



schedule a final hearing approximately twenty-one days from the commencement of these chapter 11 cases to consider approval of this motion on a final basis.

### **Jurisdiction and Venue**

2. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtors confirm their consent, pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested herein are sections 105(a), 362(d), 363(b), 507(a), and 541(b)(1) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), rules 2002, 6003, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rules 2002-1 and 9013-1.

### **Background**

5. The Debtors, together with their non-Debtor affiliates (collectively, “Marelli” or the “Company”) are one of the largest international automotive parts suppliers in the world and a pioneer in motorsports and in automobile manufacturing and design. With its headquarters in Saitama, Japan and over 46,000 employees located in twenty-four countries around the world, Marelli designs and produces sophisticated technologies for leading automotive manufacturers,

including lighting and sensor integrations, electronic systems, software solutions, and interior design products, and collaborates with motor sports teams and other industry leaders to research and develop cutting-edge, high-performance automotive components.

6. On June 11, 2025 (the “Petition Date”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their property as debtors 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 requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no official committees have been appointed or designated.

#### **The Debtors’ Workforce**

7. As of the Petition Date, the Debtors employ approximately 41,800 full-time, part-time, and temporary employees across eighteen<sup>3</sup> countries with approximately 2,100 employees located in the United States (the “U.S. Employees”) and approximately 39,700 employees located outside of the United States (the “Non-U.S. Employees” and, together with the U.S. Employees, the “Employees”). The Debtors’ workforce consists of approximately 38,900 full-time Employees (the “Full-Time Employees”) and approximately 300 part-time Employees (the “Part-Time Employees”). Approximately 2,700 temporary Employees (the “Temporary Employees”) are hired through staffing agencies (the “Staffing Agencies”) on an as-needed basis. Temporary Employees are primarily paid by the Debtors through payments to the Staffing Agencies who then pay the Temporary Employees. The Employees include personnel

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<sup>3</sup> The Debtors’ Employees are located in Argentina, Brazil, China, the Czech Republic, France, Germany, Italy, Japan, Mexico, Morocco, Poland, Romania, Slovakia, Spain, Switzerland, Thailand, Turkey, and the United Kingdom.

who are intimately familiar with the Debtors' business, processes, and systems, and possess unique skills and experience with respect to the Debtors' business. Many of these Employees perform a wide variety of functions critical to the operations at the Debtors' manufacturing plants and research and development facilities. Certain of these individuals are highly trained and have an essential working knowledge of the Debtors' business that cannot be replaced. The Temporary Employees perform a variety of services, including certain skilled trade labor and consulting functions related to security, production work, engineering, and finance, as well as cleaning services, that are similarly important to the Debtors' ordinary-course operations.

8. While U.S. Employees are not currently unionized, certain Non-U.S. Employees are members of foreign labor unions (the "Unions," and such employees, the "Union Employees"). The Union Employees are covered by approximately thirty-eight collective bargaining agreements or their foreign-law equivalents (the "CBAs"), certain of which require contributions by the Debtors to the applicable Unions (the "Union Contributions"). A list of the Unions with which the Debtors maintain CBAs is attached hereto as **Exhibit C**.

9. In addition to the Employees, the Debtors have historically supplemented their workforce through the use of approximately 200 skilled independent contractors (the "Independent Contractors") to fulfill various business functions. The Independent Contractors perform certain services that are critical to the Debtors' operations, including, among other things, engineering and information technology services.

10. The vast majority of the Employees and Independent Contractors rely exclusively on their compensation and benefits to pay their daily living expenses and support their families. These workers will be materially harmed and exposed to significant financial hardship if the Debtors are not permitted to continue paying compensation and providing health and other benefits

during these chapter 11 cases. Furthermore, the Debtors and their estates may be harmed if they are unable to provide compensation and benefits consistent with past practice. The Employees and Independent Contractors are the lifeblood of the Debtors' business. Their skills, knowledge, and understanding of the Debtors' operations and infrastructure are essential to preserving operational stability and efficiency. Simply put, the Debtors cannot operate their business without their Employees and Independent Contractors, and the Debtors' ability to maintain and administer their estates will be materially impaired to the detriment of all stakeholders without the continued, uninterrupted services of their Employees and Independent Contractors. Consequently, the relief requested herein is necessary and appropriate.

### **Compensation and Benefits**

11. To minimize the personal hardship that Employees would likely suffer if prepetition Employee-related obligations remain unpaid when due or expected, the Debtors seek authority to: (a) pay and honor certain prepetition claims relating to the Debtors' various ordinary course compensation and benefits programs, including Employee Compensation, Staffing Agency Obligations, Independent Contractor Obligations, Reimbursable Expenses, the Non-Insider Bonus Programs, the Non-Insider Severance Program, Withholding Obligations, Payroll Processing Fees, Employee Benefits Programs, Union Contributions, and Director Compensation (each as defined herein and, collectively, the "Compensation and Benefits," and the programs pursuant to which the Debtors provide the Compensation and Benefits, the "Compensation and Benefits Programs"); and (b) pay and honor all costs related to or on account of the Compensation and Benefits.

12. Out of an abundance of caution, the Debtors further request confirmation of their right to modify, change, and/or discontinue any of their Compensation and Benefits Programs and/or to implement new programs, policies, and benefits on a postpetition basis in the ordinary course of business in the Debtors' sole discretion (subject in all respects to the terms of the Interim

Order and Final Order, as applicable) and without the need for further Court approval, subject to applicable law. Accordingly, the Debtors seek authority to make the following payments on account of prepetition amounts owed in connection with the Compensation and Benefits Programs:

<b>Relief Requested<sup>4</sup></b>		
<b>Compensation &amp; Benefits</b>	<b>Interim</b>	<b>Final</b>
<b>Compensation and Withholding Obligations</b>	<b>\$127,600,000</b>	<b>\$129,050,000</b>
Employee Compensation	\$45,000,000	\$45,000,000
Staffing Agency Obligations	\$40,000,000	\$40,000,000
Independent Contractor Obligations	\$3,000,000	\$3,000,000
Reimbursable Expenses	\$400,000	\$400,000
Non-Insider Bonus Programs (Final Order Only)	N/A	N/A
Non-Insider Severance Program (Final Order Only)	N/A	\$800,000
Social Plan Obligations	N/A	N/A
Withholding Obligations (Payroll Deductions & Payroll Taxes)	\$38,300,000	\$38,300,000
Payroll Processing Fees	\$600,000	\$1,200,000
<b>Employee Benefits Programs</b>	<b>\$13,915,500</b>	<b>\$15,045,500</b>
Health and Welfare Coverage and Benefits	\$9,000,000	\$10,000,000
COBRA Benefits	\$3,000	\$3,000
Life and Disability Insurance Coverage	\$550,000	\$550,000
Workers' Compensation	\$7,500	\$7,500
401(k) Plan	\$800,000	\$800,000
Non-U.S. Employees Savings Plans	\$1,450,000	\$1,450,000
Time-Off Benefits	N/A	\$130,000
Pension Programs	\$2,100,000	\$2,100,000
Retiree Benefit Programs	\$5,000	\$5,000
Additional Benefit Programs	N/A	N/A
<b>Union Contributions</b>	<b>\$150,000</b>	<b>\$150,000</b>
<b>Director Compensation</b>	<b>N/A</b>	<b>N/A</b>
Outside Director Compensation	N/A	N/A
Disinterested Director Compensation	N/A	N/A
<b>Total</b>	<b>\$141,365,500</b>	<b>\$143,895,500</b>

<sup>4</sup> Monetary amounts stated herein originally denominated in euros or other currencies have been converted to the United States dollar based on current exchange rates retrieved at the close of business on May 31, 2025 (prevailing Eastern Time).

**I. Compensation and Withholding Obligations.**

**A. Employee Compensation.**

13. In the ordinary course of business, the Debtors incur payroll obligations for base wages, salaries, and other compensation owed to Employees (the “Employee Compensation”). The Debtors pay Employees on a weekly, bi-weekly, or monthly basis, depending on the Employees’ location and roles. Employees may be owed accrued but unpaid Employee Compensation as of the Petition Date because, among other things, certain Employees are paid in arrears, and certain Non-U.S. Employees are paid a percentage of the second installments of their bi-weekly pay in advance in some circumstances. Employee Compensation may also be payable as of the Petition Date because of, among other things, potential discrepancies between the amounts paid and the amounts that Employees believe they should have been paid, which, upon resolution, may reveal that additional amounts are owed to such Employees.

14. The Debtors pay Employee Compensation by direct deposit through electronic transfer of funds to the Employees’ bank accounts or other electronic means. As of the Petition Date, the Debtors estimate that they owe approximately \$45,000,000 on account of accrued but unpaid Employee Compensation. The Debtors seek authority to continue to honor the Employee Compensation and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. Accordingly, the Debtors seek authority, but not direction, in their business judgement, to make payments on account of Employee Compensation in an aggregate amount not to exceed \$45,000,000, all of which shall be available upon entry of the Interim Order. For the avoidance of doubt, to the extent the Debtors seek to pay outstanding prepetition amounts on account of Employee Compensation to any Employee in excess of the priority amount of \$17,150 imposed by sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code (the “Priority Cap”), the Debtors request such relief solely pursuant to the Final Order.

