on successful confirmation of the Plan reflecting the prearranged deal.	- A Chapter 11 filing on August 27 without a deal in place - Assumes emergence from Chapter 11 in August 2018 upon confirmation of a Plan to be negotiated, solicited and confirmed during the pendency of the case - Professional fee costs are considerably higher under a prolonged, contested Chapter 11 scenario, averaging approximately \$6M per month.
The prearranged case assumes the following revenue impacts: - No loss of revenue in 2017 3% revenue reduction in 2018 - Margin deterioration based on the assessed variable contribution margin	The prolonged Chapter 11 case the following revenue impacts: - Moderate 2017, and significant 2018 revenue impact as customers move production to alternate sources and significantly reduce RFQ awards during pendency of the case - Margin deterioration based on the assessed variable contribution margin
DIP need includes completion fees, but does not include other post-confirmation professional fees	DIP need includes completion fees, but does not include other post-confirmation professional fees
\$50 million minimum cash. - Assumes local jurisdictions do not implement measures to restrain company's ability to transfer cash.	\$50 million minimum cash. - Assumes local jurisdictions do not implement measures to restrain company's ability to transfer cash.

Alternative Filing Scenarios: Assumptions

Filing for Chapter 11 without a pre-arranged plan is projected to have a significant impact on revenue in 2018 with revenue loss of ~14.6% (vs. base case).

	USD 'mm		
	FY17 LTF	FY18 Forecast	FY18 Downside
Total GATE	\$674.3	\$686.3	\$585.9
YoY % Δ		1.8%	-13.1%
Downside impact to FY18			-14.6%

An overview on the approach / methodology is as follows:

Base case:

At each factory, the following criteria for the top 10 customers were considered:

- ✓ Strength of customer relationship;
- ✓ The proportion of customer's business that are sole / dual / multi- sourced;
- ✓ Amount of current business with production expected to carry forward into 2018; and
- ✓ Expected % growth/(decline) in revenue considering each customer situation and general industry growth expectations (~3-5%).

Prolonged Chapter 11 revenue forecast:

The Base Case is then sensitized based on:

- ✓ Assessment of the likelihood that the customer will take action due to Chapter 11;
- ✓ Timing when the customers may start taking action to determine the timing when revenue is affected; and
- ✓ Estimated probability of the sales loss.

Given the product development and qualification cycle, recovery of revenue lost in 2018 should not be expected until late 2019 or 2020.

Alternative Filing Scenarios: Financing Needs

The DIP financing need is set out below for each of the two scenarios.

<i>US \$ in millions</i>	Pearranged Chapter 11	Prolonged Chapter 11
No Vendor Impairment	\$63.2	\$89.8
Vendor Impairment [1]	\$55.6	\$83.2

The pearranged and prolonged bankruptcy scenarios assume minimum cash balance required is \$50 million.

[1] Vendor impairment scenarios are presented for comparison purposes.

Pre-arranged Chapter 11 with No Vendor Impairment

(\$ in '000s)	Forecast	Forecast	Petition		Emergence	
	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17
Beginning Cash	72,796	72,090	44,297	50,000	50,000	50,000
Adjusted EBT	3,134	3,946	4,639	3,570	4,652	3,660
D&A	9,800	9,904	9,417	9,478	8,918	9,010
Interest Expense	(98)	(98)	(94)	(94)	(90)	(98)
DIP Interest Expense	-	-	-	270	368	288
Adjusted EBITDA	12,836	13,753	13,962	13,224	13,848	12,860
Adjustments	(839)	(1,300)	(2,757)	(847)	(945)	(711)
Restructuring Professional Fee Accrual	(6,120)	(6,590)	(6,415)	(5,815)	(5,700)	(19,130)
DIP Upfront & Exit Fees	-	-	(1,300)	-	-	(650)
EBITDA	5,878	5,863	3,490	6,561	7,204	(7,631)
Change in AR	(1,359)	3,351	1,558	1,617	(450)	644
Change in Inventory	(879)	1,628	1,203	422	(205)	124
Change in Other Current Assets	-	-	(11,517)	-	-	-
Utility Deposit	-	(3,500)	-	-	-	-
DIP Interest Payment	-	-	-	(270)	(368)	(288)
Change in Trade & Other Payables						
Pre-petition Materials	15,824	(18,936)	(25,231)	(15,980)	-	-
Pre-petition PP&E	1,323	(1,883)	(10,900)	(10,173)	-	-
Pre-petition Other Accruals	(15,242)	(1,204)	(48,889)	(3,908)	196	196
Post-petition Materials	-	-	12,134	12,232	12,511	(22)
Post-petition PP&E	-	-	4,660	2,838	(911)	4,724
Post-petition Other Accruals	-	-	49,073	3,362	3,331	(12,064)
Unassigned	-	-	-	-	-	-
Total Change in Trade & Other Payables	1,905	(22,023)	(19,153)	(11,630)	15,127	(7,167)
Others						
Tax (Payment) Income	-	(3,292)	-	-	-	-
Capital Expenditures	(6,760)	(9,821)	(10,434)	(11,366)	(9,320)	(5,675)
Sale of Assets	510	-	-	-	-	-
Bond Payment	-	-	-	-	-	-
Change in Cash	(705)	(27,794)	(34,853)	(14,665)	11,987	(19,993)
DIP Borrowing/Repayment	-	-	40,557	14,665	(11,987)	19,993
Ending Cash	72,090	44,297	50,000	50,000	50,000	50,000
Minimum Cash	50,000	50,000	50,000	50,000	50,000	50,000
DIP Drawn	-	-	40,557	55,222	43,235	63,228
Cash Less DIP	72,090	44,297	9,443	(5,222)	6,765	(13,228)
Maximum Drawn DIP			63,228			

