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

	X	
In re	:	Chapter 11
	:	
GARRETT MOTION INC., <i>et al.</i> , ¹	:	Case No. ____ ()
	:	
Debtors.	:	Joint Administration Pending
	:	
	X	

**DEBTORS’ MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
 (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**

Garrett Motion Inc. and certain of its affiliated debtors and debtors-in-possession (collectively, the “Debtors”) hereby submit this motion (this “Motion”) for entry of an interim order, substantially in the form attached hereto as Exhibit A (the “Interim Order”), and a final order, substantially in the form attached hereto as Exhibit B (the “Final Order” and, together with

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.



the Interim Order, the “Orders”), pursuant to sections 105(a), 363, 503(b)(9), 1107 and 1108 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”) and rule 6003 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (a) authorizing, but not directing, the Debtors, in their sole discretion, to pay prepetition claims of (i) Critical Vendors (as defined below) in an amount not to exceed \$52 million on an interim basis and \$103 million on a final basis and (ii) Potential Lien Claimants (as defined below, and together with the Critical Vendors, the “Vendor 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 (as defined below) 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 certain related relief, including scheduling a hearing to consider approval of the Motion on a final basis (the “Final Hearing”). The facts and circumstances supporting this Motion are set forth in the concurrently filed *Declaration of Sean Deason in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings* (the “Deason First Day Declaration”) and the *Declaration of Scott Tandberg in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings* (the “Tandberg First Day Declaration” and, together with the Deason First Day Declaration, the “First Day Declarations”). In further support of the Motion, the Debtors respectfully state as follows:

Background

1. Garrett Motion Inc. is a Delaware corporation established in 2018, with its headquarters located in Rolle, Switzerland. The Debtors design, manufacture and sell highly engineered turbocharger, electric-boosting and connected vehicle technologies.

2. On the date hereof (the "Petition Date"), each of the Debtors filed with the Court a voluntary petition for relief under the Bankruptcy Code. Each Debtor continues to operate its business and manage its properties as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrent with the filing of this Motion, the Debtors filed a motion with the Court pursuant to Bankruptcy Rule 1015 seeking joint administration of the Debtors' cases (the "Chapter 11 Cases"). No creditors' committee has been appointed in these Chapter 11 Cases.

3. Additional factual background relating to the Debtors' businesses and the commencement of these Chapter 11 Cases is set forth in detail in the First Day Declarations.

Facts Specific to the Relief Requested

4. The Debtors are primarily in the business of designing, manufacturing and selling highly engineered turbocharger, electric-boosting and connected vehicle technologies. The lifeline of the Debtors' businesses is their access to, and relationship with, their network of vendors and suppliers (the "Trade Creditors") that manufacture, sell or deliver the goods, services and supplies (the "Raw Materials") that the Debtors use to operate their production facilities and, ultimately, to generate revenue through production of customers' finished products (the "Finished Products").

5. Most of the Raw Materials are high-turnover production inputs of which the Debtors have limited inventories on hand. If the Trade Creditors reduce the volume or timeliness of deliveries, the Debtors will be unable to fulfill customer orders with the quality and efficiency that customers demand in the automotive industry, which would damage the Debtors' reputation and estates.

6. Even minor disruptions in the Debtors' supply chain could have far-reaching economic and operational impacts on the Debtors' businesses and irreparably harm the goodwill the Debtors have earned with their customers through consistent and quality performance. Nearly all of the Debtors' facilities—as is the case throughout the Debtors' industry—maintain an integrated manufacturing system designed so that the Debtors receive goods on a “just in time” basis to optimize production and costs, while meeting rigorous customer standards.

7. A delay in the Debtors' ability to timely deliver Finished Products could affect a customer's ability not only to debut new lines of automobiles in a safe manner, but also to continue to supply Finished Products for automobiles already on the market; this would be disastrous for the Debtors' ongoing businesses and reputation.

8. As of the Petition Date, the Debtors estimate that they owe approximately \$520 million on account of the purchase of goods and services from the Debtors' Trade Creditors. By this Motion, the Debtors are only seeking authority, but not direction, to pay an amount necessary to preserve the value of their estates, which (i) shall not exceed \$52 million on an interim basis and \$103 million on a final basis on account of prepetition claims held by Critical Vendors (as defined below) and accrued in the ordinary course of business (collectively, the “Critical Vendor Claims”) and (ii) the Debtors estimate to be no greater than \$33 million on account of Potential Lien Claims (as defined below, and together with Critical Vendor Claims, the “Vendor Obligations”) accrued in the ordinary course of business.

9. The Debtors are not seeking to pay all Vendor Obligations immediately; rather, if authorized by the Court to pay such claims, the Debtors will process such payments they have deemed in their business judgment to be critical in accordance with their normal

accounts payable procedures, as they become due and payable in the ordinary course of the Debtors' businesses and consistent with past practice. Cash maintained by the Debtors, combined with the cash generated in the ordinary course of business and incurred under postpetition debtor-in-possession financing, will provide ample liquidity for the payment of the Vendor Obligations, as well as for the Debtors to conduct operations during these Chapter 11 Cases. For the avoidance of doubt, by this Motion, the Debtors are not seeking to pay Vendor Obligations owed to any party with which the Debtors do not expect to have a continuing contractual or business relationship following such payment.

I. Critical Vendors

10. The Debtors' supply chain consists of certain indispensable Trade Creditors (collectively, the "Critical Vendors") that supply Raw Materials that are essential to the Debtors' operations (collectively, the "Critical Products and Services"). The Critical Products and Services fall into the following categories: (a) Raw Materials from suppliers that are incorporated into the Finished Products the Debtors manufacture for individual customers to their unique specifications, including castings and machined parts, precision wheels and hardware and electronic and actuation materials, among others, and (b) goods and services critical to providing goods to customers that the Debtors are unable to procure from internal resources, including highly specialized equipment and tools needed to produce parts, calibration, inspection and testing services, and other services used in the operation of the Debtors' production facilities. Many of the Critical Vendors provide Critical Products and Services that are required under customer contracts or approved by customers in advance and which would require significant cost and lead time to replace, including approval from one or more customers.

