

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

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

ORDER ESTABLISHING TERMS FOR PLAN MEDIATION

Upon the request of Garrett Motion Inc. and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”) for entry of an order (this “Order”) pursuant to section 105(a) of the Bankruptcy Code, Local Rule 9019-1 of the Local Rules, and the General Order M-452 to (a) appoint a mediator (the “Mediator”) to oversee negotiations in connection with resolution of the Official Committee of Equity Securities Holders’ (the “Equity Committee”) objection to the Debtors’ *Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code*, [D.I. 912] (as may be amended, modified or supplemented from time to time, the “Plan”); (b) schedule mandatory mediation; and (c) schedule the continued hearing with respect to the *Debtors’ Motion for an Order (I) Authorizing the Debtors to Enter into and Perform Under (A) the Plan Support Agreement and (B) the Equity Backstop Commitment Agreement and (II) Granting Related Relief* [D.I. 783] (the “PSA/BCA Motion”), the *Debtors’ Motion for Entry of an Order (I) Approving the Disclosure Statement; (II) Establishing a Voting*

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, which are being jointly administered, 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’ claims and noticing agent at <http://www.kccllc.net/garrettmotion>. The Debtors’ corporate headquarters is located at La Pièce 16, Rolle, Switzerland.



Record Date; (III) Approving the Solicitation Packages and Solicitation Procedures; (IV) Approving the Forms of Ballots; (V) Establishing Voting and Tabulation Procedures; (VI) Establishing Notice and Objection Procedures for the Confirmation of the Plan and (VII) Approving the Rights Offering Procedures and the Rights Offering Materials [D.I. 714] (the “Solicitation Procedures Motion”), and the Motion of the Official Committee of Equity Securities Holders for Entry of an Order Terminating the Debtors’ Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances [D.I. 794] (the “Motion to Terminate Exclusivity”); and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1134; and venue of these Chapter 11 Cases 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 determined that the relief requested is in the best interests of the Debtors, their estates, their creditors, shareholders and other parties in interest and sufficient cause appearing therefor; and as discussed on the record at the status conference held on February 22, 2021;

IT IS HEREBY ORDERED THAT:

1. The hearing on the PSA/BCA Motion, Solicitation Procedures Motion, and Motion to Terminate Exclusivity is scheduled to resume on March 3, 2021 at 11:00 a.m. (ET), subject to further order of the Court.

2. The following parties (collectively the “Mediation Parties”) are referred to non-binding mediation (the “Mediation”): (a) the Debtors, (b) the Official Committee of Equity Securities Holders (including ex officio members), (c) Centerbridge Partners, L.P., (d) Oaktree Capital Management, L.P., (e) Honeywell International Inc., (f) the additional investors represented by Jones Day, and (g) the Official Committee of Unsecured Creditors.

3. Counsel and other advisors to, or representatives of, any Mediation Party shall be entitled to participate in the Mediation and shall have the same obligations as the Mediation Parties under this Order.

4. Any additional party who wishes to participate in the Mediation shall identify itself to counsel for the Debtors by 12:00 p.m. on Wednesday, February 24, 2021, and shall be included in the Mediation if (i) all of the Mediation Parties agree to include such additional party or parties in the Mediation or (ii) the Mediator agrees that the participation of such party or parties is necessary or would be beneficial to the Mediation. Any additional party participating in the Mediation shall have the same obligations as the Mediation Parties under this Order.

5. The Honorable Sean H. Lane is hereby appointed as the Mediator.

6. The Mediation Parties shall participate in the Mediation in good faith. The Mediation shall be to facilitate discussions between and among the Mediation Parties to facilitate a restructuring, including, the material terms of the Plan, the Motion to Terminate Exclusivity and matters related thereto. The scope of the Mediation may be expanded to include other matters identified by the Mediator or as agreed by the Mediation Parties.

7. The Mediation Parties shall meet and confer within one (1) business day of entry of this Order to establish the timing of the Mediation sessions, with the initial session to be held as soon as practicable, but no later than Thursday, February 25, 2021. Unless extended by agreement of the Mediator and all of the Mediation Parties, the Mediation shall conclude no later than March 2, 2021. The Debtors shall coordinate the scheduling and logistics of the Mediation sessions with the Mediator.

8. Notwithstanding any other provision in this Order, the Mediation shall be conducted via videoconferencing and/or teleconferencing, and no Mediation Party shall be required to physically attend an in-person session with the Mediator or other Mediation Parties.

9. The Mediator will make himself available to meet with the Mediation Parties (and their advisors) individually and collectively, as the Mediator determines appropriate, and may direct each of the Mediation Parties to informally exchange information in connection with the Mediation.

10. Notwithstanding the Local Rules, the Mediator may conduct the Mediation as he sees fit, establish rules of the Mediation, and consider and take appropriate action with respect to any matters the Mediator deems appropriate in order to conduct the Mediation, subject to the terms of this Order.

11. Without limiting the applicability of Local Bankruptcy Rule 9019-1, General Order M-452, or the Procedures Governing Mediation of Matters and the Use of Early Neutral Evaluation and Mediation/Voluntary Arbitration in Bankruptcy Cases and Adversary Proceedings, all:

- statements by or discussions among the Mediation Parties or any of their advisors, including statements to or discussions with or in the presence of the Mediator, and any statements by the Mediator;
- mediation statements;
- any other documents or information provided by any Mediation Party to the Mediator or the other Mediation Parties or their advisors in the course of the Mediation; and
- any materials, communications, draft resolutions, offers, and counteroffers produced for or shared with any Mediation Party during, or as a result of, the Mediation,

shall be strictly confidential and shall not be used or admissible for any purpose in any judicial or administrative proceeding, including, but not limited to, in any hearing, deposition, or trial,

provided, however, that information or documents available from a source other than in connection with the Mediation, and not subject to a separate confidentiality agreement that would prevent its disclosure, shall not be subject to the restrictions of this paragraph. For the avoidance of doubt, any materials designated “Mediation Materials” either on such materials or in any accompanying transmission shall be subject to the terms of this Order.

