

# TRW AUTOMOTIVE HOLDINGS CORP

## FORM 10-K (Annual Report)

Filed 02/13/15 for the Period Ending 12/31/14

|             |   |
|-------------|---|
| Address     | 12001TECH CENTER DRIVE<br>LIVONIA, MI 48150 |
| Telephone   | 734 855 2600                                |
| CIK         | 0001267097                                  |
| Symbol      | TRW   |
| SIC Code    | 3714 - Motor Vehicle Parts and Accessories  |
| Industry    | Auto & Truck Parts                          |
| Sector      | Consumer Cyclical                           |
| Fiscal Year | 12/31                                       |



Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of June 27, 2014, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's Common Stock, \$0.01 par value per share, held by non-affiliates of the registrant was approximately \$9.8 billion based on the closing sale price of the registrant's Common Stock as reported on the New York Stock Exchange on that date. As of February 9, 2015, the number of shares outstanding of the registrant's Common Stock was 114,972,298.

#### Documents Incorporated by Reference

Certain portions, as expressly described in this report, of the Registrant's Proxy Statement for the 2014 Annual Meeting of the Stockholders, to be filed within 120 days of December 31, 2014, are incorporated by reference into Part III, Items 10-14.

**TRW Automotive Holdings Corp.**  
**Index**

|   | <u>Page</u> |
|---|-------------|
| <b>PART I</b>   |             |
| <b>Item 1.</b> Business   | 2           |
| <b>Item 1A.</b> Risk Factors  | 12          |
| <b>Item 1B.</b> Unresolved Staff Comments   | 21          |
| <b>Item 2.</b> Properties   | 21          |
| <b>Item 3.</b> Legal Proceedings  | 22          |
| <b>Item 4.</b> Mine Safety Disclosures  | 24          |
| <b>PART II</b>  |             |
| <b>Item 5.</b> Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities | 25          |
| <b>Item 6.</b> Selected Financial Data  | 28          |
| <b>Item 7.</b> Management's Discussion and Analysis of Financial Condition and Results of Operations                        | 29          |
| <b>Item 7A.</b> Quantitative and Qualitative Disclosures about Market Risk  | 50          |
| <b>Item 8.</b> Financial Statements and Supplementary Data  | 52          |
| <b>Item 9.</b> Reports of Independent Registered Public Accounting Firm   | 102         |
| <b>Item 9.</b> Changes in and Disagreements with Accountants on Accounting and Financial Disclosure                         | 104         |
| <b>Item 9A.</b> Control and Procedures  | 104         |
| <b>Item 9B.</b> Other Information   | 104         |
| <b>PART III</b>   |             |
| <b>Item 10.</b> Directors, Executive Officers and Corporate Governance  | 105         |
| <b>Item 11.</b> Executive Compensation  | 105         |
| <b>Item 12.</b> Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters              | 105         |
| <b>Item 13.</b> Certain Relationships and Related Transactions, and Director Independence                                   | 105         |
| <b>Item 14.</b> Principal Accounting Fees and Services  | 105         |
| <b>PART IV</b>  |             |
| <b>Item 15.</b> Exhibits, Financial Statement Schedules   | 106         |
| Signatures  | 115         |

## PART I

### ITEM 1. BUSINESS

#### The Company

TRW Automotive Holdings Corp. (together with its subsidiaries, "we," "our," "us," "TRW Automotive" or the "Company") is a Delaware corporation formed in 2002 with a business history stretching back to the turn of the twentieth century. Our common stock is traded on the New York Stock Exchange under the ticker symbol TRW.

The Company is among the world's largest and most diversified suppliers of automotive systems, modules and components to global automotive original equipment manufacturers ("OEMs") and related aftermarkets. We conduct substantially all of our operations through subsidiaries. These operations primarily encompass the design, manufacture and sale of active and passive safety related products and systems. Active safety related products and systems principally refer to vehicle dynamic controls (primarily braking and steering) and electronics (primarily driver assistance systems), and passive safety related products and systems principally refer to occupant restraints (primarily airbags and seat belts) and electronics (primarily airbag electronic control units, and crash and occupant weight sensors).

We operate our business along four segments: Chassis Systems, Occupant Safety Systems, Electronics and Automotive Components. We are primarily a "Tier 1" original equipment supplier, with approximately 82% of our end-customer sales in 2014 made to major OEMs. Of our 2014 sales, approximately 42% were in Europe, 33% were in North America, 21% were in Asia, and 4% were in the rest of the world.

#### Merger Agreement

On September 15, 2014, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with ZF Friedrichshafen AG, a stock corporation organized and existing under the laws of the Federal Republic of Germany ("ZF"), and MSNA, Inc., a Delaware corporation ("Merger Sub") and a wholly owned subsidiary of ZF held directly by ZF North America, Inc. ("ZNA"), pursuant to which Merger Sub will be merged with and into the Company (the "ZF Merger") with the Company surviving the ZF Merger as an indirect wholly owned subsidiary of ZF. At a special stockholders meeting held on November 19, 2014, our stockholders adopted the Merger Agreement.

At the effective time of the ZF Merger, each share of our common stock issued and outstanding (other than any shares of our common stock held by ZF, ZNA, Merger Sub or any other wholly owned subsidiary of ZF, treasury shares held by us and shares owned by stockholders who have properly made and not withdrawn a demand for appraisal rights under Delaware law) will be converted into the right to receive \$105.60 in cash, without interest (the "Merger Consideration"). In addition, at the effective time of the ZF Merger, (i) all then-outstanding Company stock options, restricted stock units, phantom stock units and performance share units (which will vest at the "maximum level" of performance), whether vested or unvested, will be converted into the right to receive the Merger Consideration, less the exercise price of such awards, if any, and (ii) all then-outstanding Company stock appreciation rights, whether vested or unvested, will be converted into the right to receive an amount in cash equal to the excess of the lesser of the Merger Consideration and the "maximum value" of such stock appreciation right over the fair market value per share at the relevant grant date. The consummation of the ZF Merger is subject to the receipt of antitrust approvals in the United States and certain other jurisdictions and other customary closing conditions. The transaction is expected to close in the first half of 2015. If completed, the ZF Merger will result in the Company becoming a wholly owned subsidiary of ZF and our shares will no longer be listed on any public market.

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