Without these Critical Products and Services, the Debtors would be unable to meet the needs of their customers, which would result in significant damage to the Debtors' estates.

11. Following the commencement of these Chapter 11 Cases, the Debtors believe that their trade relationships with the Critical Vendors may materially deteriorate if the Debtors are unable to pay the Critical Vendor Claims.² As such, it is essential that the Debtors retain the ability to pay the portion of Critical Vendor Claims that is necessary to maintain the stability of the Debtors' supply chain. The Debtors and their advisors have spent significant time identifying potential Critical Vendors and estimating the total amount of Critical Vendor Claims that the Debtors need to pay in order to maintain stable business operations. The Debtors estimate this amount to be approximately \$52 million on an interim basis and approximately \$103 million on a final basis.

12. The Debtors themselves, and particularly the Debtors' customers, have highly sensitive sequenced supply chains that could be easily disrupted by a recalcitrant Critical Vendor. Many of the goods and services that the Debtors rely on are tailored to a specific customer's design or specification and undergo extensive testing to ensure compliance with customer requirements. The Debtors manufacture Finished Products for original equipment customers based on customer release schedules, which are normally provided on a weekly basis and can vary due to cyclical automobile production or inventory levels throughout the supply

² In most cases where the Debtors have existing contracts with the Critical Vendors, such contracts provide only a framework for the issuance of purchase orders but do not require performance. Thus, the Debtors' postpetition ability to use the contracts to compel the Critical Vendors to continue to provide goods and services is limited. In addition, certain Critical Vendors that are party to long-term written contracts may cease or delay performance under such contracts postpetition, notwithstanding the application of the automatic stay, causing irreversible harm to the Debtors' business. The Debtors seek authority to pay such Critical Vendors as necessary, in their business judgment, to ensure continued performance.

chain. Original equipment customers expect suppliers (including the Debtors) to respond to customized and changing orders regularly, and often on an accelerated time frame.

13. Original equipment customers also maintain low inventories and therefore require product be delivered by suppliers “just in time” to meet complex production schedules and to keep their own production running smoothly. Because of the minimal inventory levels retained by the Debtors and their original equipment customers, combined with the short lead time to fulfill orders, even a minor breakdown in the supply chain, no matter how small, can have a rippling effect, halting the Debtors’ manufacturing, and, as a consequence, the customer’s finished product assembly.

14. The Debtors’ production process is complex and interconnected, with disruption in timely supply of one part affecting multiple products for multiple customers. Any one of the Debtors’ Finished Products specific to one given customer can contain up to 30 to 40 different components from as many different Critical Vendors. Even a sole customer’s single, customized Finished Product may vary slightly in response to demand or many various technical factors (such as, engine temperature, engine torque, duty cycle and under-hood equipment adjacency). As such, this single, customized Finished Product offered to a specific customer can have up to eight different permutations, all of which require slightly different Raw Materials.

15. The Debtors obtain the Critical Products and Services from highly specialized vendors frequently selected in coordination with the customer and through a rigorous design, testing and qualification process that is tailored to a range of regulatory requirements.

16. Before the Debtors can order a customer-specific component from a specific Critical Vendor, the Debtors must design and build a set of tools (such as, molds, jigs and fixtures) to enable the Critical Vendors to produce customer-specific components. Critical

Vendors manufacture these tools for the Debtors, which are then used for the production of component parts necessary for the Debtors' manufacturing. The time to design and produce a single tool can range from four weeks to six months and the quality and ability to produce according to the tooling specifications must be approved by the applicable customer.

17. The Debtors purchase tooling for themselves and on behalf of many of their customers. Such specialized tooling equipment enables the Debtors to produce the specific component parts ordered by their customers. In many instances, the Debtors' customers ultimately own the tooling equipment to be used in the production of their respective component parts for which the Debtors must seek reimbursement for amounts paid to third-party tool makers.

18. Certain customers also rely on the Debtors to order the tool production work and perform quality-control assessments. Further, in some cases, the Debtors also contract with customers for the ability to use the tools to manufacture products for the independent automotive aftermarket.³ Tools may be located at the Debtors' suppliers' facilities, the Debtors' facilities or the customer's own facilities. Suppliers holding the tools on their sites may also be producing Raw Materials for the Debtors and may be unwilling to deliver the tools to either the customers or the Debtors if the Raw Materials are not paid.

19. Critical Vendors also supply manufacturing equipment specific to the Debtors that is used to manufacture the Finished Products. This manufacturing equipment is developed, designed and tested by the equipment supplier for an average of one year. Changing

³ The Debtors have requested the ability to continue to pay certain royalties or other credits to customers through the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing, but not Directing, the Debtors to Maintain Their Customer Programs and Honor Related Prepetition Obligations, (II) Authorizing Banks and Other Financial Institutions to Honor and Process Related Checks and Transfers and (III) Granting Related Relief.*

equipment suppliers would require restarting this process, which would jeopardize the Debtors' ability to deliver Finished Products on time. Further, the Debtors pay for the equipment in installment payments; changing the equipment supplier would cause the forfeiture of such deposits and therefore be detrimental to the Debtors' estates.

20. For any given customer-specific Raw Material to be incorporated into a Finished Product, the Debtors will have spent an average of 24 months working with the Critical Vendors and customer through an interactive and arduous process that includes a component validation testing process and production part approval process (the "PPAP")—i.e., an inspection, testing and approval regime governing the component parts utilized in the manufacture of customer vehicles and other products—prior to the integration of any of the Debtors' products into customer vehicles and other products. Together, the component validation testing and PPAP are time-consuming and resource intensive endeavors that complicate product launches and impose significant obstacles to the Debtors' ability to re-source a part or service from an alternative Critical Vendor.

21. This whole process, even for relatively "simple" parts, must be completed prior to beginning production and fulfilling orders and must meet the customer's own production schedule that itself is dependent on the harmonious integration of manufacturing and delivery schedules of other car parts.

22. Further, changes to a supplier of Raw Materials frequently requires prior customer approval, and such a change could have an impact on multiple Finished Products because a single engine used by a customer could have up to eight different variations of turbo design manufactured by the Debtors, each requiring different Raw Materials. Finding a replacement, assuming prior customer consent, would require relaunching not only the tooling

process, but also the rigorous and time-consuming PPAP (the mandatory end-to-end homologation and validation process for each single component of a car).