**B. Staffing Agency Obligations.**

15. In the ordinary course of business, the Debtors incur payment obligations to the Staffing Agencies that assist the Debtors in engaging Temporary Employees (the “Staffing Agency Obligations”). The Debtors hire Temporary Employees on an as-needed basis and compensate them for their services either directly or through invoices payable to the Staffing Agencies. The amount and frequency of these payments depend on the types of services the Temporary Employees provide, but on average, the Debtors spend approximately \$21,000,000 per month on account of Staffing Agency Obligations. As of the Petition Date, the Debtors estimate that they owe approximately \$40,000,000 in accrued but unpaid Staffing Agency Obligations. The Debtors seek authority, but not direction, in their business judgement, to make payments on account of Staffing Agency Obligations in an aggregate amount not to exceed \$40,000,000, all of which shall be available upon entry of the Interim Order.

16. The Staffing Agencies perform critical services to support the Debtors’ operations, and the Debtors believe that the authority to continue to hire and pay their Temporary Employees is critical to maintaining and administering their estates. The Debtors seek authority to continue to honor the Staffing Agency Obligations and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. None of the Temporary Employees paid by the Staffing Agencies will be paid in excess of the Priority Cap.

**C. Independent Contractor Obligations.**

17. The Debtors pay the Independent Contractors on an hourly, weekly, biweekly, or monthly basis (the “Independent Contractor Obligations”) directly through accounts payable. The Independent Contractors are an important supplement to the Debtors’ workforce. The Independent Contractors perform certain services that are critical to the Debtors’ operations, including, among other things, engineering and information technology services. Without the

continued, uninterrupted services of the Independent Contractors, the administration of the Debtors' estates would be materially impaired.

18. The Debtors spend a monthly average of approximately \$2,000,000 on Independent Contractor Obligations. As of the Petition Date, the Debtors estimate that Independent Contractors are owed an aggregate amount of approximately \$3,000,000 on account of accrued services rendered prior to the Petition Date. The Debtors seek authority to continue to honor the Independent Contractor Obligations and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. Accordingly, the Debtors seek authority, but not direction, in their business judgement, to make payments on account of Independent Contractor Obligations in an aggregate amount not to exceed \$3,000,000, all of which shall be available upon entry of the Interim Order. None of the Independent Contractors will be paid in excess of the Priority Cap in the interim period.

**D. Reimbursable Expenses**

19. In the ordinary course of business, the Debtors reimburse certain Employees for pre-approved expenses incurred within the scope of their employment (the "Reimbursable Expenses"). Certain of the Reimbursable Expenses are incurred through the use of corporate credit cards (the "Credit Cards") serviced by fourteen different providers (the "Credit Card Providers").<sup>5</sup> The Debtors have issued Credit Cards to certain Employees to fund travel expenses that these Employees incur in the course of performing their professional obligations on behalf of the Debtors. The Credit Cards serviced by American Express are subject to an aggregate cap of \$500,000, while the Credit Cards serviced by AirPlus are subject to an aggregate cap of \$40,000.

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<sup>5</sup> The Credit Card Providers include AirPlus International GmbH, American Express Company, Bankinter, S.A., Bank Handlowy w Warszawie S.A., Degussa Bank AG, Deutsche Bank, AG, Direct Fidoo a.s., HDFC Bank Limited, KEB Hana Card Co., Malaya Banking Berhad, Nissan Financial Services Co., Ltd., Santander Financial Services plc, Société Générale S.A., and Yapi ve Kredi Bankasi A.S.

The Debtors generally remit payment to the Credit Card Providers on account of obligations incurred through the Credit Cards on a monthly basis, though the Debtors may elect in some circumstances to prepay outstanding balances if a given Employee frequently incurs travel-related expenses. The Debtors always require Employees who use Credit Cards to submit proposed travel expenses to the Debtors for a detailed pre-approval process.

20. Additionally, certain Employees may incur out-of-pocket Reimbursable Expenses when use of a Credit Card is unavailable. In these instances, the Employee's pay these out-of-pocket Reimbursable Expenses personally, and the Debtors reimburse them. Such expenses include, but are not limited to, air travel, lodging, restaurants, rental cars, and other expenses incurred in connection with business-related travel, as well as relocation services in circumstances where Employees move to a new country in connection with their service to the Debtors. For all such expenses, Employees must submit original receipts to their respective managers. Once the Debtors' approving managers have determined that the charges are for allowable reimbursable business expenses, the Debtors process the requested reimbursements and reimburse the Employees.

21. Employees incur the Reimbursable Expenses as business expenses in the course of performing their roles and with the understanding that such expenses will be reimbursed. Absent the ability to honor obligations arising from Reimbursable Expenses, the Debtors would impose undue hardship on Employees who had incurred these obligations for the Debtors' benefit. Although the Debtors require that reimbursement requests be promptly submitted, delays in submission or processing can occur, and Employees may submit reimbursement requests for, or obtain approval of, prepetition Reimbursable Expenses after the Petition Date.

22. As of the Petition Date, the Debtors estimate that they owe approximately \$400,000 in aggregate Reimbursable Expenses. To avoid harming Employees who have incurred Reimbursable Expenses on behalf of the Debtors and who may become personally liable for such expenses, the Debtors seek authority to continue to honor the Reimbursable Expenses and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. Accordingly, the Debtors seek authority, but not direction, in their business judgement, to make payments on account of Reimbursable Expenses in an aggregate amount not to exceed \$400,000, all of which shall be available upon entry of the Interim Order. For the avoidance of doubt, the Debtors will not seek to pay any outstanding Reimbursable Expenses and fees in advance of the date they become due.

**E. Non-Insider Bonus Programs (Final Order Only).<sup>6</sup>**

23. In the ordinary course of business, the Debtors incur payment obligations to their non-insider Employees in connection with three bonus programs (collectively, the “Non-Insider Bonus Programs”). The quarterly bonus program is designed to provide incentive awards to eligible Full-Time Employees whose contributions support the successful achievement of the Debtors’ financial goals.<sup>7</sup> Bonuses under the program are generally paid in the second month of the following quarter. Each Employee’s payout under the quarterly bonus program is determined by several factors, subject to a fifty-percent minimum payout amount, and contingent upon the

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<sup>6</sup> For the avoidance of doubt, the Debtors are not requesting authorization to pay any insiders (as that term is defined in section 101(31) of the Bankruptcy Code) (the “Insiders”) (i) on account of the Non-Insider Bonus Programs or (ii) any amounts in excess of the Priority Cap. For the avoidance of doubt, the Debtors reserve all rights with respect to the classification of any Employee as an “Insider,” and no description of any Compensation and Benefits hereunder indicating that such Compensation and Benefits covers or is made available to “Insiders” or “non-Insiders” shall be construed as an admission or concession by the Debtors that any Employee of the Debtors is an “Insider.”

<sup>7</sup> Historically, the Debtors maintained an annual bonus program, with obligations accruing throughout the calendar year and awards generally paid within the first several months of the following year. In May 2025, the annual bonus program was modified such that awards are currently issued on a quarterly basis.

Employee's continued employment with the Debtors through the award payment date. The Debtors' retention bonus program, meanwhile, is a contractual bonus that is used to attract and retain specialized talent. In addition, the Debtors offer sign-on bonuses to certain Employees to attract and retain qualified candidates. Similar to the quarterly bonus program, payment of awards pursuant to the sign-on bonus program is contingent upon Employees' continued employment with the Debtors through the award payment date or retention period.

24. As of the Petition Date, the Debtors do not believe they owe any amounts on account of the Non-Insider Bonus Programs. Out of an abundance of caution, however, pursuant to the Final Order only, the Debtors seek authority to: (a) pay any accrued but unpaid amounts incurred on account of the Non-Insider Bonus Programs; and (b) continue to honor the Non-Insider Bonus Programs and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. For the avoidance of doubt, the Debtors are not seeking relief to pay any Employee that is an Insider under the Non-Insider Bonus Programs.

**F. Non-Insider Severance Program (Final Order Only).**

25. In the ordinary course of business, the Debtors maintain a severance program for the benefit of certain non-insider Employees (the "Non-Insider Severance Program"). Under the Non-Insider Severance Program, certain Employees may be eligible for payment of severance if their employment is terminated due to a workforce adjustment or any not-for-cause employer-initiated termination. Such severance payments (the "Non-Insider Severance Obligations") are calculated by reference to a terminated Employee's compensation level in accordance with Company-instituted guidelines and applicable law in the jurisdictions where the Debtors operate. The Company guidelines provide that non-insider Employees accrue Non-Insider Severance Obligations based on length of service and seniority. Under the Non-Insider Severance Program, Debtors typically make payments on account of Non-Insider Severance Obligations in

either lump-sums or in regular payments over the course of several months, depending on the jurisdiction.

26. As of the Petition Date, the Debtors owe approximately \$800,000 on account of Non-Insider Severance Obligations to fifty former Employees who previously served in roles at certain of the Debtors' manufacturing plants in Canton, Mississippi and Smyrna, Tennessee. The Debtors seek authority, but not direction, in their business judgement, to make payments on account of Non-Insider Severance Obligations in an aggregate amount not to exceed \$800,000, subject to entry of the Final Order. These former Employees will receive severance amounts in the form of salary-continuation payments over a period of several weeks. The reduction in force at the Debtors' plants comes as the result of one of the Debtors' customers scaling back production requirements at these facilities, and the customer has agreed to reimburse the Debtors for the Non-Insider Severance Obligations payable to the affected former Employees.

27. The Debtors' ability to continue the Non-Insider Severance Program is critical to maintaining Employee morale and ensuring the uninterrupted operation of the Debtors' business. Failure to maintain the Non-Insider Severance Program could cause increased instability in the Debtors' workforce, which would undermine the Debtors' ability to strengthen their financial and operational foundation, generate growth, and position themselves for long-term success. The Debtors seek authority pursuant to the Final Order to continue honoring their obligations in connection with the Non-Insider Severance Program in the ordinary course of business and consistent with past practice.

