

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
: :
MPM Silicones, LLC, et al.,¹ : Case No. 14-22503 (RDD)
: :
Debtors. : Jointly Administered
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INTERIM ORDER AUTHORIZING DEBTORS TO HONOR CERTAIN PREPETITION OBLIGATIONS TO CUSTOMERS AND TO CONTINUE CUSTOMER PROGRAMS

Upon the motion (the "Motion") of the debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors") for an interim order, pursuant to sections 105(a), 363(b), 1107(a) and 1108(b) of title 11 of the United States Code (the "Bankruptcy Code"), authorizing the Debtors, in their discretion, to perform their prepetition obligations related to the Customer Programs (as defined in the Motion) in the ordinary course of business; and upon consideration of the Motion and all pleadings related thereto, including the Declaration of William H. Carter, Chief Financial Officer of Momentive Performance Materials Inc., in Support of Chapter 11 Petitions and First Day Pleadings; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided except as set forth herein; and upon the record of the hearing held by the Court on the interim relief sought in the Motion on April 14, 2014; and it appearing that the relief requested by the Motion and granted herein is in the best interests of these estates, their creditors and other parties-in-interest and provides a net benefit to the Debtors' estates after taking into account the

¹ The last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) Juniper Bond Holdings I LLC (9631); (ii) Juniper Bond Holdings II LLC (9692); (iii) Juniper Bond Holdings III LLC (9765); (iv) Juniper Bond Holdings IV LLC (9836); (v) Momentive Performance Materials China SPV Inc. (8469); (vi) Momentive Performance Materials Holdings Inc. (8246); (vii) Momentive Performance Materials Inc. (8297); (viii) Momentive Performance Materials Quartz, Inc. (9929); (ix) Momentive Performance Materials South America Inc. (4895); (x) Momentive Performance Materials USA Inc. (8388); (xi) Momentive Performance Materials Worldwide Inc. (8357); and (xii) MPM Silicones, LLC (5481). The Debtors' executive headquarters are located at 260 Hudson River Road, Waterford, NY 12188.



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priority scheme of the Bankruptcy Code; and it appearing that the requirements of Rule 6003 of the Federal Rules of Bankruptcy Procedure have been satisfied because the relief granted herein is necessary to avoid immediate and irreparable harm to the Debtors' estates; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED that:

1. The Motion is granted on an interim basis to the extent set forth herein.
2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.
3. The Debtors are authorized, in their discretion and in the ordinary course of business, to honor and perform all obligations in respect of the Customer Programs, without regard to whether the Debtors' obligations arose before or after the Petition Date, including making any payments that accrued prior to the Petition Date in an amount not to exceed \$4,000,000 on an interim basis; provided further, that in no event shall the Debtors pay any amounts before such amounts are due and payable and this Interim Order shall not be deemed to allow the Debtors to accelerate payment of any amounts on account of the Customer Programs that may be due and owing by the Debtors.
4. The Debtors are authorized, but not directed, to continue, renew, replace, modify and/or terminate the Customer Programs as they deem appropriate, in their discretion, and in the ordinary course of business, without further application to the Court.
5. The Banks are authorized and directed to receive, honor, process and pay, to the extent of funds on deposit, any and all checks or electronic funds transfers drawn on the Debtors' bank accounts relating to the Customer Programs, including those checks or electronic funds transfers that have not cleared the Banks as of the Petition Date.

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6. Nothing contained in this Interim Order shall be deemed to increase, reclassify, elevate to an administrative expense status or otherwise affect the performance, payments or credits provided under the Customer Programs to the extent they are not satisfied.

7. The relief granted herein shall not constitute an approval or assumption of the Customer Programs or any agreement or policy pursuant to section 365 of the Bankruptcy Code.

8. Within three (3) business days after entry hereof, the Debtors shall serve a copy of this Interim Order on the Master Service List as defined in the *Interim Order*:

*(A) Establishing Certain Notice, Case Management, and Administrative Procedures and Omnibus Hearing Dates; (B) Authorizing the Debtors to Prepare a Consolidated List of Creditors in Lieu of Mailing Matrix; and (C) Authorizing Debtors to Establish Procedures for Notifying Creditors of Commencement of Cases (the “**Case Management Order**”).*

9. Any objections to entry of a final order on the Motion must be (a) filed with the Court no later than 12:00 p.m. prevailing Eastern time on May 8, 2014 (the “**Objection Deadline**”) and (b) served so as to be actually received by the following parties, with a copy to chambers, by the Objection Deadline: (i) Momentive Performance Materials Inc., 260 Hudson River Road, Waterford, NY 12188 (Attn.: Douglas A. Johns, Esq.); (ii) counsel for the Debtors, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: Matthew A. Feldman, Esq. and Rachel C. Strickland, Esq.); (iii) the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, NY 10014 (Attn: Brian S. Matsumoto, Esq. and Richard W. Fox, Esq.); (iv) counsel to the administrative agent under the Debtors’ postpetition secured credit agreement, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017 (Attn: Steven M. Fuhrman, Esq. and Nicholas Baker, Esq.); (v)

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counsel to GE Capital Equity, Inc.; (vi) counsel to the Ad Hoc Group of Second Lien Noteholders; (vii) counsel to Apollo Global Management, LLC and certain affiliated funds; and (viii) counsel to Momentive Performance Materials Holdings LLC.

10. Any objections or responses to the Motion shall be filed and served on parties-in-interest as required by the Case Management Order.

11. A hearing shall be held to consider the relief granted herein on a final basis on May 15, 2014, at 9:30 a.m., before the Honorable Robert D. Drain, United States Bankruptcy Judge, in Courtroom 118, 300 Quarropas Street, White Plains, New York 10601 (the “**Final Hearing**”) and, pending entry of an order following the conclusion of the Final Hearing, the relief granted herein shall remain in effect on an interim basis.

12. Notwithstanding anything to the contrary contained herein, any payment to be made, and any authorization contained, hereunder shall be subject to the requirements imposed on the Debtors under the Debtors’ postpetition financing agreements (the “**DIP Loan Agreements**”) and any order governing the Debtors’ use of cash collateral and entry into the DIP Loan Agreements (such order, the “**DIP Financing Order**”) and nothing herein shall alter the rights of the secured parties under the DIP Financing Order or DIP Loan Agreements. To the extent of any conflict between the terms of this Interim Order and the terms of the DIP Financing Order, the terms of the DIP Financing Order shall govern.

13. This Interim Order, and all acts taken in furtherance of or reliance upon this Interim Order, shall be effective notwithstanding the filing of an objection.

14. Bankruptcy Rule 6003(b) has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors. The requirements of Bankruptcy Rules 6004(a) and 6004(h) are waived.

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15. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Interim Order.

Dated: April 15, 2014
White Plains, New York

/s/Robert D. Drain
THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE