

**UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
GARRETT MOTION INC., <i>et al.</i> , ¹	:	Case No. 20-12212 (MEW)
	:	
Debtors.	:	Jointly Administered
	:	
	X	

INTERIM ORDER (I) AUTHORIZING, BUT NOT DIRECTING, DEBTORS TO PAY PREPETITION CLAIMS OF (A) CRITICAL VENDORS AND (B) POTENTIAL LIEN CLAIMANTS, (II) CONFIRMING ADMINISTRATIVE EXPENSE PRIORITY OF OUTSTANDING ORDERS, (III) AUTHORIZING APPLICABLE BANKS AND OTHER FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS AND (IV) GRANTING RELATED RELIEF

Upon the motion (the “Motion”)² of Garrett Motion Inc. and certain of its affiliated debtors and debtors-in-possession (collectively, the “Debtors”) for entry of an order (this “Interim Order”) (a) authorizing, but not directing, the Debtors, in their sole discretion, to pay prepetition claims of (i) Critical Vendors in an amount not to exceed \$52 million on an interim basis (the “Interim Critical Vendor Cap”) and (ii) Potential Lien Claimants, (b) confirming administrative expense priority of all undisputed obligations of the Debtors, in the Debtors’ sole discretion, arising from the postpetition acceptance of goods subject to Outstanding Orders and authorizing payment, in the ordinary course of business, of all such amounts when they come due and owing, (c) authorizing applicable banks and other financial institutions to honor and process related checks and transfers and (d) granting related relief; and

¹ The last four digits of Garrett Motion Inc.’s tax identification number are 3189. Due to the large number of debtor entities in these Chapter 11 Cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <http://www.kccllc.net/garrettmotion>. The Debtors’ corporate headquarters is located at La Pièce 16, Rolle, Switzerland.

² Capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.



this Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and venue of these Chapter 11 Cases and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that proper and adequate notice of the Motion and the relief requested therein has been provided in accordance with the Bankruptcy Rules and the Local Rules, and that, except as otherwise ordered herein, no other or further notice is necessary; and any objections (if any) to the Motion having been withdrawn, resolved or overruled on the merits; and a hearing having been held to consider the relief requested in the Motion and upon the record of the hearing and all of the proceedings had before this Court; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors and all other parties-in-interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.
2. The Debtors are authorized, but not directed, to pay Vendor Claimants on a postpetition basis in the ordinary course of business, in the case of Critical Vendor Claims up to the Interim Critical Vendor Cap, but only if (i) such claims are afforded priority under section 503(b)(9) of the Bankruptcy Code; (ii) the Debtors determine that the failure to make such payment creates an immediate risk of (a) causing an environmental hazard or posing significant risk to the environment or (b) posing a threat to health and public safety; or (iii) the Debtors determine that in the absence of making such payment, the Debtors would suffer a loss of value in excess of such payment amount and the Debtors determine that there is a risk of immediate

loss of value if they do not make such payment. Such payments shall be subject to the following conditions:

- a. The Debtors, subject to the conditions set forth in this Order, shall determine which Vendor Obligations, if any, will be paid pursuant to this Interim Order;
- b. Unless the parties agree to different terms and conditions, if a Vendor Claimant accepts payment, such Vendor Claimant shall be deemed to have agreed to continue to provide goods and/or services to the Debtors, on terms that are as good as or better than the terms and conditions (including credit terms) contained in any binding prepetition contract (including any master agreement covering purchase orders) with the Debtors or, in the absence of such contract, such terms and conditions that existed 120 days prior to the date of the commencement of these cases (collectively, the “Customary Terms”), during the pendency of these Chapter 11 Cases;
- c. In the event that a Vendor Claimant does not have a binding prepetition contract with the Debtors and the relationship between such Vendor Claimant accepting payment under this Motion and the Debtors does not extend to 120 days before the Petition Date, the Customary Terms shall mean the terms that the Vendor Claimant generally extends to its customers or such terms as are acceptable to the Debtors in the reasonable exercise of their business judgment;
- d. The Debtors may, in their discretion, require Vendor Claimants to acknowledge in writing that payment of their respective claims is conditioned on such Vendor Claimant’s continuing to provide goods and/or services on Customary Terms during the pendency of these Chapter 11 Cases. The Debtors reserve the right to negotiate new trade terms with any Vendor Claimant as a condition to payment of any Vendor Obligation;
- e. If a Vendor Claimant accepts payment and thereafter does not continue to provide goods and/or services on at least the Customary Terms (or as otherwise agreed by the Debtors) during the pendency of these Chapter 11 Cases, then the Debtors may, in their discretion, deem (i) any payment on a prepetition claim received by such Vendor Claimant to be

an unauthorized voidable postpetition transfer under section 549 of the Bankruptcy Code and, therefore, (A) recoverable by the Debtors in cash upon written request and (B) upon recovery by the Debtors, any such prepetition claim shall be reinstated as if the payment had not been made; or (ii) such payment to apply instead to any postpetition amount that may be owing to such Vendor Claimant;