**G. Social Plans**

28. In the ordinary course of business and consistent with applicable labor laws and historical practice, the Debtors maintain various social plans (collectively, the "Social Plans") for the benefit of Employees in certain non-U.S. jurisdictions, including China, France, Italy, and

Morocco. These Social Plans are meant to be implemented in connection with workforce reductions or operational restructurings and may include outplacement assistance, retraining programs, severance payments, and other transition-related benefits. In many cases, the Social Plans are the result of mandatory negotiations with works councils or employee representatives and are binding under local law. In accordance with these obligations, the Debtors historically set aside certain funds to support the Social Plans, which are held in reserve and made available to eligible employees if they become entitled to the transition-related benefits provided thereunder. To the extent any such reserved funds remain unused at the end of the applicable Social Plan period, the Debtors claw back or reallocate such amounts in accordance with the terms of the applicable plan or agreement. Out of an abundance of caution, however, the Debtors seek authority to continue maintaining the Social Plans and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice.

**H. Withholding Obligations.**

29. In the ordinary course of business, the Debtors incur obligations on account of Payroll Deductions and Payroll Taxes (each as defined below and collectively, the “Withholding Obligations”). As of the Petition Date, the Debtors estimate that they owe approximately \$38,300,000 on account of Withholding Obligations. The Debtors seek authority, but not direction, in their business judgement, to make payments on account of Withholding Obligations in an aggregate amount not to exceed \$38,300,000, all of which shall be available upon entry of the Interim Order. Accordingly, the Debtors seek authority to continue to honor their Withholding Obligations and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice.

**i. Payroll Deductions.**

30. During each applicable payroll period, the Debtors routinely deduct certain amounts from Employees' paychecks, including, without limitation (a) pre- and post-tax deductions payable pursuant to certain of the Employee Benefits Programs (as defined herein), including health insurance premiums and retirement savings contributions, (b) garnishments, child support and service charges, and other similar deductions, and (c) other withholdings as may be required in the various jurisdictions in which the Debtors operate (collectively, the "Payroll Deductions"), and forward the Payroll Deductions to various third-party recipients.

31. As of the Petition Date, the Debtors estimate that they owe approximately \$7,300,000 on account of accrued but unpaid Payroll Deductions. The Debtors seek authority, but not direction, in their business judgement, to make payments on account of Payroll Deductions in an aggregate amount not to exceed \$7,300,000, all of which shall be available upon entry of the Interim Order. The Debtors believe that that the unpaid Payroll Deductions generally are held in trust by the Debtors and are not property of their estates. Out of an abundance of caution, however, the Debtors seek authority to continue to honor any unpaid Payroll Deductions and to pay any prepetition claims with respect thereto, including to third-party payees, in the ordinary course of business and consistent with past practice.

**ii. Payroll Taxes.**

32. In addition to the Payroll Deductions, certain laws require that the Debtors withhold amounts from Employees' gross pay related to federal, state, and local income taxes, as well as Social Security and Medicare taxes for remittance to the appropriate federal, state, or local taxing authorities (the "U.S. Employee Payroll Taxes"). The Debtors must then match the U.S. Employee Payroll Taxes from their own funds and pay, based on a percentage of gross payroll, additional amounts for federal and state unemployment insurance and Social Security and Medicare taxes

(the “Employer Payroll Taxes” and, together with the U.S. Employee Payroll Taxes, the “U.S. Payroll Taxes”). The Debtors also have similar obligations to foreign taxing authorities under the laws of the non-U.S. jurisdictions in which they operate (the “Non-U.S. Employee Payroll Taxes” and, together with the U.S. Payroll Taxes, the “Payroll Taxes”). The Payroll Taxes are generally processed and forwarded to the appropriate U.S. and foreign taxing authorities in accordance with remittance intervals and deadlines established by those taxing authorities.

33. As of the Petition Date, the Debtors estimate that they owe approximately \$31,000,000 on account of the Payroll Taxes. The Debtors seek authority to continue to honor the Payroll Taxes and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. Accordingly, the Debtors seek authority, but not direction, in their business judgement, to make payments on account of Payroll Taxes in an aggregate amount not to exceed \$31,000,000, all of which shall be available upon entry of the Interim Order.

**I. Payroll Processing Fees.**

34. Withholding Obligations for the Employees are processed and administered through various third-party administrators, including Strada Global and Automatic Data Processing, Inc. (collectively, the “Payroll Processors”). After payroll is processed, the Payroll Processors withdraw funds from the Debtors’ account to cover the Withholding Obligations, direct applicable payments, and applicable governmental fees. The Debtors incur fees on account of the services provided by the Payroll Processors (the “Payroll Processing Fees”).

35. As of the Petition Date, the Debtors estimate that they owe approximately \$1,200,000 on account of accrued but unpaid Payroll Processing Fees. The Debtors seek authority to continue to honor the Payroll Processing Fees and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. Accordingly, the

Debtors seek authority, but not direction, in their business judgement, to make payments on account of Payroll Processing Fees in the aggregate amount not to exceed \$1,200,000, of which \$600,000 shall be available upon entry of the Interim Order and the remaining amount upon entry of the Final Order.

## **II. Employee Benefits Programs.**

36. The Debtors offer their Employees the ability to participate in a number of insurance and benefits programs, including, among others, Health and Welfare Coverage and Benefits, COBRA Benefits, Life and Disability Insurance Coverage, the Workers' Compensation Program, the 401(k) Plan, the Non-U.S. Employee Savings Plans, Time-Off Benefits, Pension Programs, Retiree Benefits Programs, and the Additional Benefit Programs (each as defined herein and, collectively, the "Employee Benefits Programs").

37. As of the Petition Date, the Debtors estimate that they owe approximately \$15,045,500 on account of the Employee Benefits Programs. The Debtors seek authority to honor the Employee Benefits Programs and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice during these chapter 11 cases. Accordingly, the Debtors seek authority, but not direction, in their business judgement, to make payments on account of the Employee Benefits Programs in the aggregate amount not to exceed \$15,045,500, of which \$13,915,500 shall be available upon entry of the Interim Order and the remaining amount upon entry of the Final Order. Each of the Employee Benefits Programs is described in greater detail below.

### **A. Health and Welfare Coverage and Benefits.**

38. The Debtors offer their Employees the ability to participate in a number of health insurance and benefits programs, including, among other programs, medical, dental, and vision coverage plans (collectively, the "Health and Welfare Coverage and Benefits"). The Health and

Welfare Coverage and Benefits are, in each case, available to certain Employees depending on factors including their position within the business, their length of service, and location (the “Eligible Employees”).

39. The Health and Welfare Coverage and Benefits include, but are not limited to, Medical and Prescription Coverage, Dental Insurance Coverage, and Vision Care Insurance Coverage (each as defined below). The Debtors provide Eligible Employees with medical and prescription coverage (“Medical and Prescription Coverage”) through Blue Cross Blue Shield Tennessee, MetLife, Inc. (“MetLife”), Ping An Insurance Company of China, Ltd., and other insurance providers. Certain Eligible Employees contribute to the cost of the Medical and Prescription Coverage through payroll deductions during each pay period. In certain jurisdictions, the Medical and Prescription Coverage is self-funded by the Debtors. In other jurisdictions, the Debtors pay a fixed fee, and the Medical and Prescription coverage is fully insured by the applicable insurance provider. In certain foreign jurisdictions, non-U.S. Eligible Employees are offered Medical and Prescription Coverage under Debtor-sponsored programs or obtain coverage through government-subsidized programs.

40. Additionally, Eligible Employees enrolled in participating Medical and Prescription Coverage plans can utilize a Health Savings Account (“HSA”) or a Health Care Flexible Spending Account (“FSA”) to directly pay for healthcare expenses with tax-free dollars. For an Employee enrolled in an HSA, the applicable Debtor provides an annual HSA contribution of up to \$500.

41. The Debtors offer dental insurance plans administered by several insurance providers, including, but not limited to, Delta Dental of Michigan, Inc., Centauro, Custom Services Administrators (d/b/a Generali Global Assistance), Amil Participacoes S.A., Inpao Dental,

Uniodonto Odontologia Ltda., and Odontoprev S.A. (the “Dental Insurance Coverage”), for Employees who do not otherwise receive such benefits under their respective private or government subsidized Medical and Prescription Coverage. The Dental Insurance Coverage is fully funded by the applicable insurance providers. For U.S. Employees, the Debtors cover fifty-three percent of the premium cost for Dental Insurance Coverage for Eligible Employees, and the Eligible Employees cover forty-seven percent of the premium cost for eligible dependents, including legal spouses, domestic partners, and children. In certain foreign jurisdictions, specific to the applicable foreign entity, the Debtors generally cover one hundred percent of the Dental Insurance coverage costs, and in some instances, the Eligible Employee contributes a co-payment, deducted from their salary, for certain procedures up to a limit. In addition, in certain foreign jurisdictions, Dental Insurance Coverage is paid by the Eligible Employee and, when applicable, administered by the Employee’s union.

42. The Debtors also offer vision insurance plans provided directly by the Debtors, Delta Dental of Michigan, Inc., Generali Global Assistance, Dentegra Insurance Company, and MetLife, among others (the “Vision Care Insurance Coverage”). Participating U.S. Employees pay fifty percent of the premium cost for the Vision Care Insurance Coverage through payroll deductions each pay period, and the Debtors cover the remaining fifty percent of the premium cost. In certain foreign jurisdictions, the Debtors cover one-hundred percent of the Vision Care Insurance Coverage costs or contribute a flat fee to cover applicable vision related prescriptions.