ATTORNEY CLIENT WORK PRODUCT PRIVILEGED AND CONFIDENTIAL

Prolonged Chapter 11 with No Vendor Impairment

(\$ in '000s)	Forecast Jul '17	Forecast Aug '17	Petition														Emergence
	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18	Mar '18	Apr '18	May '18	Jun '18	Jul '18	Aug '18	Sep '18		
Beginning Cash	72,796	72,090	44,297	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000		
Adjusted EBT	3,134	3,946	4,639	3,506	4,139	2,568	2,410	2,775	1,984	1,312	1,257	3,385	1,334	2,572	2,498		
D&A	9,800	9,904	9,417	9,478	8,918	9,010	7,075	7,149	7,437	7,028	7,459	8,371	8,688	9,285	9,015		
Interest Expense	(98)	(98)	(94)	(94)	(90)	(98)	-	-	-	-	-	-	-	-	-		
DIP Interest Expense	-	-	-	334	440	427	458	428	407	418	418	393	486	531	544		
Adjusted EBITDA	12,836	13,753	13,962	13,224	13,407	11,907	9,942	10,352	9,828	8,758	9,133	12,149	10,508	12,389	12,056		
Adjustments	(839)	(1,300)	(2,757)	(847)	(945)	(711)	(438)	(438)	(438)	(438)	(438)	(438)	(438)	(438)	(438)		
Restructuring Professional Fee Accrual	(6,120)	(6,590)	(7,165)	(6,565)	(6,450)	(6,380)	(5,350)	(5,350)	(6,100)	(6,100)	(6,100)	(6,700)	(6,700)	(6,700)	(13,500)		
DIP Upfront & Exit Fees	-	-	(1,800)	-	-	-	-	-	-	-	-	-	-	(900)	-		
EBITDA	5,878	5,863	2,240	5,811	6,012	4,816	4,154	4,564	3,290	2,220	2,595	5,011	3,370	4,351	(1,882)		
Change in AR	(1,359)	3,351	(7,899)	1,752	2,582	7,404	6,436	45	(68)	3,089	2,360	(7,830)	(1,734)	1,390	(297)		
Change in Inventory	(879)	1,628	1,203	422	951	2,656	1,787	(32)	(301)	625	707	(2,504)	(703)	294	(1,148)		
Change in Other Current Assets	-	-	(7,406)	-	-	-	-	-	-	-	-	-	(2,100)	(2,100)	-		
Utility Deposit	-	(3,500)	-	-	-	-	-	-	-	-	-	-	-	-	-		
DIP Interest Payment	-	-	-	(334)	(440)	(427)	(458)	(428)	(407)	(418)	(418)	(393)	(486)	(531)	(544)		
Change in Trade & Other Payables																	
Pre-petition Materials	15,824	(18,936)	(25,231)	(15,980)	-	-	-	-	-	-	-	-	-	-	-		
Pre-petition PP&E	1,323	(1,883)	(10,900)	(10,173)	-	-	-	-	-	-	-	-	-	-	-		
Pre-petition Other Accruals	(15,242)	(1,204)	(56,329)	(3,908)	196	196	-	-	-	-	-	-	-	-	-		
Post-petition Materials	-	-	12,134	12,232	(513)	(1,674)	(550)	628	65	(427)	(533)	1,251	34	(557)	646		
Post-petition PP&E	-	-	1,553	2,195	(1,104)	655	2	(97)	(74)	247	55	(44)	123	(103)	(63)		
Post-petition Other Accruals	-	-	56,663	3,512	3,481	(12,514)	(2,000)	3,459	729	(549)	3,609	(3,003)	(429)	3,729	189		
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Change in Trade & Other Payables	1,905	(22,023)	(22,110)	(12,123)	2,061	(13,337)	(2,548)	3,990	720	(729)	3,130	(1,795)	(272)	3,069	772		
Others																	
Tax (Payment) Income	-	(3,292)	-	-	-	-	-	-	-	-	-	(1,000)	-	(3,000)	-		
Capital Expenditures	(6,760)	(9,821)	(10,434)	(11,366)	(9,320)	(5,675)	(4,906)	(4,993)	(4,913)	(4,701)	(4,689)	(5,442)	(4,853)	(5,310)	(5,222)		
Sale of Assets	510	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Bond Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Change in Cash	(705)	(27,794)	(44,407)	(15,836)	1,845	(4,565)	4,465	3,145	(1,679)	86	3,685	(13,953)	(6,779)	(1,838)	(8,321)		
DIP Borrowing/Repayment	-	-	50,110	15,836	(1,845)	4,565	(4,465)	(3,145)	1,679	(86)	(3,685)	13,953	6,779	1,838	8,321		
Ending Cash	72,090	44,297	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000		
Minimum Cash	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000		
DIP Drawn	-	-	50,110	65,947	64,102	68,666	64,201	61,056	62,735	62,649	58,964	72,917	79,696	81,534	89,855		
Cash Less DIP	72,090	44,297	(110)	(15,947)	(14,102)	(18,666)	(14,201)	(11,056)	(12,735)	(12,649)	(8,964)	(22,917)	(29,696)	(31,534)	(39,855)		
Maximum Drawn DIP			89,855														

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III. Appendix

Appendix A – Forecast Financial Information

Forecast Financial Information (Revised)

(\$ in mm)

	Quarterly Totals (Base)								2017	2018
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018		
Total Revenue	165	170	171	167	158	163	184	181	674	686
EBITDA	31	40	18	18	31	33	45	44	107	153
Restructuring & Other	9	(0)	23	22	1	1	1	1	53	5
Adj. EBITDA	40	40	41	40	32	34	47	46	160	158
Adj. EBITDA Margin	23.9%	23.4%	23.7%	23.9%	20.3%	20.9%	25.3%	25.1%	23.7%	23.1%

	Quarterly Totals (Scenario 1b)								2017	2018
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018		
Total Revenue	165	170	171	167	154	158	178	176	674	666
EBITDA	31	40	15	6	28	30	42	41	93	142
Restructuring & Other	9	(0)	25	34	1	1	1	1	67	5
Adj. EBITDA	40	40	41	40	30	32	43	43	160	147
Adj. EBITDA Margin	23.9%	23.4%	23.7%	23.9%	19.3%	20.0%	24.4%	24.2%	23.7%	22.1%

	Quarterly Totals (Scenario 2b)								2017	2018
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018		
Total Revenue	165	170	171	158	145	145	150	146	665	586
EBITDA	31	40	14	17	11	8	4	31	102	54
Restructuring & Other	9	(0)	27	22	18	20	29	1	57	69
Adj. EBITDA	40	40	41	39	29	29	34	32	159	123
Adj. EBITDA Margin	23.9%	23.4%	23.7%	24.3%	19.9%	19.8%	22.3%	22.0%	23.8%	21.0%

Appendix B – Filing Scenarios with Vendor Impairment

Pearranged Chapter 11 with Vendor Impairment

(\$ in '000s)