23. The Debtors rely on the Critical Vendors to make timely deliveries, and many of the Critical Products and Services are available from a limited number of vendors or geographically proximate vendor locations within a limited distance of the Debtors' manufacturing facilities. Furthermore, certain of the Critical Vendors have precarious financial situations, heightened by the ongoing COVID-19 pandemic, some of which are highly dependent upon the Debtors for their continued viability and can ill afford any loss of operating revenue. Even certain Critical Vendors with healthy and stable financial situations prior to the ongoing COVID-19 pandemic are now in precarious financial situations. The nonpayment of amounts owed to Critical Vendors could result in a Critical Vendor suffering work stoppages or other business disruption and might ultimately result in a Critical Vendor ceasing operations altogether or filing local insolvency proceedings. If that were to occur, the Debtors may suffer damaging interruptions in their supply of essential goods and services while they seek to replace such Critical Vendor, which can be burdensome and expensive if it can be achieved in the near term at all. Other Critical Vendors are local suppliers to specific plants that are often located in geographically remote areas and are not replaceable.

24. Finally, Critical Vendors provide services that are essential from the inception and design of a Finished Product to its final delivery to a customer. The failure of a Critical Vendor to provide services to support the design, testing or production of the Finished Products would jeopardize the Debtors' operations and therefore the customers' supply chains, potentially bringing production at customers to a halt. For example, Critical Vendors provide calibration and inspection services to ensure that Finished Products are safe and meet quality

standards. Often, calibration and inspection are mandated by the customer and the Critical Vendors who provide these services have long-term testing arrangements that cannot be replaced. Critical Vendors also provide calibration and inspection of the Debtors' manufacturing equipment, which are required upon installation in the manufacturing facilities. A Critical Vendor refusing to provide such calibration and inspection services would render the entire line of Finished Product undeliverable to the customer, which in turn would have a deleterious impact on the customer's own production.

25. Thousands of hours are spent on designing, developing and testing new products before they are introduced into vehicles available to the public. Changing Critical Vendors that participate in this process could cause months of delay for customers and disrupt design, development and testing programs across multiple stages of the engineering process. Many of Critical Vendors that provide engineering services are partners in the customer's engine testing process and cannot be changed during such process, which can range from six months to a year. Doing so would stifle the Debtors' ability to continue to fulfill their commitments to customers on new programs.

26. If the Critical Vendors ceased doing business with the Debtors, the Debtors may not be able to locate alternative sources for the Critical Products and Services on reasonable commercial terms, or at all. Even if another source were identified, the customers' requirement of the rigorous and lengthy testing process prior to integration into the production process would paralyze the Debtors' operations for an extended period of time. Even a temporary halt of the provisions of Critical Products and Services would reduce the efficiency of the Debtors' operations and, in certain instances, could require the suspension of operations altogether.

27. Nearly all of the Debtors’ facilities—as is standard throughout the Debtors’ industry—maintain integrated manufacturing systems designed so that the Debtors receive goods on a “just in time” basis, and the failure to deliver goods on time for a specific original equipment customer could result in the assertion of monetary damages equivalent to the loss of production resulting from the failure to deliver the goods on time, which is measured as the cost of the vehicle. This harm and disruption would far outweigh the costs of payment of the Critical Vendor Claims. Accordingly, maintaining the ability to pay Critical Vendor Claims under the relief requested herein will help maintain stakeholder value.

28. In addition, certain of the Critical Vendors may have Critical Vendor Claims for goods that were delivered in the ordinary course of business within the 20-day period prior to the Petition Date, and which therefore may be afforded administrative priority under section 503(b)(9) of the Bankruptcy Code (collectively, the “Critical Vendor 503(b)(9) Claims” and such claimants, the “503(b)(9) Claimants”). As a result, for this subset of the Critical Vendor Claims, the relief sought herein will only affect the timing, but not the amount, of payment. Of the total estimated \$103 million in Critical Vendor Claims, approximately \$31.2 million would be Critical Vendor 503(b)(9) Claims, of which approximately \$16 million will be due and payable within the first 30 days of these Chapter 11 Cases.

II. Potential Lien Claimants⁴

29. The Debtors’ ability to provide product to their customers reliably and on time relies on an interconnected network of shippers, freight carriers and warehousemen who store or transport Raw Materials and Finished Product for the Debtors. The Debtors also rely on

⁴ The Debtors do not concede that any liens described in this Motion, including, without limitation, contractual liens, mechanics’ liens and statutory liens, are valid and expressly reserve the right to contest the extent, validity, perfection or possible avoidance of all such liens.

certain technical experts, such as equipment and tool manufacturers and mechanics to keep their property in good working order and able to perform reliably.

30. To accomplish this, the Debtors have business relationships (often with favorable pricing terms) with various shippers, common carriers, movers, consolidators, distributors, brokers and freight forwarders (collectively, the “Shippers,” and their claims, the “Shipper Claims”) to ensure the timely delivery of Raw Materials that are used as production inputs across and between the Debtors’ production facilities. The Shippers will, in certain circumstances, have a lien on the goods in their possession that secures the charges or expenses incurred in connection with the transportation of the goods or the supply of labor that improves the goods. At any given time the Debtors may owe the Shippers fees related to a number of different shipments and the Shippers may, in turn, have multiple vehicles in transit carrying Raw Materials or other goods on behalf of the Debtors. Accordingly, the refusal of any Shipper to release the Debtors’ property could impact multiple different product lines and thus severely impact the Debtors’ manufacturing capabilities.