43. As described above, failing to continue the Health and Welfare Coverage and Benefits could cause Employees to experience severe hardship and render it extremely difficult to retain the Debtors’ workforce. Because the Debtors self-fund certain Medical and Prescription

Coverage, Employees may submit prepetition claims for processing after the Petition Date.<sup>8</sup> As of the Petition Date, the Debtors estimate they owe approximately \$10,000,000 on account of unpaid Health and Welfare Coverage and Benefits. The Debtors seek authority to continue to honor their Health and Welfare Coverage and Benefits and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. Accordingly, the Debtors seek authority, in their business judgement, to make payments on account of Health and Welfare Coverage Benefits in the aggregate amount not to exceed \$10,000,000, of which \$9,000,000 shall be available upon entry of the Interim Order and the remaining amount upon entry of the Final Order.

**B. COBRA Benefits.**

44. The Medical and Prescription Coverage also provides certain former Employees with health benefits following the end of their employment with the Debtors. Employees that are enrolled in a medical, prescription drug, dental, or vision plan, and/or the HSA may have the option to temporarily continue coverage in certain instances when coverage would otherwise end. Pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”), former U.S. Employees may continue to receive Medical and Prescription Coverage, Dental Insurance Coverage, and Vision Care Insurance Coverage (the “COBRA Benefits,” and such former Employees, the “COBRA Participants”).

45. The COBRA Participants are entitled by law to continue to receive COBRA Benefits for up to eighteen months, and in some instances up to thirty-six months, following termination of employment. The COBRA Benefits provide for the continuation of health plan coverage when such coverage would otherwise end because of a life event known as a “qualifying

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<sup>8</sup> The Debtors’ self-funded plan has a stop-loss of \$500,000 per qualifying incident.

event.” Qualifying events that result in continued coverage include a reduction in the hours of employment or the termination of employment for reasons other than gross misconduct. COBRA Participants are responsible for paying all premium costs associated with the COBRA Benefits, except with respect to those COBRA Participants who are eligible for three months of COBRA Benefits paid by the Debtors on account of their participation in a voluntary transition plan or pursuant to individualized separation agreements. The Debtors utilize the services of PlanSource Benefits Administration, Inc. to assist in the administration of the COBRA Benefits.

46. As of the Petition Date, the Debtors estimate they owe approximately \$3,000 on account of unpaid COBRA Benefits. The Debtors seek authority to continue to honor the COBRA Benefits and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. Accordingly, the Debtors seek authority, but not direction, in their business judgement, to make payments on account of COBRA Benefits in an aggregate amount not to exceed \$3,000, all of which shall be available upon entry of the Interim Order.

**C. Life and Disability Insurance Coverage.**

47. The Debtors provide Employees with life insurance and long-term disability insurance (“Life and Disability Insurance Coverage”). The Debtors’ life insurance and long-term disability insurance plans are administered by providers including MetLife, Klesia S.A., AXA S.A., Roederer SAS, AG2R La Mondiale, and Customized Services Administrators, Inc. (d/b/a Generali Global Assistance). The Debtors also offer a short-term disability as a standalone service, which can be either self-insured or fully insured. Certain short-term disability services are covered under the Life and Disability Insurance Coverage or by the applicable foreign governmental entities in the jurisdictions where the Debtors operate. The Debtors pay the insurance providers approximately \$5,700,000 per year to administer the Life and Disability Insurance Coverage.

48. As of the Petition Date, the Debtors estimate they owe approximately \$550,000 on account of unpaid Life and Disability Insurance Coverage. The Debtors seek authority, but not direction, in their business judgement, to make payments on account of Life and Disability Insurance Coverage in an aggregate amount not to exceed \$550,000, all of which shall be available upon entry of the Interim Order. The Debtors seek authority to honor the Life and Disability Insurance Coverage and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice.

**D. Workers' Compensation.**

49. In the ordinary course of business, the Debtors maintain workers' compensation insurance coverage in accordance with applicable requirements in the United States (the "U.S. Workers' Compensation Program") and other comparable programs in other jurisdictions around the world as required by local laws (the "Foreign Workers' Compensation Programs") and, together with the U.S. Workers' Compensation Program, the "Workers' Compensation Programs").

50. Travelers Companies, Inc. ("Travelers") administers the U.S. Workers' Compensation Program. The Debtors pay an annual premium to Travelers in advance at the start of each policy year. The Debtors paid Travelers a premium of approximately \$460,000 for the 2025 policy year in January 2025. The U.S. Workers' Compensation Program is subject to a \$500,000 deductible payable by the Debtors for every claim submitted, with Travelers providing coverage for amounts in excess of the deductible. As of the Petition Date, the Debtors estimate that there are 67 open claims under the U.S. Workers' Compensation Program, potentially resulting in approximately \$3,500,000 in accrued and unpaid claims.

51. Under the Foreign Workers' Compensation Programs, the Debtors generally pay premiums for workers' compensation coverage administered through government-managed

programs in the jurisdictions where they operate. In most cases, the taxes that the Debtors withhold and remit to the relevant authorities in those jurisdictions include the Debtors' premium obligations under the Foreign Workers' Compensation Programs, and governmental entities are responsible for assessment, determination, adjudication, and payment of claims. The Debtors also maintain a standalone workers' compensation policy in Morocco, which is fully insured and is administered by AXA Insurance Company. The Debtors pay a quarterly premium to AXA Insurance Company in an amount based on estimated yearly gross payroll for Debtor Marelli Morocco LLC. The Debtors pay quarterly premiums to AXA Insurance Company, which will total approximately \$35,000 for the 2025 policy year. As of the Petition Date, the Debtors do not believe that there are any open claims under this policy.

52. The Debtors must continue the claim assessment, determination, adjudication, and payment processes pursuant to the Workers' Compensation Programs, and pay premiums where applicable, without regard to whether such liabilities arose before the Petition Date in order to ensure that the Debtors remain in compliance with applicable workers' compensation laws and requirements in the jurisdictions where they operate and avoid adverse legal consequences that potentially could disrupt their restructuring efforts. As of the Petition Date, the Debtors estimate that the amount of accrued and unpaid premium obligations on account of the Workers' Compensation Programs is approximately \$7,500. The Debtors seek authority, but not direction, in their business judgement, to make payments on account of Workers' Compensation Programs in an aggregate amount not to exceed \$7,500, all of which shall be available upon entry of the Interim Order. To the extent any Employees assert claims arising under the Workers' Compensation Program, the Debtors request that the Court modify the automatic stay under section 362 of the Bankruptcy Code to permit the Employees to proceed with such claims.

This requested modification of the automatic stay pertains solely to claims under the Workers' Compensation Program.

53. Out of an abundance of caution, the Debtors seek authority to (a) continue to honor the Workers' Compensation Program and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice and (b) to the extent applicable, modify the automatic stay solely to allow Employees to assert claims under the Workers' Compensation Program.

**E. The 401(k) Plan.**

54. The Debtors maintain a retirement savings plan for the benefit of their U.S. Employees that satisfies the requirements of section 401(k) of the Internal Revenue Code (the "401(k) Plan"). The 401(k) Plan is administered by FMR LLC and allows for automatic pre-tax deductions and post-tax Roth IRA deductions of eligible compensation up to the limits set forth by the Internal Revenue Code. Each pay period, the Debtors deduct 401(k) Plan contributions from the applicable Employees' paychecks (the "401(k) Deductions"). The Debtors match up to six percent of Employees' 401(k) contributions, up to a maximum of ninety percent of such Employee's base rate of pay (the "401(k) Matching Contributions," and together with the 401(k) Deductions, the "401(k) Obligations"). Many Employees' retirement savings consist primarily of the 401(k) Plan. Thus, the Debtors believe that continuing the 401(k) Plan is essential to maintaining Employee morale and protecting Employee expectations. In addition, the Debtors believe that the 401(k) Deductions are generally held in trust by the Debtors and are not property of their estates.

55. As of the Petition Date, the Debtors estimate that they owe approximately \$800,000 on account of the 401(k) Obligations. The Debtors seek authority to (a) continue the 401(k) Plan on a postpetition basis and (b) honor all unremitted 401(k) Obligations in the ordinary course of

business and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. Accordingly, the Debtors seek authority, but not direction, in their business judgement, to make payments on account of 401(k) Obligations in an aggregate amount not to exceed \$800,000, all of which shall be available upon entry of the Interim Order.

**F. Non-U.S. Employee Savings Plans.**

56. The Debtors offer savings plans for the benefit of certain non-U.S. Employees (collectively, the “Non-U.S. Employee Savings Plans”) through third-party financial institutions, which allow Employees to contribute a portion of their salaries to their individual savings funds. The Debtors withhold these contributions from Eligible Employees’ salaries and in many instances contribute a certain percentage of the Eligible Employees’ pay to the fund monthly, quarterly, or with payroll, in accordance with the customs of the relevant jurisdiction. Eligible Employees may contribute certain percentages of their salaries to a Non-U.S. Employee Savings Plan in accordance with the applicable laws of the relevant jurisdiction and/or the requirements of such Employees’ unions, where applicable.

57. As of the Petition Date, the Debtors estimate they owe \$1,450,000 on account of unpaid Non-U.S. Employee Savings Plan contributions. The Debtors seek authority to (a) continue the Non-U.S. Employee Savings Plans in the ordinary course of business on a postpetition basis, (b) honor all unremitted Non-U.S. Employee Savings Plan contributions, and (c) pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. Accordingly, the Debtors seek authority, but not direction, in their business judgement, to make payments on account of Non-U.S. Employee Savings Plan in an aggregate amount not to exceed \$1,450,000, all of which shall be available upon entry of the Interim Order.

