

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

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

**NOTICE OF FILING OF EXHIBIT TO DISCLOSURE STATEMENT FOR THE
OFFICIAL COMMITTEE OF EQUITY SECURITIES HOLDERS’ AMENDED JOINT
PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

PLEASE TAKE NOTICE that on February 5, 2021, the Official Committee of Equity Securities Holders (the “Equity Committee”) filed the *Disclosure Statement for the Official Committee of Equity Securities Holders’ Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 865] (the “Disclosure Statement”).

PLEASE TAKE FURTHER NOTICE that the Equity Committee hereby files Exhibit A to the Disclosure Statement, attached as Exhibit A hereto.

Dated: February 6, 2021
New York, New York

GLENN AGRE BERGMAN & FUENTES LLP

/s/ Andrew K. Glenn
Andrew K. Glenn
Jed I. Bergman
Shai Schmidt
55 Hudson Yards
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New York, New York 10001
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*Proposed Counsel to the Official Committee
of Equity Securities Holders*

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



Exhibit A

Atlantic Park Commitment Letter with Series A Preferred Stock Term Sheet

THIS COMMITMENT LETTER IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE.

ANY SUCH OFFER OR SOLICITATION SHALL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

BACKSTOP COMMITMENT LETTER

Atlantic Park Strategic Capital Fund, L.P.
527 Madison Avenue, 25th Floor
New York, NY 10022

February 6, 2021

Garrett Motion, Inc.
La Pièce 16
1180 Rolle
Switzerland

Attn: Olivier Rabiller, President and Chief Executive Officer
Sean Deason, Senior Vice President and Chief Financial Officer

With copies to:

Glenn Agre Bergman & Fuentes LLP
Attn: Andrew K. Glenn
aglenn@glennagre.com

Cowen & Co.
Attn: Lorie Beers
lorie.beers@cowen.com

Sullivan & Cromwell LLP
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Regina.savage@morganstanley.com
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Perella Weinberg Partners
Attn: Bruce Mendelsohn
bmendelsohn@pwpartners.com

Re: Chapter 11 Plan – Preferred Stock and Warrants

We understand that Garrett Motion, Inc., a Delaware corporation (“*you*” or the “*Company*”), and certain of its subsidiaries (the “*Debtor Subsidiaries*”, and together with Company, the “*Debtors*”) are debtors under jointly administered cases (the “*Chapter 11 Cases*”) under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “*Bankruptcy Code*”), in the United States Bankruptcy Court for the Southern District of New York (together with any other court having jurisdiction over the Chapter 11 Cases from time to time, the “*Bankruptcy Court*”), which cases have been consolidated for procedural purposes only and are being jointly administered under the lead case, In re Garrett Motion, Inc., *et al*, Case No. 20-12212).

In connection with the foregoing, Atlantic Park Strategic Capital Fund, L.P. (“*us*”, “*we*”, “*Atlantic Park*” or the “*Standby Purchaser*”) understand that the Official Committee of Equity Securities Holders of Garrett Motion, Inc. (the “*Equity Committee*”) is contemplating a restructuring through a chapter 11 plan of reorganization proposed by the Equity Committee in the Chapter 11 Cases (a “*Chapter 11 Plan*”) and, to the extent any such Chapter 11 Plan is in form and substance satisfactory to the Standby Purchaser, the “*Approved Plan*,” as may be amended, supplemented, waived or otherwise modified from time to time, in each case in form and substance satisfactory to the Standby Purchaser. The proceeds of such preferred equity offering will be used, among other things, in combination with debt financing, to fund a standalone plan of reorganization to more fully realize value for shareholders by providing a standalone plan of reorganization that is superior for all equity holders and addresses the Company’s key goals from its bankruptcy filing.

In connection therewith, and in connection with such proposed Chapter 11 Plan, and subject to the terms and conditions of the Preferred Equity Term Sheet, attached hereto as Exhibit A (the “*Term Sheet*”), the Standby Purchaser proposes that:

- (i) certain Eligible Holders¹ (as defined in the Term Sheet) would receive the right to subscribe for their *pro rata* portion of the preferred equity offering (the “*Subscription Rights*”), subject, in all events, to the Minimum Subscription Rights (as defined in Term Sheet) of the Standby Purchaser, or any one or more of its designated affiliates, or any of its or such affiliate’s designated controlled, managed or advised funds or accounts (collectively, “*Atlantic Park Investors*”);
- (ii) the Company would issue shares of a newly created series of Series A Preferred Shares par value \$0.0001 per share (each such share, a “*Preferred Share*” and collectively, the “*Preferred Shares*”, and each holder thereof, a “*Preferred Holder*”), as further described below and subject to the terms and conditions of the Term Sheet.
- (iii) the Company would issue new detachable warrants (the “*Warrants*”), as further described below and subject to the terms and conditions of the Term Sheet;
- (iv) the Company would sell and issue \$800.0 million of Preferred Share units, to the accepting Eligible Holders, Atlantic Park Investors and, as applicable, certain other purchasers of

¹ Holders of Existing Common Stock in Class 11 (i.e., the Class that references the pre-bankruptcy common equity of Garrett), as contemplated in Exhibit C hereto, that are “Accredited Investors” as such term is defined in Section 501 of the Securities Act of 1933.

Unsubscribed Shares (as defined below) arranged by the Standby Purchaser (the “*Syndicate*”) (the “*Offering*”), with each unit including one share of Preferred Shares and one detachable Warrant, as further described below and subject to the terms and conditions of the Term Sheet; and

- (v) the Atlantic Park Investors would have the right to receive an Offering (and initial allocation) of Preferred Shares (and Warrants) in an aggregate amount of not less than \$200.0 million (the “*Minimum Subscription Rights*”), as further described below and subject to the terms and conditions of the Term Sheet.

To provide assurance that the Offering shall be fully subscribed and completed, and subject to Bankruptcy Court approval and the terms and conditions in this Commitment Letter and the Term Sheet, the Standby Purchaser hereby agrees to commit to purchase any and all unsubscribed Offering Preferred Shares and Warrants (the “*Unsubscribed Shares*”) in an aggregate amount not to exceed \$800.0 million (such amount, the “*Backstopped Amount*”) (the “*Equity Commitment*” or “*Commitment*”); *provided* that the Standby Purchaser shall have the right and ability, but not the obligation, to syndicate (pursuant to arrangements satisfactory of the Standby Purchaser, including the appointment of a broker-dealer) all or a portion of the Unsubscribed Shares to members of the Syndicate, each of whom will have entered into a syndication agreement with the Standby Purchaser subject to the approval of the Bankruptcy Court.

Each of the Standby Purchaser and the Debtors will use its commercially reasonable efforts to prepare, negotiate and finalize definitive documentation for the Equity Commitment in good faith as contemplated by the Term Sheet. However, the obligations of the Standby Purchaser to fund the Equity Commitment is conditioned upon satisfaction or waiver of, *inter alia*, each of the conditions set forth herein, in an Approved Plan and in the Term Sheet.

Our view expressed above is based on (a) our desire to support a Chapter 11 Plan on terms and conditions described herein, and in the Term Sheet, and (b) our understanding of the Company’s operations and assets. Our commitment hereunder is also expressly subject to (i) agreement on the terms and conditions of the Equity Commitment, (ii) our satisfaction with (x) definitive documentation evidencing the Equity Commitment (y) the agreement on the terms and conditions of a Chapter 11 Plan and (z) other customary aspects of these types of Equity Commitments, (iii) execution of such definitive documentation evidencing the Equity Commitment, in each case, satisfactory to us and (iv) entry of a final order confirming an Approved Plan.

In connection with this letter, we have relied without independent verification upon the accuracy and completeness of all of the information provided to us by the Debtors. In addition, please note that we do not provide, and nothing herein shall be construed to be, accounting, tax or legal advice.

Whether or not the transactions contemplated hereby are consummated, there shall be an order entered by the Bankruptcy Court authorizing and directing the Debtors and their bankruptcy estates to: (i) pay the reasonable and documented fees, expenses, disbursements and charges of the Standby Purchaser (including the fees and expenses of counsel) incurred relating to (x) the exploration and discussion of this Equity Commitment (or any alternative financing structures) and (y) the preparation and negotiation of this Commitment Letter, the ECA (as defined in the Term Sheet), the Approved Plan (and any ancillary documents thereto), and the proposed documentation of the transactions contemplated hereby and thereby, including, without limitation, the reasonable and documented fees and expenses of counsel, financial

advisors, and consultants retained to assist in any of the foregoing; and (ii) indemnify and hold harmless the Standby Purchaser and its affiliates and each of their respective general partners, members, managers and equity holders, and the respective officers, employees, affiliates, advisors, agents, attorneys, accountants, financial advisors and consultants of each such entity (each an “*Indemnified Person*”) from and against any and all losses, claims, damages, liabilities and expenses, joint or several, which any such person or entity may incur, have asserted against it or be involved in as a result of or arising out of or in any way related to this Commitment Letter, the matters referred to herein, the ECA, the proposed Equity Commitment contemplated hereby, the use of proceeds thereunder or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any of such Indemnified Persons is a party thereto, and to reimburse each of such Indemnified Persons upon 5 business days of demand for any legal or other expenses incurred in connection with any of the foregoing; *provided, however*, that the foregoing indemnity shall not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent they have resulted from the willful misconduct or gross negligence of such Indemnified Person (as determined in a final judgment by a court of competent jurisdiction). Notwithstanding any other provision of this Commitment Letter, no Indemnified Person shall be liable for and the Debtors and their bankruptcy estates shall hold any such Indemnified Person harmless and indemnify them for any special, indirect, consequential or punitive damages in connection with its activities related to the Equity Commitment and the Offering. The terms set forth in this paragraph survive termination of this Commitment Letter and shall remain in full force and effect regardless of whether the documentation for the transactions contemplated hereby are executed and delivered; *provided* that the terms set forth in this paragraph shall be superseded by the execution of the ECA. The obligations of the set forth in this paragraph are subject to entry by the Bankruptcy Court of an order in form and substance reasonably satisfactory to the Standby Purchaser authorizing, approving and directing the Debtors’ and their bankruptcy estates performance thereof.

In consideration for the Equity Commitment, the Standby Purchaser shall be entitled to the Structuring Fee, the Commitment Fee and certain Fees and Expenses (in each case, as defined in the Term Sheet), which shall be earned and payable on the terms and conditions set forth in the Term Sheet. There shall be an order entered by the Bankruptcy Court authorizing and directing the Debtors and the bankruptcy estates to pay such premiums and fees, and all other fees and costs payable hereunder, and such fees, premiums and costs shall be nonrefundable and shall be paid without setoff or recoupment and shall not be subject to defense or offset on account of any claim, defense, counterclaim or tax.

This Commitment Letter is not assignable by the Debtors, the Equity Committee or any other party without the prior written consent of the Standby Purchaser (and any attempted assignment without such consent shall be null and void) and is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto.

The obligation of the Standby Purchaser to fund the Equity Commitment shall terminate, upon the giving of written notice of termination by the Standby Purchaser concurrently with or at any time following the occurrence of any of the following (the giving of such notice being a “*Termination Event*”), in the event that (it being understood that the list contained herein is in addition to the list in the Term Sheet and not in lieu of):

- (i) the Equity Committee has failed to file (x) an Approved Plan and (y) procedures pursuant to which the Offering will be conducted in form and substance satisfactory to the Standby

- Purchaser, in each case on or before the date that is fifteen 15 business days after the date of this Commitment Letter;
- (ii) the Bankruptcy Court does not enter an order terminating or modifying the Debtors' exclusivity periods under Sections 1121 of the Bankruptcy Code by February 20, 2021;
 - (iii) the Bankruptcy Court does not approve the Equity Committee's disclosure statement and authorize solicitation of an Approved Plan by [March 1, 2021];
 - (iv) following the Bankruptcy Court's confirmation of an Approved Plan, the Debtors have materially breached their obligations under this Commitment Letter or the ECA and such breach has not been cured within three (3) business days;
 - (v) the Standby Purchaser reasonably determines that any of the conditions precedent to the closing of the Offering contained in the Term Sheet (or the ECA, as the case may be) become incapable of being satisfied by [•]², 2021;
 - (vi) a court of competent jurisdiction or other competent governmental or regulatory authority declares this Commitment Letter unenforceable or making illegal or otherwise restricting, preventing or prohibiting the consummation of the Approved Plan or the Offering;
 - (vii) the Bankruptcy Court has not entered the Approval Order (as defined hereinafter), in form and substance satisfactory to Atlantic Park, on or prior to [•]³, 2021;
 - (viii) the Bankruptcy Court has not entered an order, in form and substance satisfactory to the Standby Purchaser, confirming the Approved Plan on or prior to [•]⁴, 2021;
 - (ix) the Equity Committee reasonably determines that performance under the ECA would be inconsistent with the Equity Committee's fiduciary obligations; *provided*, that prior to the Bankruptcy Court's entry of an order approving the Debtors' entry into the Approved Plan, the Equity Committee shall not solicit, directly or indirectly, any Competing Transaction (as defined in the Term Sheet);
 - (x) upon failure of any of the conditions precedent set forth in the ECA, which failure cannot be cured (in the reasonable judgment of the Standby Purchaser) by the Initial Termination Date (as defined in the Term Sheet);
 - (xi) the ECA is terminated by the Equity Committee or, as applicable, the Company pursuant to its terms; or
 - (xii) the Approved Plan has not been consummated or the Offering has not closed on or prior to [•]⁵, 2021.

² Such date to be reasonably determined by Atlantic Park.

³ Such date to be reasonably determined by Atlantic Park.

⁴ Such date to be reasonably determined by Atlantic Park.

⁵ Such date to be reasonably determined by Atlantic Park.

The obligations of the Debtors and their bankruptcy estates to pay the reimbursable expenses and satisfy their indemnification obligations as set forth herein shall survive the termination of this Commitment Letter.

THIS COMMITMENT LETTER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the non-exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Commitment Letter or the transactions contemplated hereby, or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Commitment Letter or the transactions contemplated hereby in any New York State court or in any such Federal court and (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. This Commitment Letter may not be amended or waived except in writing signed by the Debtors and the Standby Purchaser.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER.

This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of this Commitment Letter by facsimile or portable document format (PDF) shall be effective as delivery of a manually executed counterpart of this Commitment Letter.

Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Commitment Letter and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Commitment Letter.

Notwithstanding anything contained herein, each party hereto confirms that it has made its own decision to execute this Commitment Letter based upon its own independent assessment of documents and information available to it, as it has deemed appropriate.

No agreement is made on behalf of any fiduciary affiliate of a Standby Purchaser to the extent such agreement would be prohibited by the fiduciary duties of such fiduciary affiliate.

For the avoidance of doubt, the term "*Commitment Letter*," wherever referenced herein or in any of the exhibits hereto, shall always include this letter, the Approved Plan, as well as the Term Sheet.

Neither the Company (without the prior consent of the Standby Purchaser) nor the Standby Purchaser (without the prior consent of the Company) shall, without the prior consent of the other party,

disclose the terms of this Commitment Letter, except that you may disclose this Commitment Letter, the Term Sheet and the contents hereof and thereof (a) to your affiliates and your and your affiliates' respective officers, directors, employees, attorneys, accountants, agents and advisors on a confidential and need-to-know basis, (b) to the extent required in any legal, judicial or administrative proceeding or as otherwise required by law, regulation or compulsory legal process or by governmental, judicial and/or regulatory authorities (in which case you agree, to the extent permitted by law, to inform us promptly in advance thereof and provide us with an opportunity to consult and collaborate with you to prevent any such disclosure), (c) in connection with any public filing requirement that you and we agree that you are required to satisfy, (d) as may be reasonably required to obtain court approval in connection with (i) any acts or obligations to be taken pursuant to the transactions contemplated hereby, (ii) the Approved Plan (as defined in the Term Sheet), and (iii) the related disclosure statement, in each case which may be accomplished through the attachment or incorporation of this letter, the Term Sheet, the ECA and the contents hereof and thereof to or into pleadings, the Approved Plan, or the related disclosure statement to be filed with any such court, or otherwise to the extent reasonably required in the Chapter 11 Cases (including disclosure to the Office of the United States Trustee for the Southern District of New York); (e) to the extent such information becomes publicly available other than by reason of improper disclosure by you or any person or entity to whom you disclosed such information, and (f) to the extent required in connection with the enforcement of rights hereunder. Nothing herein, express or implied, is intended or shall confer upon any third party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this letter.

This Commitment Letter constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and replaces and supersedes all prior agreements and understandings, both written and oral, between the parties hereto with respect to the subject matter hereof. If the foregoing is in accordance with your understanding of our agreement, please sign this Commitment Letter in the space indicated below and return it to us.

[Remainder of this page intentionally left blank]

We look forward to working with you on this transaction.

Very truly yours,

ATLANTIC PARK STRATEGIC CAPITAL FUND, L.P.

By:  on behalf of Atlantic Park Strategic Capital Fund GP, L.P

Name: Matthew W. Bonanno

Title: Managing Director

AGREED AND ACCEPTED:

GARRETT MOTION, INC.

By: _____

Name: _____

Title: _____

Exhibit A
to Commitment Letter

PREFERRED EQUITY TERM SHEET

GARRETT MOTION INC.

This Summary of Terms and Conditions (this “*Term Sheet*”) is part of the commitment letter dated February 6, 2021 (the “*Commitment Letter*”), addressed to Garrett Motion, Inc., a Delaware corporation, from Atlantic Park Strategic Capital Fund, L.P. and is subject to the terms and conditions of the Commitment Letter and the terms and conditions set forth in this Term Sheet. Capitalized terms used herein and in the accompanying Annexes shall have the meanings set forth in the Commitment Letter unless otherwise defined herein.

This Term Sheet does not include descriptions of all of the terms, conditions, covenants, representations, warranties and other provisions that are to be contained in the definitive documentation relating to the transactions described below. Consequently, this Term Sheet is entitled to protection from any use or disclosure to any person or entity pursuant to Federal Rule of Evidence 408 and any other rules or laws of similar import. Any transactions are subject to the approval (including credit approval) of Atlantic Park (as defined below) in all regards and to definitive documentation in connection with the transactions described below. Those matters that are not addressed in this Term Sheet and all other terms, conditions, covenants, representations, warranties and other provisions are subject to the agreement of Atlantic Park. (For purposes of this Term Sheet, “Definitive Documentation” means all documents related to Preferred Stock, the Warrants, the transactions described below and the Plan (in each case, as defined below), including, without limitation, the disclosure statement, and the confirmation order.) No party shall be entitled to rely on any statement or representation made by any other party or its representatives except as ultimately set forth in the final, executed Definitive Documentation, if any.

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION SHALL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

Commitment as Standby Purchaser:	Atlantic Park Strategic Capital Fund, L.P. (“ <i>Atlantic Park</i> ” or “ <i>Standby Purchaser</i> ”) agrees to act as the exclusive standby purchaser in respect of an Offering (as defined below) of Preferred Shares and Warrants (in each case, as defined below) issued by the reorganized Garrett Motion Inc. or its successor (the “ <i>Company</i> ”, “ <i>Garrett</i> ” and the constituent governance documents of the Company, the “ <i>organizational documents</i> ”), pursuant to an Equity Commitment Agreement between Atlantic Park and Garrett (the “ <i>ECA</i> ”). The Offering is to be conducted pursuant to The Official Committee Of Equity Securities Holders’ Joint Plan Of Reorganization Under Chapter 11 Of The Bankruptcy Code (as it may be from time to time amended, supplemented or modified in a manner consistent with this Term Sheet and is otherwise acceptable to Atlantic Park, the “ <i>Equity Committee Plan</i> ”) of Garrett and certain of its subsidiaries.
Offerees:	Under the Equity Committee Plan, holders of Garrett common stock (“ <i>Eligible Holders</i> ”) shall receive the right to subscribe for their <i>pro rata</i> portion of the

	Preferred Shares and Warrants (the “ Subscription Rights ”), subject, in all events, to the Minimum Subscription Rights (as defined below).
Securities:	<p>Preferred Shares: Under the Equity Committee Plan, the Company shall issue shares of a newly created series of Series A Preferred Shares, par value \$0.0001 per share (each such share, a “Preferred Share” and collectively, the “Preferred Shares”, and each holder thereof, a “Preferred Holder”), as described under “Offering” below, and subject to terms attached as <u>Annex A</u> hereto.</p> <p>Warrants: Under the Equity Committee Plan, the Company shall issue new detachable warrants (the “Warrants”), as described under “Offering” below, and subject to terms attached as <u>Annex B</u> hereto.</p>
Offering:	<p>The Company shall sell and issue \$800.0⁶ million (the “Backstopped Amount”) of Preferred Shares units (the “Offering”) to the accepting Eligible Holders (“Accepting Eligible Holders”) under the Equity Committee Plan, Atlantic Park Investors (as defined below) and, as applicable, the Syndicate (as defined below). Each unit will include one share of Preferred Shares and one detachable Warrant. The proceeds of the Offering shall be applied by the Company to pay administrative claims, make cash distributions under the Equity Committee Plan and for use in the Company’s working capital needs.</p> <p>Minimum Subscription Rights: Atlantic Park, or any one or more of its designated affiliates, or any of its or such affiliate’s designated controlled, managed or advised funds or accounts (collectively, “Atlantic Park Investors”) shall have the right to receive an Offering (and initial allocation) of Preferred Shares (and Warrants) in an aggregate Initial Aggregate Liquidation Preference Amount (as defined below) of not less than \$200.0 million (the “Minimum Subscription Rights”).</p>

⁶ Assumes that, on the Effective Date of the Equity Committee Plan (after giving effect to all extensions of credit incurred by the Company and its subsidiaries thereon), the Company and its subsidiaries has a \$350.0 million exit revolving credit facility that is undrawn and up to \$1,500.0 million exit term loan facility, \$120.0 million of minimum cash and cash equivalents, and no other material debt for borrowing money (subject to customary exceptions to be agreed), with the exception of any treatment of Honeywell’s claims as described herein.

<p>Standby Purchaser Commitment:</p>	<p>Subject to Bankruptcy Court approval, Atlantic Park agrees to purchase any and all unsubscribed Preferred Shares and Warrants (the “<i>Unsubscribed Shares</i>”). Garrett and Atlantic Park agree that there shall be no restriction on Atlantic Park’s right or ability (but not Atlantic Park’s obligation) as standby purchaser to syndicate (pursuant to syndication arrangements satisfactory to Atlantic Park, including, without limitation, the retention and appointment of a broker-dealer reasonably acceptable to Atlantic Park) all or any portion of the Unsubscribed Shares to certain persons (the “<i>Syndicate</i>”) who will have entered into a syndication agreement with Atlantic Park (the “<i>Syndication Agreement</i>”), reasonably satisfactory to Atlantic Park, the Equity Committee and the Company, pursuant to which each member of the Syndicate will have agreed to purchase a specified percentage of such Unsubscribed Shares from Atlantic Park. It is acknowledged that Atlantic Park and any other participants in the Syndicate, in their capacity as Eligible Holders, shall be entitled to exercise their respective <i>pro rata</i> share of Subscription Rights for the same per share price as other Eligible Holders. The Syndication Agreement shall be subject to approval by the Bankruptcy Court.</p>
<p>Fees and Expenses:</p>	<p>A commitment fee (the “<i>Commitment Fee</i>”) equal to (A) 450bps of the Backstopped Amount shall be payable to Atlantic Park; with 50% of such fee being payable in cash and 50% (such amount, the “<i>Commitment Fee PIK Amount</i>”) paid by giving effect to the Initial PIK Issuance (as hereinafter defined) and (B) 150bps of the Backstopped Amount to Atlantic Park, the Accepting Eligible Holders and accepting Syndicate (on a <i>pro rata</i> basis based on their subscription amounts) in cash. The cash portion of the commitment fee shall be paid by wire transfer of immediately available funds not later than three (3) Business Days after the Agreement Order (as defined below).</p>
	<p>Upon entry of the order approving the reimbursement of fees and expenses, Garrett shall make payment to Atlantic Park by wire transfer of immediately available funds, within one Business Day thereafter, for fees, costs and expenses previously incurred by it or their advisors in connection with the ECA and on the first Business Day of each month thereafter through the closing of the Offering, in respect of costs and expenses, including attorneys’ fees, incurred by it in connection with the Offering, in each case, in the amount of up to \$1,250,000 (the “<i>Expense Reimbursement</i>”).</p> <p>This provision shall survive the termination, or expiry, of the ECA.</p>

<p>Representations, Warranties and Covenants:</p>	<p>The ECA shall include customary representations, warranties and covenants of Garrett (i.e., the issuer) for transactions of this type (as reasonably determined by Atlantic Park), including, without limitation, those regarding: (i) organization and good standing, (ii) requisite corporate power and authority with respect to execution, delivery, and consummation of transaction documents, (iii) due execution and delivery and enforceability of transaction documents, (iv) no consents or approvals, (v) no conflicts and (vi) other representations and warranties to be agreed upon by the Company and Atlantic Park, consistent with the transactions contemplated in the ECA and identical to the representations and warranties given in the stalking horse purchase agreement, <i>mutatis mutandis</i>.</p> <p>The ECA shall also include customary representations and warranties on the part of the Atlantic Park Investors, to be provided severally and not jointly, including (i) organization and good standing, (ii) requisite corporate power and authority with respect to execution, delivery, and consummation of transaction documents, (iii) due execution and delivery and enforceability of transaction documents, (iv) no consents or approvals, (v) no conflicts, (vi) sufficiency of funds (including committed debt financing), (vii) diligence and investor status and (viii) other representations and warranties to be agreed upon by the Company and Atlantic Park.</p>
<p>Conditions Precedent to Atlantic Park's Obligation as Standby Purchaser:</p>	<p>The obligation of Atlantic Park to purchase Unsubscribed Shares shall be subject to satisfaction (or waiver by Atlantic Park) of conditions precedent reasonably satisfactory to Atlantic Park⁷, including the following conditions precedent:</p> <p>(i) the Company and its subsidiaries has a \$350.0 million exit revolving credit facility that is undrawn and up to \$1,500.0 million exit term loan facility, \$120.0 million of minimum cash and cash equivalents, and no other material debt for borrowing money (subject to customary exceptions to be agreed);</p> <p>(ii) no breach by Garrett of any representation, warranty or covenant contained in the ECA shall have occurred (unless waived in writing by Atlantic Park), which breach results in or could be reasonably likely to result in an event which has, or which could not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, operations, property, condition (financial or otherwise) or prospects of Garrett and its subsidiaries taken as a whole or on the ability of Garrett;</p> <p>(iv) all necessary regulatory approvals (if any) shall have been obtained;</p> <p>(v) the Bankruptcy Court shall have entered an order terminating or modifying the Debtors exclusivity period under section 1121 of the Bankruptcy Code by February 20, 2021;</p> <p>(vi) the Equity Committee Plan and any related disclosure statement shall be in form and substance reasonably satisfactory to Atlantic Park;</p>

⁷ Conditions precedent to be further revised, subject to due diligence.

	<p>(vii) the Bankruptcy Court shall have entered and order approving the Equity Committee’s disclosure statement and authorize solicitation of an Equity Committee Plan by [March 1, 2021];</p> <p>(viii) the entry of an order by the Bankruptcy Court, in form and substance reasonably satisfactory to Atlantic Park, which is in full force and effect and has not been stayed, confirming any such Equity Committee Plan is in form and substance satisfactory to the Standby Purchaser, (the “Approved Plan”) on or prior to [•]⁸, 2021 (the “Confirmation Date”);</p> <p>(ix) the effective date of the Approved Plan (the “Effective Date”) shall have occurred prior to [•]⁹, 2021;</p> <p>(x) no later than the Effective Date, the Bankruptcy Court shall have entered an agreement order (the “Agreement Order”) in form and substance reasonably satisfactory to Atlantic Park and shall have become a Final Agreement Order, which shall authorize and direct the Company’s execution of the ECA, and shall specifically provide that:</p> <ul style="list-style-type: none">• payment by Garrett of the Commitment Fee, the Termination Fee (as hereinafter defined), and the Equity Work Fee (as hereinafter defined), each as described herein, shall be approved and entitled to administrative expense priority; and• under a registration rights agreement between Garrett and either Atlantic Park or each Atlantic Park Investor holding at least 5% of the outstanding Preferred Shares (the “Registration Rights Agreement”), upon demand, Garrett shall use its best efforts to prepare and file with the Securities and Exchange Commission (the “SEC”), in cooperation with Atlantic Park, a shelf registration statement, and to have such registration statement declared effective by the Effective Date; the Registration Rights Agreement will also contain customary piggyback registration rights with respect to the Preferred Shares; and <p>(xi) the Bankruptcy Court shall have approved an order in form and substance reasonably satisfactory to Atlantic Park that specifies the following subscription procedures:</p> <ul style="list-style-type: none">• for the approval of form of subscription agreement and related instructions in form and substance reasonable acceptable to Atlantic Park;• the Offering shall be exempt from registration under Bankruptcy Code section 1145, section 4(2) of the Securities Act of 1933 or any other applicable exemption under federal or state law, prior to the commencement of the Offering;
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⁸ Such date to be reasonably determined by Atlantic Park.

⁹ Such date to be reasonably determined by Atlantic Park.

- that the Offering shall commence on the date that ballots are sent to Eligible Holders which shall be a date no later than thirty (30) calendar days after the Offering Expiration Date (as defined below);
- that the Offering shall expire on the date and time that all votes to accept or reject the Equity Committee Plan are due (the “*Offering Expiration Date*”);
- that in order for an Eligible Holder to validly elect to participate in the Offering, such Eligible Holder must return a completed subscription agreement and the full purchase price of its election to the claims agent, The Depository Trust Corporation (or such other appropriate agent designated to receive such agreements and payments), which shall occur on a date on or before the Offering Expiration Date;
- that approval of any election by an Eligible Holder to subscribe for Offering Shares that does not strictly comply with the provisions set forth above shall be determined by Garrett only after consultation with Atlantic Park;
- the universe of Eligible Holders shall be established pursuant to a record date that is the same date to determine who may vote to accept or reject the Equity Committee Plan;
- that if an Eligible Holder elects to participate in the Offering, it must so elect for the full amount of its Allowed Claim – no partial elections shall be permitted;
- that within five (5) business days of the Offering Expiration Date, Garrett shall provide written notice to Atlantic Park of the number of Unsubscribed Preferred Shares and the amount in immediately available funds that Atlantic Park is required to remit to Garrett in connection with the purchase of such Unsubscribed Shares (the “*Purchase Price*”);
- that Atlantic Park shall remit the Purchaser Price to Garrett at the closing of the Offering; and
- that the Subscription Rights shall not be listed on any stock exchange and shall not be, directly or indirectly, transferable or assignable and shall include the prohibition of any synthetic transactions or any other financial transaction designed to separate the Subscription Rights from the underlying claim; *provided, however*, that Garrett shall use its best efforts to list and maintain the listing of Garrett common stock on the New York Stock Exchange or NASDAQ National Market Exchange.

(xii) without the prior written consent of Atlantic Park or pursuant to an Approved Plan, no settlement, release, waiver, abandonment or other resolution (including by way of payment for any consideration of any kind or nature whatsoever) of any claim, demand, judgment, action, suit, matter or proceeding (whether pending, actual, contingent or potential) of any kind or nature

	<p>whatsoever, or any contractual or other rights or remedies (whether in law or equity) (whether pending, actual, contingent or potential) of any kind or nature whatsoever, against, by or relating to Honeywell International Inc., or any of its subsidiaries or affiliates (or prior subsidiaries or affiliates), or any of their businesses or assets (or prior businesses or assets) or any of its or their respective equityholders, creditors, directors, officers, employees, trustees, advisors, representatives and agents (or prior equityholders, creditors, directors, officers, employees, trustees, advisors, representatives and agents), or the predecessors or successors (including by way of merger, consolidation or division) of any of the foregoing (collectively, “Honeywell”), <i>provided, however,</i> that Atlantic Park hereby consents to the settlement with Honeywell proposed in the Equity Committee Plan (to the extent set forth in <u>Exhibit C</u> hereto)¹⁰;</p> <p>(xiii) entry of an order, pursuant to applicable law, including sections 1125(e) and 1145 of the Bankruptcy Code, Garrett, providing that each Atlantic Park Investor and its affiliates, members of the Syndicate and their respective affiliates and the parties’ respective officers, directors, employees, members, managers, agents, attorneys, representatives, and advisors shall have no liability to any party arising from, or related to such parties’ participation in, the transactions contemplated herein, by the ECA and Syndication Agreement, and shall be exculpated from any and all claims, obligations, suits, judgments, damages, rights, liabilities, or causes of action now existing, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, in law, equity or otherwise that any such party may have based in whole or part upon any act or omission, event, transaction or occurrence associated with, arising from, or related to such parties’ participation in the transactions contemplated by the ECA and the Syndication Agreement, in each case other than for gross negligence, or willful misconduct (as determined in a final judgment by a court of competent jurisdiction); and</p> <p>(xiv) other standard conditions to Atlantic Park’s obligation to act as standby purchaser similar to typical underwriting agreements in similar offerings.</p>
<p>Support of the Plan:</p>	<p>Atlantic Park shall not, in its role as standby purchaser, support any transaction inconsistent with an Approved Plan.</p>
<p>Termination:</p>	<p>The ECA and Atlantic Park’s commitment thereunder:</p> <p>(i) shall be subject to termination by Atlantic Park if the ECA is validly terminated by the Company pursuant to its terms;</p>

¹⁰ Including, without limitation, under or relating to (i) the Indemnification and Reimbursement Agreement, dated September 12, 2018, by and among Honeywell ASASCO Inc., Honeywell ASASCO 2 Inc. and Honeywell International Inc., (ii) the Contribution and Assignment Agreement, dated September 14, 2018, by and between Honeywell ASASCO Inc. and Garrett ASASCO Inc. (“**ASASCO**”), (iii) the Indemnification Guarantee Agreement, dated September 27, 2018, by and among Honeywell ASASCO 2 Inc., ASASCO and the other Guarantors party thereto, and (iv) the Tax Matters Agreement, dated September 12, 2018, by and among Honeywell International Inc., GMI, Honeywell ASASCO Inc. and Honeywell ASASCO 2 Inc. Litigation claims relating to the Chapter 11 Cases will be addressed by customary exculpation and releases in the Approved Plan.

	<p>(ii) shall be subject to the Company being entitled, subject to the Debtors' obligation to pay the Termination Fee, to the right to terminate this Term Sheet (and related commitment letter) and/or the ECA and the transactions contemplated hereunder and thereunder if the Company reasonably determines that performance under the ECA would be inconsistent with the Debtors' fiduciary obligations; <i>provided</i>, that prior to the Bankruptcy Court's entry of an order approving the Debtors' entry into the Agreement Order the Debtors shall not solicit, directly or indirectly, a Competing Transaction (as defined below); <i>provided, further</i>, if any of the Debtors receive any proposals regarding a Competing Transaction prior to the Bankruptcy Court's entry of an order approving the Debtors' entry into the ECA, Debtors must notify the Standby Purchasers and promptly (and in any event within one business day) share any and all information (written or oral) received regarding the Competing Transaction with the Standby Purchasers; and</p> <p>(iii) shall be subject to termination by Atlantic Park:</p> <ul style="list-style-type: none"> • the Bankruptcy Court has not entered an order terminating or modifying the Debtors exclusivity period under section 1121 of the Bankruptcy Code by February 20, 2021; • on and after a date to be determined by Atlantic Park, if the Bankruptcy Court has not entered the Agreement Order or on or after a date to be determined by Atlantic Park and the Equity Committee, if the Agreement Order has not become a Final Agreement Order; • upon failure of any of the conditions precedent set forth in the ECA, which failure cannot be cured (in the reasonable judgment of Atlantic Park) by the Initial Termination Date; • the ECA is terminated by its terms; or • if Garrett makes a public announcement, enters into an agreement or files any pleading or document with the Bankruptcy Court, evidencing its intention to support, or otherwise supports a Competing Transaction. <p>A "<i>Competing Transaction</i>" means any dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership, sale of assets, or restructuring of the Debtors other than pursuant to the Approved Plan.</p>
<p>Termination Fee:</p>	<p>In the event the ECA is terminated as provided under the heading "<i>Termination</i>" above (other than if Atlantic Park terminates the ECA prior to entry of the Agreement Order or if as a direct and exclusive result of a breach of the ECA by Atlantic Park to the extent arising from the conduct of Atlantic Park Investors and no other party or person (as determined by a court of competent jurisdiction)), Atlantic Park shall be entitled to a cash payment equaling \$10</p>

	<p>million (the “<i>Termination Fee</i>”), and all obligations of Atlantic Park thereunder shall immediately terminate.</p> <p>The provision for the payment of the Termination Fee is an integral part of the transactions contemplated by this Agreement and without this provision Atlantic Park would not have entered into its commitment and such fee shall constitute an administrative expense of the Company under sections 364(c)(1) and/or 503(b) of the Bankruptcy Code.</p> <p>This provision shall survive the termination of the ECA.</p>
Expiration of Commitment:	<p>Unless terminated pursuant to the terms of the Commitment Letter, the commitment evidenced by this term sheet shall expire at 5:00 p.m. on April 30, 2021, and thereafter will lapse and be of no further force or effect.</p>

ANNEX A

PREFERRED STOCK

Liquidation Preference Amount:	<p>\$800.0 million (initial liquidation value of \$[●] per share) aggregate liquidation preference (the “<i>Initial Aggregate Liquidation Preference Amount</i>”, and on a per share basis, the “<i>Initial Liquidation Preference Amount</i>”), subject to the Initial PIK Issuance and appropriate adjustment for any stock dividends, splits, combinations and similar events affecting the Preferred Shares.</p>
Issuance Discount:	<p>Each Preferred Share shall be issued with an aggregate discount to initial liquidation value equal of 300 basis points (i.e, 3.00%).</p>
Seniority:	<p>With respect to dividends and rights upon a Liquidation Event (as defined below), the Preferred Shares will be senior to (i) all common shares and (ii) all other present and future classes or series of capital stock.</p>
Issue Date:	<p>Preferred Shares will be issued to the Atlantic Park Investors on the effective date of the Restructuring (the “<i>Issue Date</i>”).</p>
Issue price per Preferred Share:	<p>100% of the Initial Liquidation Preference Amount; <i>provided</i> that the Atlantic Park Investors shall be issued additional Preferred Stock at an issue price of zero with an aggregate Initial Liquidation Preference Amount equal to the Commitment Fee PIK Amount (such additional issuance pursuant to this proviso, the “<i>Initial PIK Issuance</i>”).</p>
Term and (or) Maturity:	<p>The Preferred Shares will be perpetual, convertible and redeemable only on the terms set forth herein.</p>
Redemption:	<p>The Preferred Shares will not be redeemable by a Preferred Holder.</p> <p>There will be no mandatory redemptions of the Preferred Shares by the Company, <i>provided</i> that in connection with any secondary offering (to be defined in a manner satisfactory to Atlantic Park) of the Company, the Company shall, upon and as a condition to the closing of such offering, redeem all of the outstanding Preferred Shares at a redemption price per share thereof equal to an</p>

	<p>aggregate amount equal to (the “Early Redemption Amount”) the sum of (i) the Liquidation Preference Amount (as defined below), plus all accrued and unpaid dividends through the redemption date, in cash, plus (ii) (A) if prior to the thirty-month anniversary of the Effective Date, a make-whole equal to the scheduled dividends that would have been payable to and including the thirty-month anniversary of the Effective Date (discounted from their respective dividend payment dates) on the Preferred Shares to be redeemed (not including any portion of such payments of interest accrued to the redemption date) to the redemption date on a quarterly basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus 25 basis points plus 8%, (B) if on or after the thirty-month anniversary of the Effective Date and prior to the forty-second month anniversary of the Effective Date, an amount equal to 8% of immediately preceding <u>clause (i)</u> (i.e., 8% premium), (C) if on or after the forty-second month anniversary of the Effective Date and prior to the fifty-fourth month anniversary of the Effective Date, an amount equal to 4% of immediately preceding <u>clause (i)</u> (i.e., 4% premium), and (D) thereafter, zero (i.e., no premium).</p> <p>The Company may not redeem the Preferred Shares prior to the thirty-month anniversary of the Effective Date (i.e., NC2.5). On or after the thirty-month anniversary of the Effective Date, the Company may redeem, in cash, the Preferred Shares at any time, from time to time, in whole or in part, on a pro rata basis, at a redemption price per share equal to the sum of (i) the Liquidation Preference Amount, plus all accrued and unpaid dividends through the redemption date, plus (ii) (A) if on or after the thirty-month anniversary of the Effective Date and prior to the forty-second month anniversary of the Effective Date, an amount equal to 8% of immediately preceding <u>clause (i)</u> (i.e., 8% premium), (B) if on or after the forty-second month anniversary of the Effective Date and prior to the fifty-four month anniversary of the Effective Date, an amount equal to 4% of immediately preceding <u>clause (i)</u> (i.e., 4% premium), or (C) thereafter, zero (i.e., no premium).</p>
<p>Dividends Dividend Rate:</p>	<p>Dividends will accumulate at an annual rate of 12.00% (the “Dividend Rate”) on a daily basis from the Issue Date and will be payable on a quarterly basis (and paid 75% in kind (i.e., 9.00%) and 25% (i.e., 3.00%) in cash) (<i>provided</i> that, at the Company’s election, for the initial 36 months after the Effective Date 100% of such dividends will be payable in kind) (<i>provided, further</i>, than at any time, at the Company’s election, the Company may pay in cash any interest that is otherwise payable in kind) on March 31, June 30, September 30 and December 31 of each year, commencing on the first dividend payment date following completion of the Restructuring (each such date of payment, a “Dividend Payment Date”). On each Dividend Payment Date, dividends paid in kind will be paid by compounding such dividends with the effect that an additional dividend shall accrue on each outstanding Preferred Share at a rate per annum equal to the Dividend Rate on the amount so compounded until such amount is actually paid in full (the Initial Aggregate Liquidation Preference Amount, together with all such compounded dividends, being the “Aggregate Liquidation Preference Amount”, and on a per share basis, the “Liquidation Preference Amount”). Dividends shall be calculated on the basis of the actual days elapsed in a year of 360 days.</p>