	Forecast Jul '17	Forecast Aug '17	Petition Sep '17	Oct '17	Nov '17	Emergence Dec '17
Beginning Cash	72,796	72,090	44,297	50,000	50,000	50,000
Adjusted EBT	3,134	3,946	4,639	3,632	4,723	3,664
D&A	9,800	9,904	9,417	9,478	8,918	9,010
Interest Expense	(98)	(98)	(94)	(94)	(90)	(98)
DIP Interest Expense	-	-	-	208	297	284
Adjusted EBITDA	12,836	13,753	13,962	13,224	13,848	12,860
Adjustments	(839)	(1,300)	(2,757)	(847)	(945)	(711)
Restructuring Professional Fee Accrual	(6,120)	(6,590)	(6,415)	(5,815)	(5,700)	(19,130)
DIP Upfront & Exit Fees	-	-	(1,300)	-	-	(650)
EBITDA	5,878	5,863	3,490	6,561	7,204	(7,631)
Change in AR	(1,359)	3,351	1,558	1,617	(450)	644
Change in Inventory	(879)	1,628	1,203	422	(205)	124
Change in Other Current Assets	-	-	(11,517)	-	-	-
Utility Deposit	-	(3,500)	-	-	-	-
DIP Interest Payment	-	-	-	(208)	(297)	(284)
Change in Trade & Other Payables						
Pre-petition Materials	15,824	(18,936)	(14,000)	(14,000)	-	-
Pre-petition PP&E	1,323	(1,883)	(6,000)	(6,000)	-	-
Pre-petition Other Accruals	(15,242)	(1,204)	(48,889)	(3,908)	196	196
Post-petition Materials	-	-	8,898	8,970	1,800	8,997
Post-petition PP&E	-	-	1,056	1,293	(285)	2,561
Post-petition Other Accruals	-	-	49,073	3,362	3,331	(12,064)
Unassigned	-	-	-	-	-	-
Total Change in Trade & Other Payables	1,905	(22,023)	(9,862)	(10,284)	5,041	(310)
Others						
Tax (Payment) Income	-	(3,292)	-	-	-	-
Capital Expenditures	(6,760)	(9,821)	(10,434)	(11,366)	(9,320)	(5,675)
Sale of Assets	510	-	-	-	-	-
Bond Payment	-	-	-	-	-	-
Change in Cash	(705)	(27,794)	(25,562)	(13,257)	1,972	(13,132)
DIP Borrowing/Repayment	-	-	31,265	13,257	(1,972)	13,132
Ending Cash	72,090	44,297	50,000	50,000	50,000	50,000
Minimum Cash	50,000	50,000	50,000	50,000	50,000	50,000
DIP Drawn	-	-	31,265	44,522	42,550	55,682
Cash Less DIP	72,090	44,297	18,735	5,478	7,450	(5,682)
Maximum Drawn DIP			55,682			

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Prolonged Chapter 11 with Vendor Impairment

(\$ in '000s)

	Forecast Jul '17	Forecast Aug '17	Petition													Emergence Sep '18
	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18	Mar '18	Apr '18	May '18	Jun '18	Jul '18	Aug '18	Sep '18	
Beginning Cash	72,796	72,090	44,297	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Adjusted EBT	3,134	3,946	4,639	3,467	4,082	2,535	2,387	2,802	2,009	1,337	1,294	3,424	1,367	2,617	2,545	
D&A	9,800	9,904	9,417	9,478	8,918	9,010	7,075	7,149	7,437	7,028	7,459	8,371	8,688	9,285	9,015	
Interest Expense	(98)	(98)	(94)	(94)	(90)	(98)	-	-	-	-	-	-	-	-	-	
DIP Interest Expense	-	-	-	373	496	460	480	402	382	393	381	353	453	487	497	
Adjusted EBITDA	12,836	13,753	13,962	13,224	13,407	11,907	9,942	10,352	9,828	8,758	9,133	12,149	10,508	12,389	12,056	
Adjustments	(839)	(1,300)	(2,757)	(847)	(945)	(711)	(438)	(438)	(438)	(438)	(438)	(438)	(438)	(438)	(438)	
Restructuring Professional Fee Accrual	(6,120)	(6,590)	(7,165)	(6,565)	(6,450)	(6,380)	(5,350)	(5,350)	(6,100)	(6,100)	(6,100)	(6,700)	(6,700)	(6,700)	(13,500)	
DIP Upfront & Exit Fees	-	-	(1,800)	-	-	-	-	-	-	-	-	-	-	(900)	-	
EBITDA	5,878	5,863	2,240	5,811	6,012	4,816	4,154	4,564	3,290	2,220	2,595	5,011	3,370	4,351	(1,882)	
Change in AR	(1,359)	3,351	(17,357)	1,887	2,780	7,973	6,931	48	(73)	3,327	2,542	(8,432)	(1,868)	1,497	(597)	
Change in Inventory	(879)	1,628	1,203	422	951	2,656	1,787	(32)	(301)	625	707	(2,504)	(703)	294	(1,148)	
Change in Other Current Assets	-	-	(7,406)	-	-	-	-	-	-	-	-	-	(2,100)	(2,100)	-	
Utility Deposit	-	(3,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	
DIP Interest Payment	-	-	-	(373)	(496)	(460)	(480)	(402)	(382)	(393)	(381)	(353)	(453)	(487)	(497)	
Change in Trade & Other Payables																
Pre-petition Materials	15,824	(18,936)	(14,000)	(14,000)	-	-	-	-	-	-	-	-	-	-	-	
Pre-petition PP&E	1,323	(1,883)	(6,000)	(6,000)	-	-	-	-	-	-	-	-	-	-	-	
Pre-petition Other Accruals	(15,242)	(1,204)	(56,329)	(3,908)	196	196	-	-	-	-	-	-	-	-	-	
Post-petition Materials	-	-	809	4,876	1,789	(524)	6,317	385	40	906	(355)	834	1,532	(409)	474	
Post-petition PP&E	-	-	311	689	129	422	1	(46)	(35)	386	30	(24)	419	(67)	(41)	
Post-petition Other Accruals	-	-	56,663	3,512	3,481	(12,514)	(2,000)	3,459	729	(549)	3,609	(3,003)	(429)	3,729	189	
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Change in Trade & Other Payables	1,905	(22,023)	(18,547)	(14,831)	5,595	(12,420)	4,318	3,798	734	743	3,284	(2,193)	1,522	3,253	622	
Others																
Tax (Payment) Income	-	(3,292)	-	-	-	-	-	-	-	-	-	(1,000)	-	(3,000)	-	
Capital Expenditures	(6,760)	(9,821)	(10,434)	(11,366)	(9,320)	(5,675)	(4,906)	(4,993)	(4,913)	(4,701)	(4,689)	(5,442)	(4,853)	(5,310)	(5,222)	
Sale of Assets	510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bond Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in Cash	(705)	(27,794)	(50,301)	(18,450)	5,521	(3,110)	11,803	2,984	(1,645)	1,821	4,057	(14,913)	(5,085)	(1,502)	(8,724)	
DIP Borrowing/Repayment	-	-	56,005	18,450	(5,521)	3,110	(11,803)	(2,984)	1,645	(1,821)	(4,057)	14,913	5,085	1,502	8,724	
Ending Cash	72,090	44,297	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Minimum Cash	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
DIP Drawn	-	-	56,005	74,454	68,933	72,044	60,241	57,257	58,902	57,081	53,024	67,937	73,022	74,524	83,248	
Cash Less DIP	72,090	44,297	(6,005)	(24,454)	(18,933)	(22,044)	(10,241)	(7,257)	(8,902)	(7,081)	(3,024)	(17,937)	(23,022)	(24,524)	(33,248)	
Maximum Drawn DIP	83,248															