**G. Time-Off Benefits.**

58. The Debtors offer several forms of paid time-off benefits to Employees for vacation, sick days, and holidays (collectively, the “PTO Benefits”). Employees are paid their regular salaried rate when they elect to exercise PTO Benefits, and Employees that end their employment with the Debtors are entitled to cash payment for the value of accrued PTO Benefits in jurisdictions where such payouts are required by applicable law. The Debtors also provide paid leave benefit programs (the “Paid Leave Benefits,” and together with the PTO Benefits, the “Time-Off Benefits”) for Eligible Employees. U.S. Employees are eligible for specific types of leave, including medical leave, U.S. military leave, parental leave, bereavement, jury duty or witness leave, and other types of leave authorized or required by law. The Debtors generally provide leave days for Non-U.S. Employees as well, in each case in accordance with local customs and statutory requirements.

59. Continuing the Time-Off Benefits consistent with prior practice is essential to maintaining Employee morale during these chapter 11 cases. The policies at issue are broad-based programs upon which all Employees have come to depend. As described above, the accrued and unpaid Time-Off Benefits relate to reductions in force at the Debtors’ Canton, Mississippi and Smyrna, Tennessee manufacturing plants, and one of the Debtors’ customers has agreed to reimburse the Debtors for these amounts. As of the Petition Date, the Debtors estimate they owe approximately \$130,000 on account of accrued and unpaid Time-Off Benefits. The Debtors seek authority, but not direction, in their business judgement, to continue honoring their obligations in connection with the Time-Off Benefits and to make payments on account of Time-Off Benefits in an aggregate amount not to exceed \$130,000, none of which shall be available upon entry of the Interim Order.

**H. Pension Programs.**

60. Historically, the Debtors provided certain Employees with benefits under a defined benefit pension plan (the “Legacy Pension Plan”). Under the Legacy Pension Plan, certain former employees of the now-closed North Carolina plant are eligible for the accrued benefits, generally in the form of an annuity payment. The Legacy Pension Plan no longer incurs new payment obligations and is not open to new participants. In general, all participants in the Legacy Pension Plan earned their retirement benefits over the duration of their employment with the Debtors, and the amount of available retirement benefits was determined by a formula accounting for the length of service, individual earnings history, and certain negotiated dollar formulas. The members of the Legacy Pension Plan are fully vested. As of the Petition Date, the Legacy Pension Plan is eighty-eight percent funded, and the Debtors’ total outstanding obligation under the Legacy Pension Plan is \$8,800,000.

61. The Debtors sponsor twelve other qualified defined benefit pension plans for certain Employees and retirees: (collectively, the “Global Pension Plans” and together with the Legacy Pension Plan, the “Pension Programs”). Under the Global Pension Plans, certain current and former Employees are eligible for the accrued benefits, generally in the form of an annuity payment. In general, all participants in the Global Pension Plans earned their retirement benefits over a period of their employment with the Debtors and the amount of the retirement benefits was determined by a formula accounting for the years of service, individual earnings history, and certain negotiated dollar formulas. The members of the Global Pension Plans are fully vested. As of the Petition Date, the Global Pension Plans are approximately ninety-five percent funded, and the Debtors’ total outstanding obligation under the Global Pension Plans is approximately \$150,000,000.

62. The Debtors seek authority to continue to honor the Pension Plans and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice. Accordingly, the Debtors seek authority, but not direction, in their business judgement, to make payments on account of the Pension Plans in an aggregate amount not to exceed \$2,100,000, all of which shall be available upon entry of the Interim Order.

**I. Retiree Benefit Programs.**

63. The Debtors provide certain retired Employees with medical, prescription, vision, dental, and life insurance coverage, as detailed below, (collectively, the “Retiree Benefit Programs”). Retired Employees who previously worked for Debtors Marelli North America, Inc., Marelli Automotive Lighting USA LLC, and Marelli Tennessee USA, LLC are also eligible for a Medicare subsidy administered by United Health Group, Inc. with prescription coverage administered by MedOne Healthcare, LLC (the “United Health Care Medicare Subsidy”). The Debtors pay a per-participant monthly premium of \$400 for coverage under the United Health Care Medicare Subsidy.

64. As of the Petition Date, the Debtors estimate they owe approximately \$5,000 on account of the Retiree Benefit Programs. The Debtors seek authority, but not direction, in their business judgement, to make payments on account of Retiree Benefit Programs in an aggregate amount not to exceed \$5,000, all of which shall be available upon entry of the Interim Order. The Debtors seek authority to continue to honor the Retiree Benefit Programs and to pay any prepetition claims with respect thereto in the ordinary course of business and consistent with past practice.

**J. Additional Benefit Programs.**

65. In addition to the foregoing, the Debtors offer Employees a range of ancillary benefits (the “Additional Benefit Programs”), including, among other things: (a) wellness and

health advocacy programs; (b) accident and critical illness insurance; (c) hospital indemnity coverage; (d) identity theft and fraud protection coverage; (e) pet insurance; and (f) company cars, which are available to certain members of the Debtors' senior management. The aggregate cost of administering the Additional Benefit Programs is *de minimis*. Many of the Employees have come to rely on the Additional Benefit Programs in the course of fulfilling their professional responsibilities, however, and maintaining these programs is important to Employee retention and morale. The Debtors seek authority to continue to honor all obligations related to all Additional Benefit Programs in the ordinary course of business and consistent with past practice.

### **III. Union Contributions.<sup>9</sup>**

66. The Union Employees are often responsible for paying dues owed to their respective Unions. In some jurisdictions, however, the Debtors are required to make contributions to certain foreign unions. As of the Petition Date, the Debtors estimate they owe approximately \$150,000 on account of Union Contributions. The Debtors seek authority, but not direction, in their business judgement, to make payments on account of Union Contributions in an aggregate amount not to exceed \$150,000, all of which shall be available upon entry of the Interim Order. The Debtors seek authority to continue to honor all obligations to the Union Employees under the terms of the CBAs on a postpetition basis in the ordinary course of business and consistent with past practice.

### **IV. Outside and Disinterested Director Compensation.**

67. The board of directors of Debtor Marelli Holdings Co., Ltd. (the "Board") consists of (a) the Debtors' Chief Executive Officer, (b) three directors appointed by the Debtors' sponsor,

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<sup>9</sup> By requesting authority to honor obligations relating to any CBA in this motion, the Debtors are not assuming or affirming any contracts, agreements, programs, or the applicability of any law related to any CBA and the Debtors reserve all of their rights with regard to any CBA.

(c) five directors who are not affiliated with the Debtors or the Sponsor (the “Outside Directors”), and (d) three disinterested directors, one of whom is also an Outside Director (such disinterested directors, together with the Subsidiary Disinterested Director (as defined below), the “Disinterested Directors,” and, together with the Outside Directors, collectively, the “Directors”). Each of the Outside Directors receives \$200,000 in cash compensation per year, paid on a quarterly basis. In addition, the Outside Directors are generally entitled to reimbursement for reasonable out-of-pocket expenses in connection with travel related to their Board duties (such reimbursements, together with the quarterly payments described above, the “Outside Director Compensation”).

68. Two of the Disinterested Directors receive quarterly cash payments of \$165,000, plus \$7,500 for each day they devote four or more hours to their duties and reimbursement for all reasonable and documented out-of-pocket expenses incurred in connection with their service on the Board and a special committee thereof (the “Special Committee”), while the third Disinterested Director receives quarterly cash payments of \$60,000 for services rendered as a member of the Special Committee. In addition to the three Disinterested Directors serving on the Board, one Disinterested Director serves on the board of directors of Debtor Marelli China Holding Company (the “Subsidiary Disinterested Director”). The Subsidiary Disinterested Director receives a monthly cash payment of \$10,000 for services rendered (the amounts described in this paragraph, collectively, the “Disinterested Director Compensation,” and, together with the Outside Director Compensation, the “Director Compensation”). The Directors perform a crucial role in the Debtors’ governance and strategic decision-making, and their service is vital in ensuring that the Debtors continue to conform to governance best practices.

69. The Debtors do not owe any amounts on account of unpaid Director Compensation as of the Petition Date. The Debtors seek authority to continue to honor the Director Compensation in the ordinary course of business and consistent with past practice.

**Basis for Relief**

**I. Sufficient Cause Exists to Authorize the Debtors to Honor the Compensation and Benefits Obligations.**

**A. Certain of the Compensation and Benefits Are Entitled to Priority Treatment.**

70. Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code entitle the majority of the Compensation and Benefits to priority treatment to the extent such payments do not exceed \$17,150 for each individual. The Debtors are required to pay these priority claims in full to confirm a chapter 11 plan. *See* 11 U.S.C. § 1129(a)(9)(B) (requiring payment of certain allowed unsecured claims given priority under sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code for (a) wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual and (b) contributions to an employee benefit plan). To the extent that an Employee receives no more than the Priority Cap on account of claims entitled to priority, the relief sought with respect to compensation should only affect the timing of certain payments to Employees and should not have any material negative impact on recoveries for general unsecured creditors. To the extent an Employee is owed more than the Priority Cap on account of certain Compensation and Benefits, full payment of such obligations in the ordinary course is warranted under section 363(b)(1) of the Bankruptcy Code and the doctrine of necessity, as discussed below.