- f. In consideration for the payment of any Vendor Obligation, each Vendor Claimant shall be deemed to agree not to file or otherwise assert against the Debtors, their estates or any other person or entity or any of their respective assets or property (real or personal) any lien (a "Lien"), claim for reclamation (a "Reclamation Claim"), claim under Bankruptcy Code section 503(b)(9) (a "503(b)(9) Claim") or any similar priority claim under the Bankruptcy Code or other statute (a "Priority Claim") regardless of the statute or other legal authority upon which such Lien, Reclamation Claim, 503(b)(9) Claim or Priority Claim may be asserted, related in any way to any remaining prepetition amounts allegedly owed to such Vendor Claimant by the Debtors arising from agreements or other arrangements entered into prior to the Petition Date and, to the extent the Vendor Claimant has already obtained or otherwise asserted such a Lien, Reclamation Claim, 503(b)(9) Claim or Priority Claim, such Vendor Claimant shall take (at the Vendor Claimant's own expense) whatever actions are necessary to remove such Lien or withdraw such Reclamation Claim, 503(b)(9) Claim or Priority Claim;
- g. If the Debtors seek to recover a payment from a Vendor Claimant because the Vendor Claimant does not continue to provide goods and/or services to the Debtors on at least the Customary Terms during the pendency of and after these Chapter 11 Cases, the Vendor Claimant may contest such action by making a written request (a "Request") to the Debtors to schedule a hearing before this Court. Such Vendor Claimant must serve such Request via both mail and email on the following parties so that it is actually received: (i) the Debtors, Garrett Motion Inc., 47548 Halyard Drive, Plymouth, MI, 48170, Attn: General Counsel; (ii) Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004, Attn: Noam R. Weiss, weissn@sullcrom.com; and (iii) counsel to any official committee appointed in these Chapter 11 Cases (collectively, the "Notice Parties"). If such a Request is

properly served, the Debtors shall provide notice of a hearing on such Request to the Vendor Claimant making the Request and other interested parties in accordance with the Bankruptcy Code and the orders of this Court; and

- h. Prior to making a payment on disputed claims to a Vendor Claimant under this Interim Order, the Debtors may settle all or some of the disputed prepetition claims of such Vendor Claimant for less than their face amount without further notice or hearing.

3. Any party that accepts payment from the Debtors on account of a Vendor Obligation shall be deemed to have agreed to the terms and provisions of this Interim Order.

4. Upon any refusal by a third party to release goods being held as security for such party's unsatisfied prepetition claim, the Debtors shall be entitled to seek an expedited hearing, on no fewer than five days' notice, to compel the release of such property.

5. The Debtors shall maintain a matrix summarizing payments made to Critical Vendors pursuant to this Interim Order including (i) the name of each Critical Vendor paid, (ii) the amount paid to each Critical Vendor on account of its Critical Vendor Claim and (iii) the goods or services such Critical Vendor provides the Debtors. The matrix will be provided on a bi-weekly basis following the entry of this Interim Order to the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee") and the advisors to any official committee appointed in these Chapter 11 Cases (the "Recipients"); *provided that* the matrix shall not be filed publicly and the Recipients shall keep the matrix confidential and shall not disclose any of the information in the matrix to any party, including, but not limited to, any member of any statutory committee, without the prior written consent of the Debtors.

6. The Debtors are authorized, but not directed, to treat any and all Outstanding Orders as an administrative expense priority and pay, in the ordinary course of business, all such amounts when they come due and owing.

7. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion or a finding that any particular claim is an administrative expense or other priority claim; (e) a request or authorization to assume any prepetition agreement, contract or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the rights of any party in interest under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory or otherwise) satisfied pursuant to the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity or perfection or seek avoidance of all such liens.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition electronic fund transfers, in replacement of any checks or electronic fund transfers in respect of payments authorized by this Interim Order that are dishonored or rejected after the Petition Date.