ATTORNEY CLIENT WORK PRODUCT PRIVILEGED AND CONFIDENTIAL

DECHERT LLP PROPOSAL**

SEPTEMBER 7, 2017

***** This proposal was not solicited by, and is not acceptable to, Global A&T Electronics Ltd.
This proposal is disclosed pursuant to the terms of the non-disclosure and
confidentiality agreement with certain holders of the Initial Notes.***

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF ANY CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE OR ANY OTHER PLAN OF REORGANIZATION, SCHEME OF ARRANGEMENT OR SIMILAR PROCESS UNDER ANY OTHER APPLICABLE LAW. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS, PROVISIONS OF THE BANKRUPTCY CODE AND/OR OTHER APPLICABLE LAWS. NO PARTY SHALL BE BOUND WITH RESPECT TO ANY TRANSACTION UNTIL THE EXECUTION AND DELIVERY OF DEFINITIVE DOCUMENTATION AFTER OBTAINING ALL NECESSARY INTERNAL APPROVALS.

**GLOBAL A&T ELECTRONICS LTD.
RESTRUCTURING TERM SHEET¹**

This Restructuring Term Sheet describes the principal terms of the Restructuring of the Debtors.

This Restructuring Term Sheet is preliminary in nature and does not include a description of all of the terms, conditions, and other provisions that are to be contained in the Definitive Documents, and shall be subject to, among other things, ongoing diligence and the negotiation and execution of the Restructuring Support Agreement, to which this Restructuring Term Sheet shall be attached as **Exhibit A**.

Nothing in this Restructuring Term Sheet shall constitute or be construed as an admission of any fact or liability, a stipulation or a waiver, and each statement contained herein is made without prejudice solely for settlement purposes, with a full reservation as to any rights, remedies or defenses. This Restructuring Term Sheet is confidential, is being provided without prejudice, and is subject to rule 408 of the United States Federal Rules of Evidence.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in **Schedule 1** attached hereto.

<u>Terms of Proposed Restructuring</u>	
Introduction	The Restructuring further described herein is contemplated to result in the following benefits upon the Effective Date, among others. • <u>Consensual Plan Scenario:</u> ○ <u>Recovery to Old Noteholders:</u> The Old Noteholders will receive approximately² \$510 million of the principal amount of Reorganized Consolidated GATE Secured Notes and approximately 15% of Reorganized Consolidated GATE's common equity, subject to dilution by the MIP Equity. ○ <u>Recovery to New Noteholders:</u> The New Noteholders will receive approximately \$90 million of the principal amount of Reorganized Consolidated GATE Secured Notes and approximately 20% of Reorganized Consolidated GATE's common equity, subject to dilution by the MIP Equity. ○ <u>Recovery to Shareholder Entities:</u> The Shareholder Entities will receive approximately 65% of Reorganized Consolidated GATE's common equity, subject to dilution by the MIP Equity. ○ <u>Contribution of the UMS Business:</u> The Shareholder Entities will contribute the UMS Business to Reorganized Consolidated GATE. ○ <u>Releases:</u> Consummation of the Plan will be subject to approval by the Bankruptcy Court of release and exculpation provisions for the benefit of the Debtors, the agent and lenders under the DIP Facility, the Old Noteholders, the New Noteholders, the Shareholder Entities, and their respective agents, affiliates, principals, officers, directors, attorneys, financial advisors or other professionals or representatives, each in their capacity as such. Such provisions shall include (i) mutual releases among each of the Debtors, the agent and lenders under the DIP Facility, the Old Noteholders, the New Noteholders, the Shareholder Entities, and their respective agents, affiliates, principals, officers, directors, attorneys, financial advisors or other professionals or representatives, each in their capacity as such; and (ii) consensual third party releases in favor of each of the parties identified in the foregoing clause (i).

² NTD: Consider making all amounts in this Term Sheet precise and deleting references to approximately.

	• <u>Contested Plan Scenario:</u> ○ <u>Recovery to Old Noteholders:</u> The Old Noteholders will receive approximately \$330 million of the principal amount of Reorganized GATE Secured Notes and approximately 100% of Reorganized GATE's common equity, subject to dilution by the MIP Equity. ○ <u>Recovery to New Noteholders:</u> The New Noteholders will not receive a recovery or distribution under the Plan on account of their New Notes. ○ <u>Recovery to Shareholder Entities:</u> The Shareholder Entities will not receive a recovery or distribution under the Plan on account of their Interests. ○ No contribution of the UMS Business. ○ <u>Releases:</u> Consummation of the Plan will be subject to approval by the Bankruptcy Court of release and exculpation provisions for the benefit of the Debtors, the agent and lenders under the DIP Facility, the Old Noteholders, and their respective agents, affiliates, principals, officers, directors, attorneys, financial advisors or other professionals or representatives, each in their capacity as such. Such provisions shall include (i) mutual releases among each of the Debtors, the agent and lenders under the DIP Facility, the Old Noteholders, and their respective agents, affiliates, principals, officers, directors, attorneys, financial advisors or other professionals or representatives, each in their capacity as such; and (ii) consensual third party releases in favor of each of the parties identified in the foregoing clause (i); <i>provided</i>, the New Noteholders, Shareholder Entities or direct or indirect shareholders, equity holders, or other owners of the Debtors (or, in each case, any of their respective affiliates) shall not be released or exculpated under the Plan by the Debtors or any other party.
Means of Implementation	The Restructuring is intended to be implemented through the filing of the Chapter 11 Cases in the Bankruptcy Court and the confirmation and Consummation of the Plan on a prepackaged or prearranged basis. In a Consensual Plan Scenario, the Plan will provide for the contribution by the Shareholder Entities of the UMS Business to Reorganized Consolidated GATE as of Effective Date, or an alternative structure to effectuate the combination of the UMS Business with Reorganized GATE or an entity controlled by Reorganized GATE (in each case, in a tax efficient manner). The Restructuring will be subject to the terms of conditions of this Restructuring Term Sheet (including the Milestones) and the Definitive