71. The Employees and Independent Contractors are essential to the success of these chapter 11 cases and the Debtors' business. As such, payment of the Compensation and Benefits at this time is necessary to avoid potential material disruption to the Debtors' ordinary-course operations. Finding, attracting, and training new qualified talent would be extremely difficult,

particularly given current labor market conditions. Such recruitment efforts would most likely require, among other things, higher salaries, guaranteed bonuses, and more comprehensive compensation packages than are currently provided to Employees. Even if ultimately successful, in the interim, the Debtors would face personnel vacancies at a critical business juncture and, once replacement personnel were hired, leave the Debtors to invest additional resources in training new staff members. The additional uncertainty created by needing to expend time, manpower, and money recruiting and training new personnel at a critical time would be non-accretive. Losing the Debtors' significant talent base would create additional challenges to maintaining going-concern value during these chapter 11 cases. Furthermore, to avoid potentially costly disputes that could reduce the value of the Debtors' estates, as well as ease potential concerns from non-terminated Employees regarding ongoing Compensation and Benefits, it is necessary pay any accrued but unpaid Compensation and Benefits owed to recently terminated Employees.

**B. Paying Certain Compensation and Benefits Is Required by Law.**

72. The Debtors request authority to pay the Withholding Obligations to the appropriate third-party payees. These amounts principally represent Employee earnings that governments, Employees, and judicial authorities have designated for deduction from Employees' wages. Certain Withholding Obligations are not property of the Debtors' estates because the Debtors have withheld such amounts from Employees' wages on another party's behalf. *See* 11 U.S.C. §§ 541(b)(1), (d). Furthermore, certain laws require the Debtors to withhold certain tax payments from Employees' wages and to pay such amounts to the appropriate taxing authority. *See* 26 U.S.C. §§ 6672, 7501(a); *see also City of Farrell v. Sharon Steel Corp.*, 41 F.3d 92, 95–97 (3d Cir. 1994) (finding that state law requiring a corporate debtor to withhold city income tax from its employees' wages created a trust relationship between debtor and the city for payment of withheld income taxes); *In re DuCharmes & Co.*, 852 F.2d 194, 196 (6th Cir. 1988) (noting that

individual officers of a company may be held personally liable for failure to pay trust fund taxes). Because the Withholding Obligations may not be property of the Debtors' estates, the Debtors request authority to transmit the Withholding Obligations to the proper parties in the ordinary course of business. *See In re Dameron*, 155 F.3d 718, 721 (4th Cir. 1998).

73. Similarly, the laws of some jurisdictions require the Debtors to maintain the Workers' Compensation Program. If the Debtors fail to maintain the Workers' Compensation Program, the laws of those jurisdictions may prohibit the Debtors from operating in those states. Payment of all obligations related to the Workers' Compensation Program is therefore crucial to the success of these chapter 11 cases.

74. The Debtors therefore request that the Court recognize that the Withholding Obligations are not property of the Debtors' estates and, regardless of whether the Debtors collected the amounts prior to the Petition Date, authorize the Debtors to transmit such monies to the proper parties in the ordinary course of business and consistent with past practice.

## **II. Paying Compensation and Benefits Is Warranted Under Section 363(b) of the Bankruptcy Code and the Doctrine of Necessity.**

75. Section 363(c)(1) of the Bankruptcy Code expressly grants the Debtors the authority to "enter into transactions . . . in the ordinary course of business" and "use property of the estate in the ordinary course of business without notice or a hearing." Therefore, the Debtors believe they are permitted to pay all postpetition amounts due pursuant to the Compensation and Benefits as such actions are in the ordinary course of the Debtors' business. Out of an abundance of caution, however, the Debtors seek entry of an order granting the relief requested herein to avoid any destruction to the value of their estates.

76. Courts have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business's

going-concern value. *See, e.g., In re Just for Feet, Inc.*, 242 B.R. 821, 825–26 (D. Del. 1999); *see also In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175–76 (Bankr. S.D.N.Y. 1989) (recognizing a bankruptcy court’s authority to pay prepetition wages); *In re James A. Phillips, Inc.*, 29 B.R. 391, 398 (S.D.N.Y. 1983). In so doing, these courts acknowledge that several legal theories rooted in sections 105(a) and 363(b) of the Bankruptcy Code support the payment of prepetition claims.

77. Section 363(b) of the Bankruptcy Code permits a bankruptcy court, after notice and a hearing, to authorize a debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). “In determining whether to authorize the use, sale or lease of property of the estate under this section, courts require the debtor to show that a sound business purpose justifies such actions.” *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999) (collecting cases); *see also In re James A. Phillips*, 29 B.R. at 397 (relying on section 363 of the Bankruptcy Code to allow contractor to pay prepetition claims of suppliers who were potential lien claimants because the payments were necessary for general contractors to release funds owed to debtors); *In re Ionosphere Clubs*, 98 B.R. at 175 (finding that a sound business justification existed to justify payment of certain prepetition wages); *In re Phx. Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987) (requiring the debtor to show a “good business reason” for a proposed transaction under section 363(b) of the Bankruptcy Code).

78. Courts also authorize payment of prepetition claims in appropriate circumstances based on section 105(a) of the Bankruptcy Code, which codifies a bankruptcy court’s inherent equitable powers to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Under section 105(a) of the Bankruptcy Code,

courts may authorize pre-plan payments of prepetition obligations when essential to the continued operation of a debtor's business. *See In re Just for Feet*, 242 B.R. at 825–26. Specifically, a court may use its power under section 105(a) of the Bankruptcy Code to authorize payment of prepetition obligations pursuant to the “necessity of payment” rule (also referred to as the “doctrine of necessity”). *See, e.g., In re Ionosphere Clubs*, 98 B.R. at 176; *In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (stating that courts may authorize payment of prepetition claims when there “is the possibility that the creditor will employ an immediate economic sanction, failing such payment”); *see also In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (noting that, in the Third Circuit, debtors may pay prepetition claims that are essential to the continued operation of the business). 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*, 98 B.R. at 175–76 (citing *Miltenberger v. Logansport, C. & S.W. Ry. Co.*, 106 U.S. 286 (1882)). Indeed, at least one court has 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*, 273 B.R. at 497.

79. These standards are satisfied here. Paying the Compensation and Benefits in the ordinary course represents a sound exercise of the Debtors' business judgment and 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. Paying the Compensation and Benefits in the ordinary course will maximize the value of the Debtors' estates for the benefit of their creditors by allowing the Debtors' business operations to continue without interruption. The Debtors believe that without the relief requested herein, certain critical Employees may seek alternative employment opportunities. Such a development would diminish the value of the Debtors' estates

at this critical juncture. The loss of valuable Employees and the resulting need to recruit new personnel (and the costs attendant thereto) would be distracting at this crucial time when the Debtors need to smoothly transition into these chapter 11 cases. Accordingly, the Debtors must pay Compensation and Benefits in the ordinary course and consistent with past practice.

80. In addition, the majority of the Employees, including Independent Contractors, rely exclusively on the Compensation and Benefits to satisfy their daily living expenses and expect and require that their wages be paid on a timely basis. Consequently, the Employees will be exposed to significant financial difficulties if the Debtors are not permitted to pay Compensation and Benefits in the ordinary course. Moreover, failure to timely satisfy such obligations will jeopardize workforce morale and loyalty at this crucial time when needed most. Furthermore, if this Court does not grant the relief requested herein, Employees will not receive health coverage and thus may be obligated to pay certain health care claims that the Debtors have not satisfied. The loss of health care coverage will result in considerable anxiety for Employees at a time when the Debtors need all Employees to perform their best. Additionally, as set forth above, Employee attrition would cause the Debtors to incur additional expenses to find appropriate and experienced replacements, severely disrupting the Debtors' operations at this critical juncture.

81. Courts in this district have repeatedly recognized the importance of a debtor's workforce to its operations, and those courts have granted relief similar to the relief requested herein. *See, e.g., In re Liberated Brands LLC*, No. 25-10168 (JKS) (Bankr. D. Del. Mar. 19, 2025) (authorizing debtors to continue employee Compensation and Benefit programs and pay certain prepetition obligations related thereto on a postpetition basis); *In re JOANN Inc.*, No. 25-10068 (CTG) (Bankr. D. Del. Feb. 10, 2025) (same); *In re Am. Tire Distribs., Inc.*, No. 24-12391 (CTG) (Bankr. D. Del. Nov. 18, 2024) (same); *In re Accuride Corp.*, No. 24-12289 (JKS) (Bankr. D. Del.

Nov. 13, 2024) (same); *In re Tupperware Brands Corp.*, No. 24-12156 (BLS) (Bankr. D. Del Oct. 23, 2024) (same).

82. Additionally, with respect to prepetition amounts owed to non-insider Employees in excess of the Priority Cap, if any, the Debtors seek authority to pay such amounts solely pursuant to the Final Order. Accordingly, the Debtors request authority to continue the Compensation and Benefits and pay related obligations in the ordinary course of business.

**III. A Limited Waiver of the Automatic Stay for Workers' Compensation Claims Is Appropriate Here.**

83. Section 362(a) of the Bankruptcy Code operates to stay:

[T]he commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title[.]

11 U.S.C. § 362(a)(1). Section 362 of the Bankruptcy Code, however, permits a debtor or other parties in interest to request a modification or termination of the automatic stay for “cause.” *Id.* at § 362(d)(1).

84. Pursuant to section 362(d) of the Bankruptcy Code, the Debtors seek to modify the automatic stay to permit Employees to proceed with their workers' compensation claims in the appropriate judicial or administrative forum. Cause exists here to modify the automatic stay because staying the workers' compensation claims could have a detrimental effect on the financial wellbeing and morale of certain Employees and lead to the departure of Employees who are critical at this juncture. Such departures could cause a severe disruption in the Debtors' business, which would be to the detriment of all parties in interest.