31. Some of the Raw Materials and Finished Products also are routed through third-party warehousemen, bailees, consignees, storage and consolidation facilities, distributors, loading and unloading services and other storage providers for short- or long-term storage (collectively, the “Warehousemen,” and their claims, the “Warehousemen Claims”). In the event that the Debtors fail to remit payment owed to the Warehousemen before the Petition Date, the Warehousemen may refuse to release the goods they are holding pending satisfaction of all or a portion of their claims, thereby disrupting the Debtors’ operations. As part of the

Warehousemen Claims, the Debtors are also seeking to pay third-party data or cloud storage providers that may assert potential liens and block the Debtors' access to data.⁵

32. The Debtors also do business with mechanics, repairmen and technicians that perform maintenance and repair on the Debtors' machinery, equipment, facilities, Raw Materials or Finished Products (collectively, the "Mechanics," and their claims, the "Mechanics Claims"). Although the Debtors' employees can perform a limited amount of routine maintenance or repairs in-house, the Debtors' employees often lack the requisite skill, specialized tooling or experience to repair or perform needed maintenance on, or modify, the Debtors' specialized machinery or equipment. In fact, certain of this machinery and equipment is proprietary and, thus, only the original manufacturer is qualified to repair it.

33. If the Debtors fail to pay for the goods or services rendered by these Mechanics, under applicable laws, the Mechanics could assert mechanic's liens or materialmen's liens against the Debtors' property or retain the Debtors' property. Moreover, if the Debtors fail to satisfy prepetition obligations, certain Mechanics, many of whom provide specialty services or parts unique to the Debtors' machinery that cannot be easily replaced, could refuse to return goods or fulfill ongoing obligations to the Debtors—including critical maintenance, repair and installation services. Any disruption in the maintenance and servicing of the Debtors' parts and machinery would result in immediate harm to the Debtors.

34. Accordingly, breakdowns in machinery and equipment must be corrected as quickly as possible to minimize manufacturing disruptions. If the Mechanics assert their lien rights and refuse to return or repair machinery, equipment and tools as quickly as possible, the

⁵ The Debtors also seek to pay claims of certain lienholders for amounts that are owed in respect of goods and services that may not themselves give rise to liens, but are nonetheless owed to potential lienholders.

Debtors would have no replacement machinery and equipment and would run the risk of future breakdowns bringing the Debtors' manufacturing processes to a halt.

35. In the ordinary course of their businesses, the Debtors are required to contract with third-party equipment or tool manufacturers (the "Manufacturers," and their Claims, the "Manufacturers Claims," together with Shippers, Warehousemen and Mechanics the "Potential Lien Claimants," and their prepetition claims, collectively, the "Potential Lien Claims") to make specialized equipment, tools and parts needed to support production of the Debtors' various Finished Products. The Debtors require the Manufacturers' services when, for example, the Debtors need to expand production to support new product technology or need to replace existing equipment to improve the operating efficiency on existing business.

36. Typically the Manufacturers are paid at intervals with initial deposits, and only sometimes do the Debtors take possession of equipment, tools or parts prior to paying the Manufacturers in full for such equipment, tools or parts so that all necessary quality and performance-related tests can be performed. The Manufacturers' assertion of potential liens against the partially or fully constructed equipment, tools or parts in their possession could severely hinder the Debtors' ability to fulfill production obligations to their Customers on both existing and new Finished Products.

37. In the event that the Debtors fail to reimburse the Potential Lien Claimants for charges incurred in connection with the Potential Lien Claims, applicable laws may permit the Potential Lien Claimants to assert liens against the Raw Materials, Finished Products, equipment, tools or other necessary goods for production in their possession that are subject to any delinquent charges, securing such charges and potentially blocking the Debtors' and their customers' access to such Raw Materials, Finished Products, equipment, tools or other necessary

goods for production and thereby paralyzing the production process, notwithstanding section 362 of the Bankruptcy Code. Many of these Potential Lien Claimants currently have Raw Materials or Finished Products in their possession and if they refuse to deliver these Raw Materials or Finished Products, the outcome could be catastrophic to the Debtors' estates, as well as the Debtors' customers.

38. Moreover, the value of the Raw Materials, Finished Products, equipment, tools or other necessary goods for production in the possession of the Potential Lien Claimants generally exceeds the value of the Potential Lien Claimants' respective prepetition claims. Pursuant to section 363(e) of the Bankruptcy Code, the Potential Lien Claimants may be entitled to adequate protection of any valid possessory lien, which would further drain the Debtors' estates. In either event, the cost of such disruptions to the Debtors' estates caused by non-payment would likely be greater than the applicable claim.

39. Accordingly, the Debtors have determined, in the exercise of their business judgment, that payment of the Potential Lien Claims is essential to avoid costly disruptions to their operations. The Debtors estimate Potential Lien Claims to be approximately \$33 million.

III. Outstanding Orders

40. Prior to the Petition Date, and in the ordinary course of business, the Debtors may have ordered goods that will not be delivered until after the Petition Date (the "Outstanding Orders"). To avoid becoming general unsecured creditors of the Debtors' estates with respect to such goods, certain suppliers may refuse to ship or transport such goods (or may recall such shipments) with respect to such Outstanding Orders unless the Debtors issue substitute purchase orders postpetition. To prevent any disruption to the Debtors' business

operations, and given that goods delivered after the Petition Date are generally afforded administrative expense priority under section 503(b) of the Bankruptcy Code, the Debtors seek an order (a) granting administrative expense priority under section 503(b) of the Bankruptcy Code to all undisputed obligations of the Debtors, in the Debtors' sole discretion, arising from the postpetition acceptance of goods subject to Outstanding Orders and (b) authorizing the Debtors to satisfy such obligations in the ordinary course of business.

IV. Trade Terms Conditions

41. Subject to the Court's approval, the Debtors intend to pay only those Vendor Obligations necessary to avoid disruption of the Debtors' supply chain and preserve their operations on a go-forward basis. To that end, in return for paying a Vendor Obligation either in full or in part, the Debtors propose that they be authorized to require that a Vendor Claimant provide favorable trade terms for the postpetition procurement of goods and services from such Vendor Claimant. Specifically, the Debtors seek authorization to condition payment of Vendor Obligations upon each Vendor Claimant's agreement to continue—or recommence—supplying goods and services to the Debtors in accordance with trade terms at least as favorable to the Debtors as those that were in place during the 12 months prior to the Petition Date, or on terms otherwise satisfactory to the Debtors in their reasonable discretion.

42. Specifically, the Debtors propose that all payments made under the Orders be subject to the following conditions:

- a. The Debtors, in their discretion and subject to the terms set forth below, shall determine which Vendor Obligations, if any, will be paid pursuant to the Orders;
- 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 the Orders, 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.

Jurisdiction

43. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). The statutory predicates for the relief requested herein are sections 105(a), 363(b), 503(b) 1107(a) and 1108 of the Bankruptcy Code, and Bankruptcy Rule 6003.

Relief Requested

44. By this Motion, the Debtors request entry of the Interim and Final Orders, substantially in the forms attached hereto as Exhibit A and Exhibit B, respectively, (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 and \$103 million of a final basis 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, (c) authorizing applicable banks and other financial institutions to honor and process related checks and transfers and (d) granting certain related relief, including scheduling the Final Hearing. For the avoidance of doubt, pursuant to this Motion, the Debtors seek authority to pay amounts only as they come due in the ordinary course of business or as may be necessary to secure a Vendor Claimant's agreement to continue to conduct business with the Debtors on Customary Terms and

do not seek to accelerate payment of amounts that would not otherwise come due within the first 30 days of these Chapter 11 Cases.

Basis for Relief

I. Payment of the Vendor Obligations Is Appropriate Under Sections 105(a), 363(b), 1107(a) and 1108 of the Bankruptcy Code.

45. The relief requested is appropriate under sections 105(a), 363(b), 1107(a) and 1108 of the Bankruptcy Code. The Debtors are operating their businesses as debtors-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code, and they are therefore fiduciaries “holding the bankruptcy estate[s] and operating the business for the benefit of . . . [their] creditors and (if the value justifies) equity owners.” *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002). Implicit in the duties of a chapter 11 debtor-in-possession is the duty “to protect and preserve the estate, including an operating business’s going-concern value.” *Id.* Consistent with a debtor’s fiduciary duties to preserve the estate, courts have authorized payment of prepetition obligations pursuant to sections 105(a) and 363(b) of the Bankruptcy Code. *See, e.g., In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (stating that section 363(b) provides “broad flexibility” for a debtor to satisfy prepetition claims where supported by a proper business justification); *In re Just for Feet, Inc.*, 242 B.R. 821, 824 (D. Del. 1999) (“Section 105(a) of the Code provides a statutory basis for the payment of pre-petition claims.”). Indeed, courts have recognized that there are instances when a debtor’s fiduciary duty can “only be fulfilled by the preplan satisfaction of a prepetition claim.” *In re CoServ, L.L.C.*, 273 B.R. at 497.

46. Section 363(b) of the Bankruptcy Code empowers the Court to allow the debtor, in the exercise of its sound business judgment and after notice and a hearing, to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” *See* 11 U.S.C.

§ 363(b)(1); *see also Official Comm. of Unsecured Creditors of LTV Aerospace & Defense Co. v. LTV Corp. (In re Chateaugay Corp.)*, 973 F.2d 141, 143, 145 (2d Cir. 1992) (holding that a court may approve an application under section 363(b) upon a showing of a good business reason for the disposition). For a court to approve the use, sale or lease of estate property under section 363(b) of the Bankruptcy Code, the debtor must “articulate some business justification, other than mere appeasement of major creditors” *In re Ionosphere Clubs, Inc.*, 98 B.R. at 175 (holding that the debtor’s payment of prepetition claims was necessary to protect its business and to ensure successful reorganization). Moreover, “[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted). Under this section, a court may authorize a debtor to pay certain prepetition claims. *See In re Ionosphere Clubs, Inc.*, 98 B.R. at 175.

47. Additionally, section 105(a) of the Bankruptcy Code authorizes the Court to issue “any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). A bankruptcy court’s use of its equitable powers to “authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.” *In re Ionosphere Clubs, Inc.*, 98 B.R. at 175. Under section 105(a), the Court “can permit pre-plan payment of a pre-petition obligation when essential to the continued operation of the debtor.” *In re NVR L.P.*, 147 B.R. 126, 127 (Bankr. E.D. Va. 1992); *see also In re Just for Feet, Inc.*, 242 B.R. at 825 (“To invoke the necessity of payment doctrine, a debtor must show that payment of the pre-petition claims is critical to the debtor’s reorganization.”).

48. Courts in this district have recognized the “necessity of payment” doctrine. *See, e.g., In re Ionosphere Clubs, Inc.*, 98 B.R. at 176 (recognizing “the existence of the judicial power to authorize a debtor in a reorganization case to pay pre-petition claims where such payment is essential to the continued operation of the debtor” and stating that the necessity of payment doctrine “permits immediate payment of claims of creditors where those creditors will not supply services or material essential to the conduct of the business until their pre-reorganizational claims shall have been paid”); *In re Fin. News Network, Inc.*, 134 B.R. 732, 736 (Bankr. S.D.N.Y. 1991) (stating that the doctrine of necessity “stands for the principle that a bankruptcy court may allow pre-plan payments of prepetition obligations where such payments are critical to the debtor’s reorganization”).

49. The necessity of payment doctrine is designed to foster a debtor’s rehabilitation, which courts have recognized is “the paramount policy of Chapter 11.” *In re Ionosphere Clubs, Inc.*, 98 B.R. at 176; *In re Chateaugay Corp.*, 80 B.R. 279, 287 (S.D.N.Y. 1987) (authorizing payment of prepetition workers’ compensation claims on grounds that the fundamental purpose of reorganization and equity powers of bankruptcy courts “is to create a flexible mechanism that will permit the greatest likelihood of survival of the debtor and payment of creditors in full or at least proportionately”); *In re Just for Feet*, 242 B.R. at 826 (finding that payment of prepetition claims to certain trade vendors was “essential to the survival of the debtor during the chapter 11 reorganization”); *In re Quality Interiors, Inc.*, 127 B.R. 391, 396 (Bankr. N.D. Ohio 1991) (“[A] general practice has developed . . . where bankruptcy courts permit the payment of certain pre-petition claims, pursuant to 11 U.S.C. § 105, where the debtor will be unable to reorganize without such payment.”); *In re Eagle-Picher Indus., Inc.*, 124 B.R. 1021, 1023 (Bankr. S.D. Ohio 1991) (approving payment

of prepetition unsecured claims of tool makers as “necessary to avert a serious threat to the Chapter 11 process”).

50. The relief requested in this Motion represents a sound exercise of the Debtors’ business judgment and is necessary for the preservation of the resources and going-concern values of their estates. Payment of the Vendor Obligations as they become due in the ordinary course of business is critical to the Debtors’ uninterrupted operations as such payments will facilitate the ongoing delivery of Raw Materials and Finished Goods to and from the Debtors’ facilities as required to fulfill customer orders and provide much needed revenue to the Debtors’ businesses. Nonpayment of Critical Vendor Claims would likely result in Critical Vendors refusing to provide essential goods and services and/or conditioning the delivery of such goods and services on compliance with onerous and commercially unreasonable terms. Indeed, where a Critical Vendor may itself be facing financial hardship, the Debtors’ failure to pay Critical Vendor Claims may leave such Critical Vendor with little choice but to stop working for and delivering to the Debtors. Nonpayment of Potential Lienholder Claims could likewise result in Potential Lien Claimants retaining possession of Raw Materials and Finished Products and exercising their lien rights, notwithstanding the automatic stay.

51. This chain of events could lead to a material disruption to the Debtors’ operations and cause irreparable harm to the Debtors’ businesses, goodwill and market share, and, ultimately, their ability to restructure pursuant to a confirmed plan. Replacement vendors and the search for such vendors, even to the extent available, would likely result in substantially higher costs for the Debtors and subject the Debtors to risk of operational shutdowns and noncompliance with state regulations.

52. Moreover, the Debtors cannot rely on prosecuting motions to compel the Vendor Claimants to perform to address any potential holdups as their primary means of ensuring an uninterrupted supply of goods and services. A disruption may occur before the Debtors would be able to successfully bring an action in the Court to compel performance or otherwise enforce the automatic stay. In addition, the Debtors interact with the Vendor Claimants pursuant to a variety of arrangements, including many arrangements that may not be executory in nature. The counterparty of such an arrangement may decide not to continue to do business with the Debtors unless paid on account of prepetition amounts due from the Debtors, and would be under no obligation to do so.

53. Where, as here, debtors have shown that the payment of prepetition claims is critical to maximize the value of their estates, courts in this district have routinely authorized payments similar to those described in this Motion. *See, e.g., In re Windstream Holdings, Inc.*, 19-22312 (RDD) (Apr. 22, 2019), D.I. 377 (authorizing payments of up to \$80 million in prepetition claims to critical vendors and an additional \$91 million for prepetition claims of lien claimants); *In re Trident Holding Co., LLC*, 19-10384 (SHL) (Mar. 18, 2019), D.I. 219 (authorizing payment for prepetition claims of critical vendors and shippers); *In re Aegean Marine Petrol. Network Inc.*, 18-13374 (MEW) (Dec. 6, 2018), D.I. 150 (approving the payment of prepetition claims of, among others, certain essential vendors and potential lien claimants who could refuse to deliver or return the debtors' goods if prepetition claims were not satisfied); *In re Sears Holding Corp.*, 18-23538 (RDD) (Nov. 16, 2018), D.I. 793 (authorizing payment of up to \$90 million on a final basis on account of claims held by critical vendors); *In re Tops Holding II Corp.*, 18-22279 (RDD) (Mar. 22, 2018), D.I. 183 (authorizing payment of up to \$36 million on account of claims held by critical vendors); *In re Avaya Inc.*, 17-10089 (SMB) (Feb. 10, 2017),

D.I. 139 (authorizing payments of up to \$39.5 million in prepetition claims to critical vendors and \$2.5 million in prepetition claims to carriers and warehousemen).

54. Allowing the Debtors to pay Vendor Obligations as set forth herein is especially appropriate where, as here, doing so is consistent with the “two recognized policies” of chapter 11 of the Bankruptcy Code—preserving going-concern value and maximizing the value of property available to satisfy creditors. *See Bank of Am. Nat’l Trust Savs. Ass’n v. 203 N. LaSalle St. P’Ship.*, 526 U.S. 434, 453 (1999). Based on these circumstances, the Debtors submit that the relief requested herein represents a sound exercise of the Debtors’ business judgment, is necessary to avoid immediate and irreparable harm to the Debtors’ estates, and is therefore justified under sections 105(a) and 363(b) of the Bankruptcy Code.

II. Certain Critical Vendors Are Entitled to Administrative Expense Priority Under Section 503(b)(9) of the Bankruptcy Code and Payment of Critical Vendor 503(b)(9) Claims Should Be Authorized.

55. Certain Critical Vendor Claims relate to goods delivered to the Debtors within the 20 days prior to the Petition Date. Section 503(b)(9) of the Bankruptcy Code provides that such Critical Vendor Claims hold administrative expense priority against the applicable Debtor’s estate. Such Critical Vendor Claims, therefore, must be paid in full to confirm a plan of reorganization. *See* 11 U.S.C. § 1129(a)(9)(A) (requiring payment in full of claims entitled to priority). Consequently, payment of such claims now only provides such parties with what they would be entitled to receive under a confirmed plan. Moreover, the Bankruptcy Code does not prohibit a debtor from paying administrative claims prior to confirmation. The Debtors believe that this relief is in the best interests of the Debtors’ estates and will prevent detrimental changes to trade terms or a refusal to do business altogether, thereby preserving the Debtors’ liquidity and operations.

56. The Debtors' ongoing ability to obtain materials and products as provided herein is key to their reorganization and necessary to preserve the value of their estates. Absent the payment of the Critical Vendor 503(b)(9) Claims at the outset of these Chapter 11 Cases—which may merely accelerate the timing of payment and not the ultimate treatment of such claims—the Debtors could be denied access to materials and products necessary to maintain the Debtors' business operations and maximize the value of the Debtors' estates.