12. No person or Mediation Party participating in the Mediation, including counsel or other advisors for any Mediation Party, or any other party, shall in any way disclose to any non-Mediation party or to any court, including, without limitation, in any pleading or other submission to any court, any statement, discussion, mediation statement, other document or information, communication, draft, resolution, offer, or counteroffer that may be made or provided in connection with the Mediation, unless available from a source other than in connection with the Mediation, and not subject to a separate confidentiality agreement that would prevent its disclosure.

13. All oral and written materials, information, or communications concerning the subject of the Mediation generated in the context of the Mediation process shall be treated as confidential settlement discussions under Rule 408 of the Federal Rules of Evidence and any applicable federal or state statute, rule, or common law provisions, and shall not be disclosed to any third party. Communications protected against disclosure shall include the circumstances of the termination of the Mediation, if applicable.

14. To the extent that any Mediation Party or its advisors is in possession of information that is privileged, confidential, or subject to any other protection from disclosure (including but not limited to the attorney-client privilege and work product doctrine), such information may be disclosed to the Mediator and such disclosure shall not be deemed to be a

waiver by the disclosing party of the applicable privilege, and such information shall remain privileged, confidential, and/or protected from disclosure, and the Mediator shall not disclose such information to any other Mediation Party. No information which is confidential, proprietary, privileged (whether attorney-client privileged, attorney work product or otherwise privileged) or in any other way recognized under applicable law as being protected from discovery or other disclosure shall lose its privileged and protected nature merely by being shared in the Mediation with the Mediator or any Mediation Party. No Mediation Party nor the Mediator shall assert otherwise.

15. This Order does not determine whether any mediation materials are subject to any privilege, and nothing in this Order shall preclude any Mediation Party from seeking discovery at any time pursuant to applicable law. All rights are reserved with respect to seeking or opposing any such discovery.

16. No written record or transcript of any discussion had in the course of the Mediation is to be kept, absent express written agreement by the Mediation Parties.

17. If any Mediation Party is requested or required (by subpoena, legal process, or otherwise) to disclose any information that is protected from disclosure pursuant to this Order, that party shall promptly notify the other Mediation Parties so that they may seek an appropriate protective order. If any party objects to disclosure, the information shall not be disclosed except pursuant to a final court order requiring it.

18. The purpose of the Mediation is to facilitate arm's-length negotiations. No Mediation Party who is not otherwise an "insider" of the Debtors (as that term is defined in the Bankruptcy Code) shall (a) be or become such an insider, or a temporary insider, or a non-statutory insider under bankruptcy law, or an agent or a fiduciary of any of the Debtors or their

affiliates, (b) be deemed to owe any duty to any of the Debtors or their affiliates, (c) be deemed to owe any duty to any other party in interest (with the exception of the duties of confidentiality set forth herein and in applicable confidentiality agreements), or (d) be deemed to misappropriate any information of any of the Debtors or their affiliates, in each case as a result of (i) participating in the Mediation or any Mediation session, or (ii) being aware, or in possession, of any settlement proposal, counterproposal, offer of compromise, or term sheet delivered or received by any party in interest or their agents or advisors in connection with the Mediation.

19. No party in interest in these Chapter 11 Cases, including any Debtor or any successor to any Debtor or successor to any party in interest, shall have any claim, defense, objection, or cause of action of any nature against, or any basis to withhold, subordinate, disallow, or delay payment or issuance of any consideration to, a Mediation Party, in each case, based on such Mediation Party's (i) participation in the Mediation or any Mediation session or (ii) trading in any Debtor's securities while having knowledge of information as to which, at the time of such trading, such Mediation Party has no duty of confidentiality pursuant to any confidentiality agreement; *provided, however*, that nothing in this Order shall be deemed to waive any claims for non-compliance with this Order or any contractual obligations.

20. Nothing in this Order is intended to or shall modify any obligations or potential liabilities of any person under non-bankruptcy law, including the federal securities laws, with respect to the use of material non-public information in connection with securities trading.

21. In the event that, from and after the date of entry of this Order, any party shares material, non-public information of the Debtors within the meaning of Regulation FD under the Securities Exchange Act of 1934, as amended ("MNPI") with a Mediation Party other

than pursuant to an applicable confidentiality agreement, the Debtors shall within two (2) business days of the termination of the Mediation with respect to such Mediation Party, make such MNPI public. Absent such disclosure, each Mediation Party is authorized to disclose such MNPI. Without limiting any cleansing and self-cleansing provisions in any applicable confidentiality agreement, any settlement proposals or counterproposals not accepted during the Mediation shall not constitute MNPI following conclusion of the Mediation.

22. Promptly after the conclusion of the Mediation, the Mediator shall issue and file on the docket a brief report stating that the Mediation has terminated, the outcome of the Mediation, and advising the Court as to any lack of good faith of any of the Mediation Parties during the Mediation.

23. The sanctions available under Fed. R. Civ. P. 16(f) shall apply to any violation of this Order and/or the provisions of Local Rule 9019-1.

24. For the avoidance of doubt, to the extent any part of this Order shall conflict with Local Rule 9019-1 or General Order M-452 the terms and provisions of this Order shall govern.

25. The terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order.

26. The Debtors are authorized and empowered to take all actions necessary to implement the terms of this Order.

27. This Court shall retain jurisdiction with respect to all matters arising from
or related to the enforcement of this Order.

Dated: February 23, 2021
New York, New York

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