**Processing of Checks and Electronic Fund Transfers Should Be Authorized**

85. The Debtors have sufficient funds to pay the amounts described in this motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations, and anticipated access to debtor-in-possession financing. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to any authorized payment in respect of the relief requested herein. Accordingly, the Debtors do not believe that checks or wire transfer requests, other than those relating to authorized payments, will be inadvertently honored. Therefore, the Debtors request authority to authorize all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this motion.

**The Requirements of Bankruptcy Rule 6003(b) Are Satisfied**

86. Bankruptcy Rule 6003 empowers a court to grant certain relief within the first twenty-one days after the petition date only "to the extent that relief is necessary to avoid immediate and irreparable harm." For the reasons discussed above, an immediate and orderly transition into chapter 11 is critical to the viability of the Debtors' operations. Failure to receive the requested relief during the first twenty-one days of these chapter 11 cases would severely disrupt the Debtors' operations at this critical juncture and cause immediate and irreparable harm. The requested relief is necessary for the Debtors to operate their businesses in the ordinary course, preserve the ongoing value of their operations, and maximize value of their estates for the benefit of all stakeholders. The Debtors have demonstrated that the requested relief is "necessary to avoid immediate and irreparable harm," as contemplated by Bankruptcy Rule 6003, and the Court should grant the requested relief.

**Reservation of Rights**

87. Nothing contained in this motion or any order granting the relief requested in this motion, and no action taken by the Debtors pursuant to the relief requested or granted (including any payment made in accordance with any such order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount, validity, or priority of, or basis for, any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's rights to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in this motion or any order granting the relief requested by this motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action, or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

**Waiver of Bankruptcy Rule 6004(a) and 6004(h)**

88. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

**Notice**

89. The Debtors will provide notice of this motion to: (a) the United States Trustee for the District of Delaware; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the office of the attorney general for each of the states in which the Debtors operate; (d) United States Attorney's Office for the District of Delaware; (e) the Internal Revenue Service; (f) the United States Securities and Exchange Commission; (g) the United States Department of Justice; (h) Mayer Brown LLP, as counsel to the DIP Agent; (i) Davis Polk & Wardwell LLP, as counsel to Mizuho Bank, Ltd., in all capacities other than as Prepetition Agent; (j) Young Conaway Stargatt & Taylor, LLP, as counsel to Mizuho Bank, Ltd., in its capacity as Prepetition Agent; (k) Akin Gump Strauss Hauer & Feld LLP and Cole Schotz P.C., as counsel to the Ad Hoc Group of Senior Lenders; (l) Paul, Weiss, Rifkind, Wharton & Garrison LLP, as counsel to the Sponsors; and (m) any party that has requested notice pursuant to Bankruptcy Rule 2002 (the "Notice Parties"). As this motion is seeking "first day" relief, the Debtors will serve copies of this motion and any order entered in respect to this motion as required by Local Rule 9013-1(m). In light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

90. No prior request for the relief sought in this motion has been made to this or any other court.

WHEREFORE, the Debtors request entry of the Interim Order and Final Order, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, (a) granting the relief requested herein and (b) granting such other relief as the Court deems appropriate under the circumstances.

Dated: June 11, 2025  
Wilmington, Delaware

*/s/ Laura Davis Jones*

**PACHULSKI STANG ZIEHL & JONES LLP**

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*Proposed Co-Counsel for the Debtors  
and Debtors in Possession*

*Proposed Co-Counsel for the Debtors  
and Debtors in Possession*

**Exhibit A**

**Proposed Interim Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	
	)	Chapter 11
MARELLI AUTOMOTIVE LIGHTING USA LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 25-11034 (___)
Debtors.	)	(Joint Administration Requested)
	)	
	)	<b>Re: Docket No. ___</b>

**INTERIM ORDER (I) AUTHORIZING THE  
DEBTORS TO (A) PAY PREPETITION WAGES, SALARIES, OTHER  
COMPENSATION, AND REIMBURSABLE EXPENSES AND (B) CONTINUE THE  
COMPENSATION AND BENEFITS PROGRAMS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”), (a) authorizing the Debtors to (i) pay all prepetition wages, salaries, other compensation, and Reimbursable Expenses on account of the Compensation and Benefits and (ii) continue to administer the Compensation and Benefits Programs in the ordinary course of business, (b) scheduling a final hearing to consider approval of the Motion on a final basis, and (c) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion

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<sup>1</sup> A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.veritaglobal.net/Marelli>. The location of Marelli Automotive Lighting USA LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 26555 Northwestern Highway, Southfield, Michigan 48033.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; 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 final hearing (the "Final Hearing") on the Motion shall be held on \_\_\_\_\_, 2025, at \_\_: \_\_.m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on \_\_\_\_\_, 2025 and shall be served on: (a) the Debtors, 26555 Northwestern Highway, Southfield, Michigan 48033, Attn.: Marisa Iasenza; (b) proposed counsel to the Debtors, (i) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Joshua A. Sussberg, P.C., Nicholas M. Adzima, and Evan Swager, (ii) Kirkland & Ellis LLP, 333 West Wolf Point Plaza, Chicago, Illinois 60654, Attn.: Ross M. Kwasteniet, P.C. and Spencer A. Winters, P.C., and (iii) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, P.O. Box 8705, Wilmington, Delaware 19899 (Courier 19801), Attn.: Laura Davis Jones, Timothy P. Cairns, and Edward A. Corma; (c) the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn.: Jane Leamy and Timothy J. Fox, Jr.; (d) counsel to the DIP Agent, Mayer

Brown LLP, 1221 Avenue of the Americas, New York, New York 10020-1001, Attn.: Jason Elder; (e) counsel to Mizuho Bank, Ltd., in all capacities other than as Prepetition Agent, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn.: Timothy Graulich and Richard J. Steinberg; (f) counsel to Mizuho Bank, Ltd., in its capacity as the Prepetition Agent, Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, Delaware 19801, Attn.: Robert S. Brady and Andrew L. Magaziner; (g) counsel to the Ad Hoc Group of Senior Lenders: (i) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Ira S. Dizengoff and Anna Kordas, (ii) Akin Gump Strauss Hauer & Feld LLP, 2001 K Street NW, Washington, D.C., 20006, Attn.: Scott L. Alberino, Kate Doorley, and Alexander F. Antypas, and (iii) Cole Schotz P.C., 500 Delaware Avenue, Suite 600, Wilmington, Delaware 19801, Attn: Justin R. Alberto and Stacy L. Newman; (h) counsel to the Sponsors, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn.: Brian S. Hermann and Jacob A. Adlerstein; and (i) any statutory committee appointed in these chapter 11 cases.

3. The Debtors are authorized to: (a) continue, modify, change, and discontinue the Compensation and Benefits in the ordinary course of business during these chapter 11 cases and without the need for further Court approval, subject to applicable law, and (b) pay and honor prepetition amounts outstanding under or related to the Compensation and Benefits, in an aggregate amount not to exceed \$142,665,500 in the ordinary course of business pursuant to this Interim Order for the following obligations pending entry of the Final Order; *provided* that the Debtors will provide five calendar days' written notice to the U.S. Trustee, counsel to any statutory committee appointed in these chapter 11 cases, and counsel to the Ad Hoc Group of Senior Lenders of any material modifications to the Compensation and Benefits; *provided*,

*further*, that the Debtors shall not honor any Compensation and Benefits that exceed the priority amounts set forth in sections 507(a)(4) or 507(a)(5) of the Bankruptcy Code; *provided, further*, that the Debtors are not authorized to pay any prepetition amounts on account of the Non-Insider Bonus Programs and the Non-Insider Severance Program pursuant to this Interim Order.

<b>Relief Requested</b>	
<b>Compensation &amp; Benefits</b>	<b>Interim</b>
<b>Compensation and Withholding Obligations</b>	<b>\$127,600,000</b>
Employee Compensation	\$45,000,000
Staffing Agency Obligations	\$40,000,000
Independent Contractor Obligations	\$3,000,000
Reimbursable Expenses	\$400,000
Non-Insider Bonus Programs (Final Order Only)	N/A
Non-Insider Severance Program (Final Order Only)	N/A
Social Plan Obligations	N/A
Withholding (Payroll Deductions & Payroll Taxes)	\$38,300,000
Payroll Processing Fees	\$600,000
<b>Employee Benefits Programs</b>	<b>\$13,915,500</b>
Health and Welfare Coverage and Benefits	\$9,000,000
COBRA Benefits	\$3,000
Life and Disability Insurance Coverage	\$550,000
Workers' Compensation	\$7,500
401(k) Plan	\$800,000
Non-U.S. Employees Savings Plans	\$1,450,000
Time-Off Benefits	N/A
Pension Programs	\$2,100,000
Retiree Benefit Programs	\$5,000
Additional Benefit Programs	N/A
<b>Union Contributions</b>	<b>\$150,000</b>
<b>Director Compensation</b>	<b>N/A</b>
Outside Director Compensation	N/A
Disinterested Director Compensation	N/A
<b>Total</b>	<b>\$141,365,500</b>

4. Pursuant to section 362(d) of the Bankruptcy Code, Employees are authorized to proceed with their claims under the Workers' Compensation Program in the appropriate judicial or administrative forum, and the Debtors are authorized to continue the Workers' Compensation

Program in the ordinary course. This modification of the automatic stay pertains solely to claims under the Workers' Compensation Program.