57. Instead of satisfying the Critical Vendor 503(b)(9) Claims after confirmation of a plan of reorganization (at which time such payments may be too late to benefit the Debtors' estates), the Debtors seek authority to pay these claims in the ordinary course of business, while such payments can still induce 503(b)(9) Claimants to adhere to favorable trade terms and do business with the Debtors on a go-forward basis. Failure to honor these claims in the ordinary course of business may also cause the Debtors' vendor base to withhold support for the Debtors during the chapter 11 process. Such vendors could accelerate or eliminate favorable trade terms. The payment of Critical Vendor 503(b)(9) Claims is in the best interests of the Debtors' estates because favorable trade terms will prevent material disruptions to the Debtors' operations. Such costs and distractions could impair the Debtors' ability to stabilize their operations at this critical juncture to the detriment of all stakeholders.

III. Failure to Make Timely Payment to Potential Lien Claimants Would Threaten the Debtors' Ability to Operate.

58. As noted above, certain Potential Lien Claimants may be entitled under applicable non-bankruptcy law to assert certain possessory liens on the Debtors' Raw Materials, Finished Products or equipment in their possession (notwithstanding the automatic stay under section 362 of the Bankruptcy Code) in an attempt to secure payment of their prepetition claims.

59. Without payment, the Potential Lien Claimants may be unwilling to release the Raw Materials or Finished Products in their possession against which they may be entitled to assert liens because doing so may convert their claims against the Debtors from secured to unsecured. Pursuant to section 362(b)(3) of the Bankruptcy Code, the act of perfecting certain possessory liens, to the extent consistent with section 546(b) of the Bankruptcy Code, is expressly excluded from the automatic stay. As a result, the Debtors anticipate that certain of the Potential Lien Claimants may assert or perfect liens, refuse to turn over Raw Materials or Finished Products in their possession or stop performing their ongoing obligations. Even absent a valid lien, to the extent certain Potential Lien Claimants have possession of the Debtors' Raw Materials and Finished Products, mere possession or retention would be catastrophic to the Debtors' ongoing operations.

60. Furthermore, paying the Potential Lien Claimants should not impair unsecured creditor recoveries in these Chapter 11 Cases. In instances where the amount owed to Potential Lien Claimants is less than the value of the goods that could be held to secure a shipping, such parties may be fully secured creditors of the Debtors' estates. In such instances, payment now only provides such parties with what they might be entitled to receive under a plan of reorganization, only without any interest or adequate protection costs that might otherwise accrue during these Chapter 11 Cases. Conversely, all creditors will benefit from the seamless transition of the Debtors' operations into bankruptcy and the ultimate delivery and sale of the Debtors' products to their customers.

61. The relief requested in this Motion is appropriate under sections 363(b) and 105(a) of the Bankruptcy Code, as discussed above, represents a sound exercise of the Debtors' business judgment and is necessary for the preservation of the resources and

going-concern values of their estates. Payment of the Potential Lien Claims as they become due in the ordinary course of business is critical to the Debtors' uninterrupted operations as such payments will facilitate the flow of goods among the Debtors production facilities, will help ensure prompt customer deliveries, and, ultimately, maximize the value of the Debtors' estates.

62. Where, as here, debtors have shown that the payment of Potential Lien Claims is critical to maximize the value of their estates, courts in this district have routinely authorized payments similar to those described in this motion. *See, e.g., In re LSC Communications, Inc.*, 20-10950 (SHL) (May 12, 2020), D.I. 210 (authorizing payments of prepetition claims of potential lien claims); *In re Windstream Holdings, Inc.*, 19-22312 (RDD) (Apr. 22, 2019), D.I. 377 (authorizing the payment of prepetition claims of among others, lien claimants on the basis that they could cease to provide specialized services necessary to maintain the smooth operation of the debtors' business otherwise); *In re Aegean Marine Petroleum Network Inc.*, 18-13374 (MEW) (Dec. 6, 2018), D.I. 150 (same); *In re Nine West Holdings, Inc.*, 18-10497 (SCC) (May 7, 2018), D.I. 214 (approving the payment of prepetition claims of shippers, warehousemen and other critical claimants on the basis that shippers and warehousemen could refuse to deliver or return the debtors' goods if prepetition claims were not satisfied); *In re Cenveo, Inc.*, 18-22178 (RDD) (Mar. 8, 2018), D.I. 169 (authorizing payment of certain lien claimants' prepetition claims when lien claimants are able to assert possessory liens on the debtors' goods in the event of non-payment); *In re Avaya Inc.*, 17-10089 (SMB) (Feb. 10, 2017), D.I. 139 (approving payment of prepetition claims of shipper, warehousemen and other claimants).

IV. The Court Should Confirm That Outstanding Orders Are Administrative Expense Priority Claims and That Payment of Such Claims Is Authorized.

63. Pursuant to section 503(b) of the Bankruptcy Code, most obligations that arise in connection with the postpetition delivery of goods and services, including goods ordered prepetition, are administrative expense priority claims because they benefit the estate postpetition. *See* 11 U.S.C. § 503(b)(1)(A) (providing that the “actual [and] necessary costs and expenses of preserving the estate” are administrative expenses); *see also In re John Clay & Co.*, 43 B.R. 797, 809-10 (Bankr. D. Utah 1984) (holding that goods ordered prepetition but delivered postpetition are entitled to administrative priority). Thus, the granting of the relief sought herein with respect to the Outstanding Orders will not provide the suppliers with any greater priority than they would otherwise have if the relief requested herein were not granted, and will not prejudice any other party in interest.

64. Absent the relief requested herein, however, the Debtors may be required to expend substantial time and effort reissuing the Outstanding Orders to provide the suppliers with assurance of such administrative priority. Any disruption to the continuous and timely flow of goods to the Debtors could result in substantial delays in the Debtors’ operations, which could lead to dissatisfied customers and reduced sales. Accordingly, the Debtors submit that the Court should confirm the administrative expense priority status of all undisputed obligations of the Debtors, in the Debtors’ sole discretion, arising from the postpetition acceptance of goods subject to Outstanding Orders and should authorize the Debtors to pay such obligations in the ordinary course of business.

V. Cause Exists to Authorize Applicable Banks and/or Financial Institutions to Honor Checks and Electronic Fund Transfers.