9. The Debtors are authorized and empowered to execute and deliver such documents, and to take and perform all actions necessary to implement and effectuate the relief granted in this Interim Order.

10. In accordance with this Interim Order (or other order of this Court), each of the financial institutions at which the Debtors maintain their accounts relating to the payment of the obligations described in the Motion are authorized, but not directed, to (a) receive, process, honor and pay all checks presented for payment and to honor all fund transfer requests made by the Debtors related thereto, to the extent that sufficient funds are on deposit in those accounts and (b) accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of this Court, whether such checks, drafts, wires or transfers are dated prior to, on or subsequent to the Petition Date, without any duty to inquire otherwise and without any liability for following the Debtors' instructions.

11. Nothing in the Motion or this Interim Order, nor as a result of any payment made pursuant to this Interim Order, shall be deemed or construed as an admission as to the validity or priority of any claim against the Debtors, an agreement or obligation to pay any claims, a waiver of any claim or causes of action which may exist against any creditor or interest holder, an admission as to the validity of any lien satisfied pursuant to this Motion, an approval or assumption of any agreement, contract or lease pursuant to section 365 of the Bankruptcy Code or a waiver of the right of the Debtors or any other party or any claims or causes of action which may exist against any Critical Vendor, or shall impair or limit the ability of the Debtors or any other party, to contest or seek relief under any section of the Bankruptcy Code in respect of the validity and amount of any payment made pursuant to this Interim Order.

12. Notwithstanding anything to the contrary contained in the Motion or this Interim Order, any payment to be made and any relief or authorization granted hereunder shall be limited by, and shall be subject to, the requirements imposed on the Debtors in any orders

entered by this Court authorizing the Debtors to obtain debtor-in-possession financing and authorizing the use of cash collateral (any such order, a “DIP Order”). To the extent of any conflict (but solely to the extent of such conflict) between the terms of this Interim Order and the terms of any DIP Order, the terms of the DIP Order will govern.

13. The requirements set forth in Local Rule 9013-1(b) are satisfied.

14. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

15. The requirements set forth in Bankruptcy Rule 6004(a) are satisfied.

16. This Interim Order is immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise.

17. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Interim Order.

18. The final hearing (the “Final Hearing”) on the Motion shall be held at a date and time determined by the Court. The Debtors will serve notice of the Final Hearing as soon as practicable following the scheduling of the Final Hearing. Any objections or responses to entry of a final order on the Motion shall be filed by the date and time set forth in such notice, and shall be served on the following parties: (a) the Debtors, Garrett Motion Inc., 47548 Halyard Drive, Plymouth, MI, 48170, Attn: General Counsel; (b) proposed counsel to the Debtors, Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004, Attn: Noam R. Weiss; (c) counsel to Citibank, N.A., as administrative agent under the DIP credit facility, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attn: Ray C. Schrock, P.C. (ray.schrock@weil.com) and Candace M. Arthur, Esq. (candace.arthur@weil.com); (d) counsel to JPMorgan Chase Bank, N.A., as administrative agent under the Debtors’ prepetition credit

facility, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, NY 10038, Attn: Kristopher M. Hansen (khansen@stroock.com), Jonathan D. Canfield (jcanfield@stroock.com), Joanne Lau (jlau@stroock.com) and Alexander A. Fraser (afraser@stroock.com); (e) counsel to the ad hoc group of lenders under the Debtors' prepetition credit facility, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, NY 10166, Attn: Scott J. Greenberg (sgreenberg@gibsondunn.com), Steven A. Domanowski (sdomanowski@gibsondunn.com) and Matthew G. Bouslog (mbouslog@gibsondunn.com); (f) counsel to the ad hoc group of bondholders, Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036, Attn: Matthew M. Roose (matthew.roose@ropesgray.com) and Mark I. Bane (mark.bane@ropesgray.com); (g) counsel to KPS Capital Partners, LP, as stalking horse bidder, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, NY 10017, Attn: Brian M. Resnick (brian.resnick@davispolk.com) and Joshua Y. Sturm (joshua.sturm@davispolk.com); (h) counsel to any statutory committee appointed in these Chapter 11 Cases; (i) the Office of the United States Trustee for the Southern District of New York; and (j) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002.

Dated: New York, New York
September 22, 2020

s/Michael E. Wiles
The Honorable Michael E. Wiles
United States Bankruptcy Judge