5. The Debtors are authorized to forward any unpaid amounts on account of Payroll Deductions, Payroll Taxes, and Payroll Processing Fees to the appropriate third-party recipients or taxing authorities in the ordinary course of business.

6. The Debtors are authorized to pay in the ordinary course of business any costs and expenses incidental to payment of the Compensation and Benefits obligations and all administrative and processing costs in connection therewith.

7. The Debtors shall not make any cash-out payments on account of earned but unused PTO Benefits during the interim period unless required by applicable law, *provided* that nothing in this Interim Order shall be deemed to prohibit the Debtors from honoring cash-out obligations with respect to PTO Benefits upon termination of an employee if applicable law requires such payment.

8. Nothing herein shall be deemed to authorize the payment of any amounts that violate or implicate section 503(c) of the Bankruptcy Code; *provided* that nothing herein shall prejudice the Debtors' ability to seek approval of relief pursuant to section 503(c) of the Bankruptcy Code by separate motion at a later time.

9. Nothing contained herein is intended or should be construed to create an administrative priority claim on account of the Compensation and Benefits obligations.

10. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors'

designation of any particular check or electronic payment request as approved by this Interim Order.

11. Nothing contained in the Motion or this Interim Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Interim Order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount, validity, or priority of, or basis for, any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in the Motion or this Interim Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action, or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

12. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

13. Nothing in this Interim Order authorizes the Debtors to accelerate any payments not otherwise due prior to the date of the Final Hearing.

14. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

15. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

16. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

17. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

18. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

**Exhibit B**

**Proposed Final Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	
	)	Chapter 11
MARELLI AUTOMOTIVE LIGHTING USA LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 25-11034 (___)
Debtors.	)	(Joint Administration Requested)
	)	
	)	<b>Re: Docket No. ___</b>

**FINAL ORDER (I) AUTHORIZING THE  
DEBTORS TO (A) PAY PREPETITION WAGES, SALARIES, OTHER  
COMPENSATION, AND REIMBURSABLE EXPENSES AND (B) CONTINUE THE  
COMPENSATION AND BENEFITS PROGRAMS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the "Motion")<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of a final order (this "Final Order"), (a) authorizing the Debtors to (i) pay all prepetition wages, salaries, other compensation, and Reimbursable Expenses on account of the Compensation and Benefits and (ii) continue to administer the Compensation and Benefits Programs in the ordinary course of business and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue

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<sup>1</sup> A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://www.veritaglobal.net/Marelli>. The location of Marelli Automotive Lighting USA LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 26555 Northwestern Highway, Southfield, Michigan 48033.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; 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 to: (a) continue, modify, change, and discontinue the Compensation and Benefits in the ordinary course of business during these chapter 11 cases and without the need for further Court approval, subject to applicable law, and (b) pay and honor prepetition amounts outstanding under or related to the Compensation and Benefits, in an aggregate amount not to exceed \$143,895,500 in the ordinary course of business for the following obligations on a final basis, including, for the avoidance of doubt, any prepetition Compensation and Benefits obligations, if any, that exceed the priority amounts set forth in sections 507(a)(4) or 507(a)(5) of the Bankruptcy Code; *provided* that the Debtors will provide five calendar days' written notice to the U.S. Trustee, counsel to any statutory committee appointed in these chapter 11 cases, and counsel to the Ad Hoc Group of Senior Lenders of any material modifications to the Compensation and Benefits.

<b>Relief Requested</b>	
<b>Compensation &amp; Benefits</b>	<b>Final</b>
<b>Compensation and Withholding Obligations</b>	<b>\$129,050,000</b>
Employee Compensation	\$45,000,000
Staffing Agency Obligations	\$40,000,000
Independent Contractor Obligations	\$3,000,000
Reimbursable Expenses	\$400,000
Non-Insider Bonus Programs (Final Order Only)	N/A
Non-Insider Severance Program (Final Order Only)	\$800,000
Social Plan Obligations	N/A
Withholding (Payroll Deductions & Payroll Taxes)	\$38,300,000
Payroll Processing Fees	\$1,200,000
<b>Employee Benefits Programs</b>	<b>\$15,045,500</b>
Health and Welfare Coverage and Benefits	\$10,000,000
COBRA Benefits	\$3,000
Life and Disability Insurance Coverage	\$550,000
Workers' Compensation	\$7,500
401(k) Plan	\$800,000
Non-U.S. Employees Savings Plans	\$1,450,000
Time-Off Benefits	\$130,000
Pension Programs	\$2,100,000
Retiree Benefit Programs	\$5,000
Additional Benefit Programs	N/A
<b>Union Contributions</b>	<b>\$150,000</b>
<b>Director Compensation</b>	<b>N/A</b>
Outside Director Compensation	N/A
Disinterested Director Compensation	N/A
<b>Total</b>	<b>\$143,895,500</b>

3. Pursuant to section 362(d) of the Bankruptcy Code, Employees are authorized to proceed with their claims under the Workers' Compensation Program in the appropriate judicial or administrative forum, and the Debtors are authorized to continue the Workers' Compensation Program in the ordinary course. This modification of the automatic stay pertains solely to claims under the Workers' Compensation Program.

4. The Debtors are authorized to forward any unpaid amounts on account of Payroll Deductions, Payroll Taxes, and Payroll Processing Fees to the appropriate third-party recipients or taxing authorities in the ordinary course of business.

5. The Debtors are authorized to pay in the ordinary course of business any costs and expenses incidental to payment of the Compensation and Benefits obligations and all administrative and processing costs in connection therewith.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

7. Nothing herein shall be deemed to authorize the payment of any amounts that violate or implicate section 503(c) of the Bankruptcy Code; *provided* that nothing herein shall prejudice the Debtors' ability to seek approval of relief pursuant to section 503(c) of the Bankruptcy Code by separate motion at a later time.

8. Nothing contained herein is intended or should be construed to create an administrative priority claim on account of the Compensation and Benefits obligations.

9. Nothing contained in the Motion or this Final Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Final Order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount, validity, or priority of, or basis for, any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim, or otherwise of a type specified or defined in the Motion or this Final Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract,

or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action, or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

10. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

11. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

12. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

13. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

14. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

**Exhibit C**

**Unions**

<b>Country</b>	<b>#</b>	<b>Union</b>
<b>Argentina</b>	1	SMATA - Sindicato de Mecánicos y Afines del Transporte Automotor de La República Argentina
<b>Brazil</b>	2	Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e Material Elétrico de Mauá, Santo André e Ribeirão Pires
	3	Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e Material Elétrico de Campinas, Hortolândia e Região
	4	Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e Material Elétrico de Jaguariúna, Amparo e Região.
	5	Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e Material Elétrico de Lavras e Região
	6	Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e Material Elétrico de Betim.
	7	Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e Material Elétrico de Varginha e Região.
	8	Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e Material Elétrico de BH e Contagem.
	9	Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e Material Elétrico no Estado de Pernambuco
	10	Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e Material Elétrico de Resende e Região.
	<b>Czech Republic</b>	11
12		ZO OS Pro Libertate MAL
<b>China</b>	13	Changchun Marelli Automotive Lighting System Co. Ltd. Labor Union
	14	Marelli (Guangzhou) Corporation Dalian Branch Labor Union
	15	Marelli (Guangzhou) Corporation Labor Union
	16	Marelli (Guangzhou) Corporation Zhengzhou Branch Labor Union
	17	Marelli (Xiang Yang) Corporation Labor Union
	18	Marelli Automotive Chassis System (Guangzhou) Co. Ltd. Labor Union
	19	Marelli Automotive Components (Changsha) Co. Ltd. Labor Union
	20	Marelli Automotive Components (Guangzhou) Corporation Labor Union
	21	Marelli Automotive Components (Wuhu) Co. Ltd. Labor Union
	22	Marelli Automotive Components (Wuxi) Corporation Labor Union
	23	Marelli Automotive Electronics (Guangzhou) Co. Ltd. Labor Union
	24	Marelli Automotive Lighting (Foshan) Co. Ltd. Labor Union
	25	Marelli China Holding Company Labor Union
	26	Marelli Engineering (Shanghai) Co. Labor Union
	27	Marelli R&D Co. Labor Union
<b>France</b>	28	CFDT (representative)
	29	CFE-CGC (representative)
	30	CFTC (not representative)
	31	CGT (representative)

<b>Germany</b>	32	IGMetall
<b>Italy</b>	33	Aqcf-R
	34	Federmanager
	35	Fim-Cisl
	36	Fiom-Cgil
	37	Fismic
	38	UglM
	39	Uilm-Uil
<b>Japan</b>	40	Marelli Fukushima Workers Union
	41	Marelli Iwashiro Workers Union
	42	Marelli Kyushu Workers Union
	43	Marelli Workers Union
<b>Mexico</b>	44	Confederación de Trabajadores de México (CTM)
	45	Confederación Revolucionaria de Obreros y Campesinos (CROC)
<b>Poland</b>	46	MOZ NSZZ Pracowników FCA Poland SA i Spółek
	47	MOZ NSZZ Solidarność FCA Poland SA
	48	MZZ Auto
	49	NSZZ Solidarność
	50	ZZ GT 2021
	51	ZZ Metalowcy
	52	ZZK Solidarność 80
<b>Romania</b>	53	CLUJ: Sindicatul IT Timisoara
<b>Spain</b>	54	CC.OO
	55	CGT
	56	UGT
<b>Slovakia</b>	57	Odborová organizácia Magneti Marelli
	58	Zo Oz Kovo Kosit
<b>Turkey</b>	59	Turk Metal Union
<b>United Kingdom</b>	60	Llanelli: Unite
	61	Sunderland: GMB