	Documents.
DIP Financing³	The Restructuring will be funded with the proceeds of a \$[]million DIP Facility to be provided by one or more members of the Old Noteholder Groups on terms consistent with the term sheet attached hereto as <u>Annex III</u> .
Reorganized Consolidated GATE Secured Notes	Pursuant to the Restructuring, in a Consensual Plan Scenario, Reorganized Consolidated GATE will issue the Reorganized Consolidated GATE Secured Notes consistent with the term sheet attached hereto as <u>Annex IV</u> ; provided that in the event of a successful Market Test of \$600 million in secured debt, the terms of such Market Test shall apply and not the terms as outlined in <u>Annex IV</u> .
Reorganized GATE Secured Notes	Pursuant to the Restructuring, in a Contested Plan Scenario, Reorganized GATE will issue the Reorganized GATE Secured Notes consistent with the term sheet attached hereto as <u>Annex V</u> .
Exit Facility	The DIP Facility Claims will be paid in full in cash (whether with cash on hand or as refinanced on the Effective Date by the Exit Facility, if any).
Plan Classification and Treatment⁴	
DIP Facility Claims	On the Effective Date, except to the extent that a Holder agrees to less favorable treatment, each Holder of an allowed Claim under the DIP Facility will receive cash in full or at the election of the Requisite Old Noteholders, it <i>pro rata</i> share of the Exit Facility.
Old Notes Claims	<u>Consensual Plan Scenario</u>: Each Holder of an Old Notes Claim will receive its <i>pro rata</i> share of (i) \$510 million of Reorganized Consolidated GATE Secured Notes and (ii) 15% of Reorganized Consolidated GATE's common equity. <u>Contested Plan Scenario</u>: Each Holder of an allowed Old Notes Claim will receive its <i>pro rata</i> share of (i) \$330 million of Reorganized GATE Secured Notes and (ii) 100% of Reorganized GATE's common equity.
New Notes Claims	<u>Consensual Plan Scenario</u>: Each Holder of an allowed New Notes Claim will receive its <i>pro rata</i> share of (i) \$90 million of Reorganized Consolidated GATE Secured Notes and (ii) 20% of Reorganized Consolidated GATE's common equity. <u>Contested Plan Scenario</u>: Each Holder of an allowed New Notes Claim

³ DIP terms/sizing TBD and subject to review of DIP budget and other diligence.

⁴ Classification and treatment of claims subject to diligence and discussion, including treatment of general unsecured claims, vendors, intercompany claims and interests, and whether or not any caps will apply. Furthermore, the Old Notes Claims and the New Notes Claims (as such terms are defined herein) will be classified separately.

	will receive no recovery or distribution.
General Unsecured Claims	General unsecured obligations of the Debtors (excluding any deficiency or other Claims on account of or otherwise related to the Old Notes Claims and/or the New Notes Claims) will be paid in full in cash in the ordinary course of business on ordinary business terms.
Intercompany Claims and Interests	Claims among the Debtors, and equity interests in the Debtors, shall be reinstated, canceled, or receive such other treatment as the Requisite Old Noteholders may agree.
Other Claims and Interests	Classification of all other Claims and Interests to be determined by the Debtors and the Requisite Old Noteholders. For the avoidance of doubt, if (i) there is a Consensual Plan Scenario, and (ii) the Shareholder Entities contribute the UMS Business to Reorganized Consolidated GATE in a tax efficient manner, then the Shareholder Entities will receive approximately 65% of Reorganized Consolidated GATE's common equity, subject to dilution by the MIP Equity. Further, if there is a Contested Plan Scenario, the Shareholder Entities will not contribute the UMS Business and will not receive a recovery on account of their Interests.
Plan Settlement	The classification and treatment of Claims under the Plan shall settle and compromise the respective contractual, legal, and equitable subordination rights of such Claims against the Debtors, and any such rights against the Debtors shall be released pursuant to the Plan. In a Consensual Plan Scenario, consummation of the Plan will be subject to approval by the Bankruptcy Court of release and exculpation provisions for the benefit of the Debtors, the agent and lenders under the DIP Facility, the Old Noteholders, the New Noteholders, the Shareholder Entities, and their respective agents, affiliates, principals, officers, directors, attorneys, financial advisors or other professionals or representatives, each in their capacity as such. Such provisions shall include (i) mutual releases among each of the Debtors, the agent and lenders under the DIP Facility, the Old Noteholders, the New Noteholders, the Shareholder Entities, and their respective agents, affiliates, principals, officers, directors, attorneys, financial advisors or other professionals or representatives, each in their capacity as such; and (ii) consensual third party releases in favor of each of the parties identified in the foregoing clause (i). In a Contested Plan Scenario, consummation of the Plan will be subject to approval by the Bankruptcy Court of release and exculpation provisions for the benefit of the Debtors, the agent and lenders under the DIP Facility, the Old Noteholders, and their respective agents, affiliates, principals, officers, directors, attorneys, financial advisors or other professionals or representatives, each in their capacity as such. Such provisions shall include (i) mutual releases among each of the

	Debtors, the agent and lenders under the DIP Facility, the Old Noteholders, and their respective agents, affiliates, principals, officers, directors, attorneys, financial advisors or other professionals or representatives, each in their capacity as such; and (ii) consensual third party releases in favor of each of the parties identified in the foregoing clause (i); <i>provided</i> , the New Noteholders, Shareholder Entities or direct or indirect shareholders, equity holders, or other owners of the Debtors (or, in each case, any of their respective affiliates) shall not be released or exculpated under the Plan by the Debtors or any other party.
Definitive Documents	All Definitive Documents to be consistent with this Restructuring Term Sheet and otherwise in form and substance acceptable to the Debtors and the Requisite Old Noteholders. Structural, mechanical, and implementation issues to be resolved in Definitive Documents, to the extent not previously resolved.
Court Filings	Except as otherwise provided herein or any Definitive Documents, the Debtors shall provide draft copies of any pleadings or court documents at least two (2) days prior to the date when the Debtors intend to file any such pleadings or documents with the Bankruptcy Court and shall consult in good faith with counsel to the Old Noteholder Groups regarding the substance of any such proposed filing.
Milestones	The Debtors will implement the Restructuring in accordance with the following Milestones: 1. No later than [___], 2017, the Debtors will commence the solicitation of the Plan and distribute the Disclosure Statement and the Solicitation Materials to holders of Claims entitled to vote to accept or reject the Plan. No later than [___], 2017, the Debtors shall have filed petitions commencing the Chapter 11 Cases, the Plan, and the Disclosure Statement, as prepackaged or prearranged bankruptcy cases. 2. No later than 3 days following the Petition Date, the Debtors shall have obtained entry of the Interim DIP Order. 3. No later than the Petition Date, the Debtors shall have filed the Plan, the Disclosure Statement, a motion seeking approval of the Disclosure Statement, and the Solicitation Materials. 4. No later than [40] business days following the Petition Date, the Debtors shall have obtained entry of the Final DIP Order. 5. No later than [45] business days after the Petition Date, the Debtors shall have obtained entry of an order approving the Disclosure Statement and Solicitation Materials. 6. No later than [45] business days after the Petition Date, the Debtors shall have obtained entry of the Confirmation Order. 7. No later than [15] business days following the entry of the