<p>Conversion Rights</p>	<p>The Preferred Shares will be convertible into the Company’s common stock, at the Company’s option from time to time, on the following terms and conditions:</p> <ul style="list-style-type: none"> • a maximum of 50% of the outstanding face amount of, the Preferred Shares (as calculated as a percentage of the initial aggregate amount of the Preferred Shares), plus accrued interest, shall be convertible at a price that is 2.50% less than the trailing 45-day volume-weighted average trading price (“VWAP”) of the Company’s common stock (the “Conversion Price”), <i>provided</i> that the Conversion Price shall, in all events, be no less than \$5.25 per share of the Company’s common stock; • the total amount of such Preferred Shares that can be converted into the Company’s common stock is capped at the amount equal to 25% of the total trading volume of the Company’s common stock for the 30-day period preceding the date of the proposed conversion; • the conversion price per share of the Preferred Shares shall equal the sum of (i) the Liquidation Preference, plus all accrued and unpaid dividends through the conversion date, in cash, plus (ii) (A) if prior to the thirty-month anniversary of the Effective Date, a make-whole equal to the scheduled dividends that would have been payable to and including the thirty-month anniversary of the Effective Date (discounted from their respective dividend payment dates) on the Preferred Shares to be converted (not including any portion of such payments of interest accrued to the conversion date) to the conversion date on a quarterly basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus 25 basis points plus 8%, (B) if on or after the thirty-month anniversary of the Effective Date and prior to the forty-second month anniversary of the Effective Date, an amount equal to 8% of immediately preceding clause (i) (i.e., 8% premium), (C) if on or after the forty-second month anniversary of the Effective Date and prior to the fifty-fourth month anniversary of the Effective Date, an amount equal to 4% of immediately preceding clause (i) (i.e., 4% premium), and (D) thereafter, zero (i.e., no premium); and • no conversion can occur unless (A) \$125 million or less of Amortization remains outstanding on the Series B Preferred Stock and (B) the Reorganized Debtors’ Adjusted EBITDA on a consolidated basis equals or exceeds \$600 million for two (2) consecutive quarters (on an LTM basis, as calculated as of the end of the most recently ended fiscal quarter of the Company
<p>Liquidation:</p>	<p>Upon a Liquidation Event, the Preferred Shares will be entitled to receive, before the payment or distribution of the Company’s assets or the proceeds thereof is made to the holders of any junior securities, in respect of each Preferred Share equal to the Early Redemption Amount. Any (a) liquidation, dissolution or winding up of the Company, (b) sale of all or substantially all assets of the Company, (c) merger or consummation by the Company of another change in control transaction, in each case in this <u>clause (c)</u>, in which the holders of the</p>

	<p>common shares prior to such transaction own in the aggregate less than 50% of the common shares in the purchasing entity after such transaction or (d) bankruptcy or insolvency event with respect to the Company (including any material subsidiary) will constitute a “<i>Liquidation Event</i>” unless the holders of a majority of the then outstanding Preferred Shares, voting as a separate class, elect not to treat such transaction as a Liquidation Event.</p>
<p>Consent Rights:</p>	<p>No voting rights except as set forth below. Each of the following actions by the Company or any of its subsidiaries (or any agreement or commitment to do so) shall require the affirmative vote or written consent of the Preferred Holders holding more than 50% of the outstanding Preferred Shares at such time, voting as a separate class:</p> <ul style="list-style-type: none"> • any incurrence of indebtedness for borrowed money (other than indebtedness in an amount not to exceed that would not result in a pro forma leverage ratio of Garrett and its consolidated subsidiaries (based on adjusted EBITDA) at the time of issuance of greater than a level to be determined by Atlantic Park); • any material change to the nature of the business; • any change in the entity classification of the Company; • any Liquidation Event, unless the Preferred Holders would receive an aggregate amount in cash in connection therewith equal to the Liquidation Preference Amount of the outstanding Preferred Shares at such time (including any accrued and unpaid dividends thereon); • any dividends or distributions on any equity interests of the Company that are junior to the Preferred Shares, other than dividends or distributions in the form of equity interests that are junior to the Preferred Shares, or increase the authorized number of Preferred Shares; • any issuance of any equity interests of the Company ranking senior to, or pari passu with, the Preferred Shares with respect to the right to receive assets of the Company in connection with any dividend or other distribution by the Company or any Liquidation Event; • any redemption or repurchase of any equity interests of the Company that are junior to the Preferred Shares, other than redemptions of any equity interests of the Company held by any director, officer or employee of the Company or any of its subsidiaries in connection with such individual’s termination of employment or service for a purchase price no higher than fair market value and otherwise on terms approved by the board of directors of the Company (the “<i>Board</i>”); • without the prior written consent of Atlantic Park or pursuant to an Approved Plan, any initiation, or the consummation, of any settlement, release, waiver, abandonment or other resolution (including by way of payment for any consideration of any kind or nature whatsoever) of any claim, demand, judgment, action, suit, matter or proceeding (whether pending, actual, contingent or potential) of any kind or nature whatsoever, or any contractual or other rights

or remedies (whether in law or equity) (whether pending, actual, contingent or potential) of any kind or nature whatsoever, against, by or relating to Honeywell International Inc., or any of its subsidiaries or affiliates (or prior subsidiaries or affiliates), or any of their businesses or assets (or prior businesses or assets) or any of its or their respective equityholders, creditors, directors, officers, employees, trustees, advisors, representatives and agents (or prior equityholders, creditors, directors, officers, employees, trustees, advisors, representatives and agents), or the predecessors or successors (including by way of merger, consolidation or division) of any of the foregoing;

- changes to the Preferred Stock or Warrant terms (including without limitation by amendments to organizational documents or certificates of designation or other similar documentation) that adversely affect the powers, preferences or rights of the holders of the Preferred Stock or Warrants, as the case may be; *provided* that neither the creation of a new class or series that is junior to the Preferred Shares nor the increase of the number of any existing or new class or series of equity interests of the Company which are junior to the Preferred Shares nor the issuance by the Company of any such series or class of equity interests of the Company shall be deemed to adversely affect the Preferred Holders;