65. The Debtors further request that the Court authorize and direct all applicable banks and other financial institutions (the “Banks”) to receive, process, honor and pay any and all checks drawn or electronic funds transfers requested to pay Critical Vendor Claims, whether such checks were presented prior to or after the Petition Date; *provided, however*, that such checks or electronic funds transfers are identified by the Debtors as relating directly to the authorized payment of the Critical Vendor Claims. The Debtors also seek authority to issue new postpetition checks, or effect new electronic funds transfers, on account of such claims to replace any prepetition checks or electronic funds transfer requests that may be dishonored or rejected as a result of the commencement of these Chapter 11 Cases with respect to prepetition amounts owed in connection with any Critical Vendor Claims.

Bankruptcy Rule 6003 Is Satisfied

66. In order for a debtor to obtain relief to make preplan payments within 21 days of the Petition Date, it must establish that making such payments satisfies the requirements mandated by Bankruptcy Rule 6003—namely, the relief requested is necessary to avoid “immediate and irreparable harm.” If a debtor’s prospect of reorganizing is threatened, or swift diminution in value of the debtor’s estate is likely absent the granting of the requested relief, immediate and irreparable harm likely exists. See *In re Genco Shipping & Trading Ltd.*, 509 B.R. 455, 469 (Bankr. S.D.N.Y. 2009) (finding that relief requested by the debtors was necessary to avoid irreparable harm to the debtors and their estates because such relief was essential for the continued operation of the debtors’ businesses).

67. Immediate and irreparable harm would result if the relief requested herein is not granted. As described above, if the Debtors are not authorized to pay Critical Vendors in

the ordinary course of business, Critical Vendors may refuse to provide goods and services to the Debtors, which would impair the Debtors' ability to service their customers and disrupt their operations. These effects would undermine customers' confidence in the Debtors, thereby causing immediate and irreparable harm. Failure to receive the requested relief during the first 21 days of these Chapter 11 Cases would severely disrupt the Debtors' day-to-day operations, burden the Debtors' estates and stymie the efforts of the Debtors to efficiently reorganize. For the reasons discussed herein, the relief requested is essential to the preservation of the value of the Debtors' businesses, properties and assets and their ability to successfully prosecute these Chapter 11 Cases. Accordingly, the Debtors respectfully submit that they have satisfied Bankruptcy Rule 6003 as it relates to the relief requested herein.

Waiver of Bankruptcy Rules 6004(a) and 6004(h)

68. Given the nature of the relief requested herein, the Debtors respectfully request a waiver of (a) the notice requirements under Bankruptcy Rule 6004(a) and (b) the 14-day stay under Bankruptcy Rule 6004(h). Pursuant to Bankruptcy Rule 6004(h), "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until expiration of 14 days after entry of the order, unless the court orders otherwise." For the reasons described above, the relief requested is essential to prevent potentially irreparable damage to the Debtors' operations, value and ability to reorganize.

Reservation of Rights

69. Nothing in this Motion: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors or their estates; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors, their estates, or any other party to contest the

validity, priority, or amount of any claim against the Debtors or their estates; (c) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors or their estates with respect to any and all claims or causes of action against any third party; or (d) shall be construed as a promise to pay a claim or continue any applicable program postpetition, which decision shall be in the discretion of the Debtors. Any payment made pursuant to an order of the Court granting the relief requested herein is not intended to be nor should it be construed as an admission as to the validity of any claim or a waiver of the Debtors' or any other party's rights to subsequently dispute such claim.

Notice

70. No creditors' committee has been appointed in these Chapter 11 Cases. Notice of this Motion has been provided to: (a) the Office of the United States Trustee for the Southern District of New York; (b) 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); (c) 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); (d) 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); (e) 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); (f) 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); (g) the parties identified on the Debtors' consolidated list of 30 largest unsecured creditors; and (h) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be provided.

No Prior Request

71. No prior motion for the relief requested herein has been made to this or any other Court.

Conclusion

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court (a) enter the Interim Order, substantially in the form attached hereto as Exhibit A, (b) enter the Final Order, substantially in the form attached hereto as Exhibit B and (c) grant such other and further relief as is just and proper.

Dated: September 20, 2020
New York, New York

/s/ Andrew G. Dietderich
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Proposed Counsel to the Debtors

EXHIBIT A

Proposed Interim Order

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

<hr/>		x
In re	:	Chapter 11
	:	
GARRETT MOTION INC., <i>et al.</i> , ¹	:	Case No. ____ ()
	:	
Debtors.	:	Jointly Administered
	:	
	:	
<hr/>		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

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.

institutions to honor and process related checks and transfers and (d) granting related relief; and 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, in their sole discretion, 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, subject to the following conditions:

- a. The Debtors, in their discretion and subject to the terms set forth below, 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 with respect to the relief requested in the Motion shall be held on _____, 2020 at _____ (prevailing Eastern Time) (the “Final Hearing”). Any objections or responses to entry of the proposed Final Order shall be filed on or before 4:00 p.m. (prevailing Eastern Time) on _____, 2020 and 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

United States Bankruptcy Judge

EXHIBIT B

Proposed Final Order

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

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

FINAL 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 “Final 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 \$103 million on a final basis (the “Final 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 this Court having entered

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.

the 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 [D.I. [•]]; and 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 a final basis as set forth herein.
2. The Debtors are authorized, but not directed, in their sole discretion, to pay Vendor Claimants on a postpetition basis in the ordinary course of business, in the case of Critical Vendor Claims up to the Final Critical Vendor Cap, subject to the following conditions:

- a. The Debtors, in their discretion and subject to the terms set forth below, shall determine which Vendor Obligations, if any, will be paid pursuant to this Final 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 good 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 Final 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 Final 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 see 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 Final 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 Final 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 undisputed obligations of the Debtors, in the Debtors' sole discretion, arising from the postpetition acceptance of goods subject to 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 Final Order and any actions taken pursuant to such relief, nothing in this Final 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 Final 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 Final 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 Final Order.

10. In accordance with this Final 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 Final Order, nor as a result of any payment made pursuant to this Final 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 Final Order.

12. Notwithstanding anything to the contrary contained in the Motion or this Final 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 Final 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 Final 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 Final Order.

Dated: _____
New York, New York

United States Bankruptcy Judge