	Confirmation Order, the Effective Date shall have occurred.
Board of Directors and Corporate Governance	In a Consensual Plan Scenario, the identities of the members of the initial board of directors of Reorganized Consolidated GATE, as determined by the Requisite Old Noteholders, the Requisite New Noteholders, and the Shareholder Entities, will be set forth in the Plan Supplement, and shall include John Nelson, as Chairman of the Board. In a Contested Plan Scenario, the identities of the members of the initial board of directors of Reorganized GATE, as determined by the Requisite Old Noteholders, will be set forth in the Plan Supplement, and shall include John Nelson, as Chairman of the Board.
Management of Reorganized Consolidated Gate or Reorganized GATE, as applicable	The Debtors' current management team will continue to provide services to the Reorganized Consolidated GATE or Reorganized GATE, as applicable, pursuant to the terms of any existing employment agreements (as assumed) or under new market-based employment agreements on terms no less favorable to such individual than the current employment agreement.
Management Incentive Plan	The Plan will provide for a mutually acceptable MIP that provides for the issuance of the MIP Equity. The participants in the MIP, the allocation of MIP compensation to participants (including the amounts allocated, the timing of grants, and the form of options and/or equity compensation allocated) and the terms and conditions of such options and/or equity compensation (including performance, time based vesting, exercise price, base values, hurdles, forfeiture, repurchase rights and transferability) will include Reorganized Consolidated GATE's or Reorganized GATE's senior management team, as applicable (as determined at a date after the Effective Date) and any other individuals determined by the Reorganized Consolidated GATE Board or the Reorganized GATE Board, as applicable, in consultation with Reorganized Consolidated GATE's or Reorganized GATE's chief executive officer, as applicable.
Cancellation of Notes, Instruments, Certificates and Other Documents	On the Effective Date, except to the extent otherwise provided under the Plan, all notes, instruments, certificates, and other documents evidencing Claims against or Interests in the Debtors shall be cancelled and the obligations of the Debtors related thereto shall be discharged.
Tax Issues	The Debtors, in a manner satisfactory to the Requisite Old Noteholders, will seek to effectuate the terms and conditions of the Restructuring in a tax efficient manner.
N.Y. Action Fees and Expenses	If Brigade Capital Management, L.P. and GSO Coastline Credit Partners LP and their respective affiliates vote to accept the Plan, the Debtors will pay in full in cash the reasonable and documented fees and out-of-pocket expenses of Lowenstein Sandler LLP incurred in connection with the pending action entitled <i>GSO Coastline Credit Partners LP, et al. v. Global A&T Electronics Ltd., et al.</i> , in an amount

	not to exceed \$[] million. If Marble Ridge Capital LP and KLS Diversified Asset Management LP and their respective affiliates vote to accept the Plan, the Debtors will pay in full in cash the reasonable and documented fees and out-of-pocket expenses of Brown Rudnick LLP incurred in connection with the pending action entitled <i>Marble Ridge Capital LP, et al. v. Global A&T Electronics Ltd., et al.</i>, in an amount not to exceed \$[] million.
Conditions Precedent to the Effective Date	The Plan shall contain conditions precedent to occurrence of the Effective Date, including, without limitation, the following: 1. the Restructuring Support Agreement shall remain in full force and effect and shall not have been terminated; 2. the Debtors shall not be in default under the DIP Credit Agreement or the DIP Orders (or, to the extent that the Debtors have been or are in default on the proposed Effective Date, such default shall have been waived by the lenders thereunder or cured in a manner consistent with the DIP Credit Agreement and the DIP Orders, as applicable); 3. all conditions precedent to the issuance of the Reorganized Consolidated GATE Secured Notes or Reorganized GATE Secured Notes, as applicable, shall have been satisfied or duly waived; 4. the Confirmation Order shall have been duly entered and in full force and effect, which Confirmation Order shall approve releases described herein; 5. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan and each of the other transactions contemplated by the Restructuring; 6. the Debtors shall have arranged for a Market Test; 7. the final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein, and all other schedules, documents, supplements and exhibits to the Plan shall have been filed in a manner consistent with the Restructuring Support Agreement and this Restructuring Term Sheet; 8. all reasonable and documented fees and expenses of the Old Noteholder Groups shall have been paid in full; <i>provided</i> that in a Consensual Plan Scenario, the reasonable and documented fees and expenses of the New Noteholder Group shall also be paid in full in cash; and

	9. the Debtors shall have implemented the Restructuring in a manner consistent in all material respects with the Restructuring Support Agreement and this Restructuring Term Sheet.
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SCHEDULE 1