- any purchase, transfer, exchange or acquisition of any equity interests of the Company or any of its subsidiaries, whether through merger, consolidation, recapitalization, reorganization or other business combination contemplating aggregate consideration in excess of an aggregate amount to be specified by Atlantic Park;

- any entrance into, or commitment of capital to, any joint venture or similar transaction with any person, other than by the Company or a wholly-owned subsidiary of the Company with another wholly-owned subsidiary of the Company for aggregate consideration in excess of an aggregate amount to be specified by Atlantic Park;

- any sale of any assets or properties of the Company or its subsidiaries that are material to the business of the Company and its subsidiaries taken as a whole or that are for aggregate consideration in excess of an aggregate amount to be specified by Atlantic Park;

- any change to the tax or accounting methods of the Company or its subsidiaries;

- any establishment of or amendment to material employee or executive benefits arrangements, including without limitation cash incentive plans or equity incentive plans; and

- other matters to be reasonably determined by Atlantic Park.

The Dividend Rate then in effect will automatically increase by 2.0% (i.e., to an annual rate of 14.0%) for any period during which an Event of Default (as defined below) has occurred and is continuing, and such increase shall be

	<p>payable in cash; <i>provided</i> the Dividend Rate will immediately and automatically reset to 12% after all Events of Defaults have been cured.</p> <p>“Event of Default” means (i) the taking of any action by the Company or any of its subsidiaries that requires the consent of the Preferred Holders as set forth above, if such action was taken without such consent or (ii) the occurrence of any “Event of Default” (or equivalent term) under any documentation for material indebtedness of any of the Debtors (including any credit facilities or debt securities) or any of their respective subsidiaries.</p>
Board Observer Rights:	<p>Preferred Holders will have the right to designate one observer to the Board (the “Preferred Designation Right”), who will be elected by the affirmative vote or written consent of Preferred Holders holding more than 50% of the outstanding Preferred Shares, voting as a separate class, and which observer shall have customary access and information rights. In addition, the Preferred Holders and such observer will have customary information and inspection rights, including, but not limited to, financials (annual, quarterly and monthly, as well as MD&A and budgets) of the Company and its subsidiaries and Board materials. In addition, the chief financial officer or treasury (or other senior financial officer reasonably satisfactory to Atlantic Park) of Garrett shall hold quarterly informational meetings (which may be conducted telephonically, at the discretion of Atlantic Park) with Atlantic Park at Atlantic Park’s prior written request delivered at least 3 business days in advance of such meeting.</p>
Representations and Warranties:	<p>The purchase agreement shall contain standard representations and warranties by the Company.</p>
Other Provisions:	<p>Preferred Holders have no conversion, exchange, sinking fund, redemption or appraisal rights (except for the mandatory redemption right in connection with any secondary offering of the Company as set forth herein), and have no rights of first refusal or preemptive rights to subscribe for any securities or indebtedness of the Company. The Preferred Holders will be subject to customary restrictions on transfer (<i>provided</i> that the Preferred Shares and Warrants will not be subject to any contractual restrictions on transfer other than such as are necessary to insure compliance with U.S. federal and state securities laws) and drag-along right to be agreed.</p>
Implementation:	<p>Debtors or, if the Equity Committee is the plan proponent, the Equity Committee shall incorporate the provisions of this Term Sheet (including all exhibits and attachments) into the Plan.</p>
Tax Matters:	<p>All tax matters relating to the Preferred Stock and the other transactions contemplated herein, or reasonably related or incidental matters, to be reasonably satisfactory to Atlantic Park, including, without limitation, the treatment of the Issuance Discount, to the extent, as non-amortizable preferred OID.</p>
Plan Treatment:	<p>Accepting Eligible Holders shall receive a pro rata right to participate in the Offering (in addition to retaining their existing common stock).</p>

Documentation:	Subject to definitive documentation reasonably satisfactory to Atlantic Park and Garrett.
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**SUMMARY OF TERMS
WARRANTS**

<p>Notional Amount of the Warrants:¹¹</p>	<p>The Preferred Holders will receive detachable Warrants to purchase a number of shares of common stock of the Company (“<i>Common Stock</i>”) equal to 12.5% of the total issued and outstanding shares of Common Stock on the Effective Date.</p> <p>In addition, Atlantic Park will receive detachable Warrants to purchase a number of shares of Common Stock equal to 2.5% of the total issued and outstanding shares of Common Stock on the Effective Date (the “<i>Equity Work Fee</i>”).</p> <p>For illustrative purposes, assuming the existence of 1 million shares of Common Stock on the Effective Date, the aggregate notional amount of the Warrants would be 150,000.</p>
<p>Exercise Price:</p>	<p>For purposes of the Exercise Price on the Warrants only, an amount per share based on Stipulated Total Enterprise Value (to be defined in the Plan in a manner reasonably acceptable to Atlantic Park). For purposes of clarity, in determining the Exercise Price, the aforementioned Stipulated Total Enterprise Value shall be deemed to remain constant; <i>provided, however</i>, if, prior to the Effective Date, there occurs any asset sale or other disposition of assets and the proceeds of any such sale or distribution are not reinvested, retained or used to reduce the debt for borrowed money obligations of the Company and its subsidiaries on the Effective Date, the Exercise Price shall be reduced by such amount that is not so reinvested, retained or used to reduce the debt for borrowed money obligations of the Company and its subsidiaries. The purpose of the foregoing sentence is to ensure that if Stipulated Total Enterprise Value is reduced due to asset sales, the Exercise Price shall be reduced accordingly.</p>
<p>Term/Expiration Date:</p>	<p>Expiration date is the later of (i) June 30, 2025, or (ii) 48 months after the Effective Date.</p>
<p>Anti-Dilution:</p>	<p>Mechanical anti-dilution only (e.g., stock splits, stock dividends, etc.). No economic anti-dilution.</p>
<p>SEC Registration:</p>	<p>Both Warrants and underlying Common Stock will be eligible under Section 1145 of the Securities Act of 1933, as amended, and be freely transferable. No registration required.</p>
<p>Implementation:</p>	<p>Debtors or, if the Equity Committee is the plan proponent, the Equity Committee shall incorporate the provisions of this Term Sheet (including all exhibits and attachments) into the Plan.</p>

¹¹ The intent is for the Warrants, when issued, to have a sum certain defined for both the notional amount and the exercise price per share as described above, whether based on estimates, agreement among Debtors and Atlantic Park, or otherwise.

Tax Matters:	All tax matters relating to the Warrants and the other transactions contemplated herein, or reasonably related or incidental matters, to be reasonably satisfactory to Atlantic Park.
Plan Treatment:	Accepting Eligible Holders shall receive a pro rata right to participate in the Offering (in addition to retaining their existing common stock).
Documentation:	Subject to definitive documentation reasonably satisfactory to Atlantic Park and Garrett.