DEFINITIONS

Term	Definition
Affiliate	As defined in section 101(2) of the Bankruptcy Code. With respect to any Person that is not a Debtor, the term “Affiliate” shall apply to such Person as if the Person were a Debtor.
Bankruptcy Code	Title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended from time to time, as applicable to the Chapter 11 Cases.
Bankruptcy Court	United States Bankruptcy Court for the Southern District of New York, White Plains Division.
Chapter 11 Cases	The cases of the Debtors under chapter 11 of the Bankruptcy Code.
Claim	As defined in section 101(5) of the Bankruptcy Code against a Debtor.
Class	A category of Holders of Claims or Interests pursuant to section 1122(a) of the Bankruptcy Code.
Confirmation Order	An order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which shall be in form and substance acceptable to the Requisite Old Noteholders.
Consensual Plan Scenario	If (i) the Class of Old Notes Claims votes to accept the Plan and (ii) the Class of New Notes Claims votes to accept the Plan.
Consummation	The occurrence of the Effective Date.
Contested Plan Scenario	If (i) the Class of Old Notes Claims votes to accept the Plan and (ii) the Class of New Notes Claims does not vote to accept the Plan.
Debtors	GATE and each of its affiliates and subsidiaries set forth on <u>Annex 1</u> hereto.
Dechert Noteholder Group	The <i>ad hoc</i> group of Old Noteholders represented by Dechert LLP.
Definitive Documents	The definitive documents governing the Restructuring, including, without limitation, the Plan, the Disclosure Statement, the Solicitation Materials, the DIP Orders, the Confirmation Order, the Reorganized Consolidated GATE Secured Notes or the Reorganized GATE Secured Notes (as applicable), the credit agreement for the Exit Facility (if any), the Plan Supplement, the MIP documents and the corporate governance documents for Reorganized GATE, Reorganized Consolidated GATE (if applicable) and the other Debtors. The Definitive Documents will be consistent with this Restructuring Term Sheet in all material respects and otherwise in form and substance acceptable to the Debtors and the Requisite Old Noteholders in each case, as set forth in the Restructuring Support Agreement. As part of the Plan Supplement, the Definitive Documents shall include a shareholders agreement to be entered into by the equityholders of Reorganized Consolidated GATE or Reorganized GATE, as applicable, otherwise in form and substance acceptable to the Debtors and the Requisite Old Noteholders.

Term	Definition
DIP Credit Agreement	The senior secured debtor-in-possession credit agreement for the DIP Facility, on terms consistent with the term sheet attached hereto as <u>Annex III</u> , which shall be in form and substance acceptable to the Requisite Old Noteholders.
DIP Facility	The \$[] million senior secured debtor-in-possession financing facility to be entered into by the Debtors pursuant to the DIP Credit Agreement and the DIP Orders.
DIP Facility Claims	Each allowed Claim arising from or on account of the DIP Facility pursuant to the DIP Credit Agreement and the DIP Orders.
DIP Orders	Collectively, the Interim DIP Order and the Final DIP Order.
Disclosure Statement	The disclosure statement for the Plan, including all exhibits and schedules thereto, which shall be in form and substance acceptable to the Requisite Old Noteholders.
Effective Date	The effective date of the Plan.
Entity	As defined in section 101(15) of the Bankruptcy Code.
Exit Facility	A term loan exit facility sufficient to refinance the DIP Facility Claims, in full in cash, which shall be in form and substance acceptable to the Requisite Old Noteholders (including, without limitation, with respect to the identity of the proposed agents and lenders under such facility).
Final DIP Order	The final order entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP Facility and incur the DIP Facility Claims and any other postpetition obligations under the DIP Credit Agreement, which shall be in form and substance acceptable to the Requisite Old Noteholders.
GATE	Global A&T Electronics Ltd., a debtor and debtor in possession in the Chapter 11 Cases.
Holder	An Entity holding a Claim against or Interest in a Debtor, as applicable.
Interest	Any equity security (as defined in section 101(16) of the Bankruptcy Code) in any Debtor.
Interim DIP Order	The interim order entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP Facility and incur the DIP Facility Claims and any other postpetition obligations under the DIP Credit Agreement, which shall be in form and substance acceptable to the Requisite Old Noteholders.
Market Test	A market test to syndicate the Reorganized Consolidated GATE Secured Notes or the Reorganized GATE Notes, as applicable.
Milbank Noteholder Group	The <i>ad hoc</i> group of Old Noteholders represented by Milbank, Tweed, Hadley & McCloy LLP and PJT Partners.
Milestones	The dates set forth under the section entitled “Milestones” in this Restructuring Term Sheet.

Term	Definition
MIP	A post-Effective Date, mutually acceptable, market-based, management incentive plan that provides for the issuance of the MIP Equity.
MIP Equity	The options and/or equity based compensation to members of the management of Reorganized Consolidated GATE or Reorganized GATE, as applicable, in an amount equal to []% of the common equity interests of Reorganized Consolidated GATE or Reorganized GATE, as applicable, outstanding on the Effective Date, on a fully-diluted basis, after taking account of any equity issued on account of the Old Notes Claims and New Notes Claims pursuant to the Plan.
New Notes	GATE's \$502 million 10.0% Senior Secured Notes due 2019 bearing the CUSIP number 379390AG2 or G3923WAD2 issued on or about September 30, 2013.
New Noteholder Group	The <i>ad hoc</i> group of New Noteholders represented by Ropes & Gray LLP and Houlihan Lokey Capital Inc.
New Noteholders	Holders of the New Notes.
New Notes Claims	Each allowed Claim arising from or on account of the New Notes.
Old Noteholder Groups	Collectively, the Dechert Noteholder Group and the Milbank Noteholder Group.
Old Notes	GATE's \$625 million 10.0% Senior Secured Notes due 2019 bearing the CUSIP number 379390AF4 or G3923WAC4 issued on or about February 7, 2013.
Old Noteholders	Holders of the Old Notes.
Old Notes Claims	Each allowed Claim arising from or on account of the Old Notes. Pursuant to the Plan, the Old Notes shall be allowed in the outstanding principal amount of \$625 million, plus all accrued interest (including, without limitation, default rate interest), fees, expenses and other amounts owing, payable or reimbursable under the Old Notes and related documents.
Person	As defined in section 101(41) of the Bankruptcy Code.
Petition Date	The date on which the Debtors commence the Chapter 11 Cases.
Plan	The chapter 11 plan of reorganization, as it may be amended or supplemented from time to time, including all exhibits, schedules, supplements, appendices, annexes and attachments thereto, which plan shall be consistent in all material respects with this Restructuring Term Sheet, and to the extent not consistent with this Restructuring Term Sheet in any material respect, in form and substance acceptable to the Debtors and the Requisite Old Noteholders.
Plan Supplement	The compilation of documents and forms of documents, schedules, and exhibits to the Plan, which shall be in form and substance acceptable to the Requisite Old Noteholders.

Term	Definition
Reorganized Consolidated GATE	In a Consensual Plan Scenario, an entity that combines the UMS Business and Reorganized GATE in a tax efficient manner, pursuant to and under the Plan, or an alternative structure to effectuate the combination of the UMS Business with Reorganized GATE or an entity controlled by Reorganized GATE, in a tax efficient manner.
Reorganized Consolidated GATE Board	The initial board of directors of Reorganized Consolidated GATE in a Consensual Plan Scenario, as determined by the Requisite Old Noteholders, the Requisite New Noteholders, and the Shareholder Entities in a Consensual Plan Scenario.
Reorganized Consolidated GATE Secured Notes	The first lien senior secured notes issued by Reorganized Consolidated GATE in a Consensual Plan Scenario pursuant to the Restructuring, consistent with the terms set forth on <u>Annex IV</u> attached hereto.
Reorganized GATE	GATE, as reorganized pursuant to and under the Plan or any successor thereto.
Reorganized GATE Board	The initial board of directors of Reorganized GATE in a Contested Plan Scenario, as determined by the Requisite Old Noteholders.
Reorganized GATE Secured Notes	The first lien senior secured notes issued by Reorganized GATE in a Contested Plan Scenario pursuant to the Restructuring, consistent with the terms set forth on <u>Annex V</u> attached hereto.
Requisite Old Noteholders	Those members of the Old Noteholder Groups (i) collectively holding not less than 66⅔% of the principal amount of Old Notes held by the members of the Old Noteholder Groups, and (ii) including at least one member from (y) the Dechert Noteholder Group and (z) the Milbank Noteholder Group.
Requisite New Noteholders	Those members of the New Noteholder Group together not holding less than 66⅔% of the principal amount of New Notes held by members of the New Noteholder Group.
Restructuring	The potential restructuring of the Debtors contemplated by this Restructuring Term Sheet (including any annexes hereto), which restructuring will be effectuated pursuant to the Plan.
Restructuring Support Agreement	The restructuring support agreement among the Debtors, the members of the Old Noteholder Groups and the Shareholder Entities to which this Restructuring Term Sheet shall be attached as an exhibit.
Restructuring Term Sheet	This term sheet that describes the principal terms of a potential Restructuring.
Shareholder Entities	The entities set forth on <u>Annex II</u> hereto.
Solicitation Materials	The solicitation materials and documents included in the solicitation packages that will be sent to, among others, Holders of Claims and Interest entitled to vote to accept or reject the Plan, in compliance with Bankruptcy Rules 3017(d) and 2002(b), which shall be in form and substance acceptable to the Requisite Old Noteholders.

Term	Definition
UMS Business	The Entities and assets directly or indirectly held by UTAC Manufacturing Services Pte. Ltd., which entities and assets shall be contributed to Reorganized Consolidated GATE or an alternative structure to effectuate the combination of the UMS Business with Reorganized GATE or an entity controlled by Reorganized GATE (in a tax efficient manner) on the Effective Date.

ANNEX I

Debtors

GLOBAL A&T ELECTRONICS LTD.
GLOBAL A&T FINCO LTD.
UNITED TEST AND ASSEMBLY CENTER LTD.
UTAC (TAIWAN) CORPORATION
UTAC THAI LTD.
UTAC HONG KONG LIMITED
UTAC THAI HOLDINGS LIMITED
UTAC CAYMAN LTD.
UTAC HEADQUARTERS PTE. LTD.
UTAC DONGGUAN LTD.
UTAC (SHANGHAI) CO., LTD.
UTAC GROUP GLOBAL SALES LTD.
UGS EUROPE, LLC
UGS AMERICA SALES, INC.

ANNEX II

SHAREHOLDER ENTITIES

[To be attached]

ANNEX III

DIP TERM SHEET

[To be attached]

ANNEX IV

REORGANIZED CONSOLIDATED GATE SECURED NOTES TERM SHEET

<u>Term</u>	<u>Description</u>
Borrower	Reorganized Consolidated GATE
Collateral	First priority liens and security interests in the assets of Reorganized Consolidated GATE and its current and future subsidiaries, as applicable
Guarantors	On a joint and several basis by Reorganized Consolidated GATE and its current and future subsidiaries, as applicable
Lenders	The Old Noteholders and the New Noteholders
Availability	\$600 million
Maturity	[5] years
Interest Rate	[9]% cash and [_] % payable in kind
Fees	[TBD]
Conditions to Borrowings	a. Effectiveness of the Plan; b. [Other TBD].
Mandatory Cash Sweeps	a. For any asset sale proceeds in excess of \$[_____]; b. 50% cash sweep for annual equity free cash flow in excess of \$[_____]; and c. [Other TBD].
Covenants	Financial Covenants: a. Leverage ratio not to exceed [_:_]; and b. [Other TBD]. Limitations on Additional Debt and Liens: a. Limitations on debt and lien incurrence that rank senior to or <i>pari passu</i> with the Reorganized Consolidated GATE Secured Notes or the Exit Facility; and b. [Other TBD]. Limitations on Investments: a. [TBD]. [Other covenants TBD]
Events of Default	[TBD]

[OTHER TERMS AND CONDITIONS TO BE DISCUSSED]

ANNEX V

REORGANIZED GATE SECURED NOTES TERM SHEET

<u>Term</u>	<u>Description</u>
Borrower	Reorganized GATE
Collateral	First priority liens and security interests in the assets of Reorganized GATE and its current and future subsidiaries, as applicable
Guarantors	On a joint and several basis by Reorganized GATE and its current and future subsidiaries, as applicable
Lenders	The Old Noteholders
Availability	\$330 million
Maturity	[5] years
Interest Rate	[9]% cash and [_] % payable in kind
Fees	[TBD]
Conditions to Borrowings	a. Effectiveness of the Plan; b. GATE to arrange for a Market Test. Failure to do so or a failed Market Test will result in additional credit protections that may include, among other things: i. Payable in kind interest in addition to cash interest (e.g. 1% after 6 months, increasing by 1% annual to a total of 3%); ii. Callable at par for first six months; callable at 102/101/100 for each six months thereafter; and iii. Buyback or amortization mechanisms that occur over time or are tied to certain milestones or leverage levels. c. [Other TBD].
Mandatory Cash Sweeps	a. For any asset sale proceeds in excess of \$[_____]; b. 50% cash sweep for annual equity free cash flow in excess of \$[_____]; and c. [Other TBD].
Covenants	Financial Covenants: a. Leverage ratio not to exceed [_: _]; and b. [Other TBD]. Limitations on Additional Debt and Liens:

<u>Term</u>	<u>Description</u>
	a. Limitations on debt and lien incurrence that rank senior to or <i>pari passu</i> with the Reorganized GATE Secured Notes or the Exit Facility; and b. [Other TBD]. Limitations on Investments: a. [TBD]. [Other covenants TBD]
Events of Default	[TBD]

[OTHER TERMS AND CONDITIONS TO BE DISCUSSED]