

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

---

In re:	)	
	)	Chapter 11
	)	
MARELLI AUTOMOTIVE LIGHTING USA LLC,	)	Case No. 25-11034 (CTG)
<i>et al.</i> , <sup>1</sup>	)	
Debtors.	)	(Jointly Administered)
	)	
	)	

---

**MOTION OF DEBTORS FOR ENTRY OF AN  
ORDER (I) APPROVING THE DEBTORS' ENTRY INTO  
THE NEW AR FACILITY TERM SHEET, (II) AUTHORIZING PAYMENT OF  
FEES AND EXPENSES THEREUNDER, AND (III) GRANTING RELATED RELIEF**

---

The above-captioned debtors and debtors in possession (collectively, the "Debtors") state as follows in support of this motion:<sup>2</sup>

**Preliminary Statement**

1. In the ordinary course of their business, the Debtors factor invoices from their customers. This practice allows the Debtors to manage their short-term liquidity and provides certainty regarding the timing of and amount of their cash flow. As of the Petition Date, the Debtors maintained approximately twenty account receivable factoring arrangements with third-party financial institutions or the internal factoring divisions of certain customers. Pursuant to the

---

<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> A detailed description of the Debtors and their business, including the circumstances giving rise to the Debtors' chapter 11 cases, is set forth in the *Declaration of David Slump, Chief Executive Officer of Marelli Automotive Lighting USA, LLC, in Support of First Day Motions*, [Docket No. 20] (the "Slump Declaration") and the *Declaration of Tony Simion, Managing Director of Alvarez & Marsal North America, LLC, in Support of First Day Motions* [Docket No. 19] (the "Simion Declaration", and together with the Slump Declaration, the "First Day Declarations"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declarations.



*Final Order (I) Authorizing Debtors to Continue Performing Under the Factoring Program and (II) Granting Related Relief* [Docket No. 286], the Debtors obtained authority to continue to operate their factoring arrangements in the ordinary course of business.

2. Certain of the Debtors' factoring arrangement have been terminated and certain others are set to expire in the coming weeks. Accordingly, the Debtors began to explore potential alternatives to replace the lapsed facilities. Around the same time, the Debtors undertook a comprehensive review of their receivables to ascertain whether additional receivables could be factored to generate incremental liquidity. The Debtors engaged with several parties, including Deutsche Bank AG, New York Branch (together with its subsidiaries and affiliates, "Deutsche Bank" or "DB") on the terms of a potential new factoring facility. Ultimately, after significant negotiations, the Debtors and Deutsche Bank reached agreement on the material terms of a new \$215.4 million uncommitted account receivables purchase facility (the "New AR Facility") on the terms and conditions set forth in that certain New Account Receivables Finance Facility Non-Binding Term Sheet (together with all exhibits and attachments thereto, the "New AR Facility Term Sheet"), attached hereto as **Exhibit B**. The New AR Facility will allow the Debtors to factor up to \$215.4 million of account receivables with Deutsche Bank, which will, in turn, provide liquidity and fully offset the lapse of certain of the Debtors' prepetition factoring arrangements. The Debtors plan to file a separate motion seeking approval of the New AR Facility in the coming weeks.

3. The availability of the New AR Facility is, among other things, conditioned on the Court's approval of the terms of the facility and the definitive documentation associated therewith. As a condition to obtaining the terms of the New AR Facility and subject to certain agreed-upon conditions precedent, the New AR Facility Term Sheet provides that the Debtors shall pay a 1.75%

structuring fee, 0.75% of which shall be nonrefundable in the event that the New AR Facility does not close (such non-refundable portion, the “Nonrefundable Fee”) and agree to an expense reimbursement for reasonable and documented expenses (the “Expense Reimbursement”) before December 31, 2025. The estimated cash outlay associated with the full structuring fee (the “Structuring Fee”) is approximately \$3,769,500, and the portion of the structuring fee that is the Nonrefundable Fee is approximately \$1,615,500. If the Debtors do not pay the Structuring Fee prior to December 31, 2025, the New AR Facility Term Sheet provides that the Applicable Margin (as defined in the New AR Facility Term Sheet) for the New AR Facility will adjust upward by 50 basis points. Thus, it is economically beneficial for the Debtors to obtain authority to enter into the New AR Facility Term Sheet and pay the Structuring Fee and Expense Reimbursement prior to December 31, 2025—which is why the Debtors are seeking the relief requested in the motion at this time.

4. Obtaining authorization to pay the Structuring Fee and the Expense Reimbursement is in the best interest of the Debtors’ estates. As provided in the New AR Facility Term Sheet, payment of the Structuring Fee will be in the Company’s discretion and will be conditioned on, among other things, agreement on the terms of definitive documentation for the New AR Facility. Put simply, the Debtors will pay the Structuring Fee only if the Debtors believe there is a reasonable degree of certainty that the facility will be placed. And the Debtors will incur material costs under the Expense Reimbursement only if the facility is placed. If the facility is not placed, the Nonrefundable Fee is the only portion of the Structuring Fee that will not be remitted to the Debtors.

5. The Debtors engaged in significant discussions with the Ad Hoc Group of Senior Lenders regarding the terms of the New AR Facility Term Sheet in advance of filing this motion

and shared multiple iterations of the New AR Facility Term Sheet with the Ad Hoc of Senior Lenders. In addition, as required under the DIP Orders<sup>3</sup>, the Debtors will solicit consents in parallel from the DIP Lenders (as defined in the DIP Orders) to enter into the New AR Facility and pay the fees contemplated by the New AR Facility Term Sheet. Finally, prior to the filing of this motion (and, accordingly, prior to payment of the Structuring Fee), the Debtors commenced a market check process to ascertain whether an alternative facility on better terms can be obtained.

6. As of the filing of this motion, the New AR Facility is the best, and only, available proposal for a new factoring facility that will replace the facilities that will lapse in January 2026. Payment of the Structuring Fee and agreeing to the Expense Reimbursement is in the best interests of the Debtors' estates, will allow the Debtors to continue to negotiate the terms of the New AR Facility, and will inure to the benefit of the Debtors' estates and their stakeholders and ultimately, the reorganized Debtors. Accordingly, the Debtors seek authority to enter into the New AR Facility Term Sheet and pay the Structuring Fee and Expense Reimbursement subject to the terms contained herein.

### **Relief Requested**

7. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Order"), (a) approving the Debtors' entry into and performance under the New

---

<sup>3</sup> "DIP Orders" means, collectively, the *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, and (B) Use Cash Collateral; (II) Granting Liens and Providing Superpriority Administrative Expense Claims; (III) Granting Adequate Protection to Certain Prepetition Secured Parties; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief* [Docket No. 109], the *Second Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, and (B) Use Cash Collateral; (II) Granting Liens and Providing Superpriority Administrative Expense Claims; (III) Granting Adequate Protection to Certain Prepetition Secured Parties; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief* [Docket No. 355], and the *Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, and (B) Use Cash Collateral; (II) Granting Liens and Providing Superpriority Administrative Expense Claims; (III) Granting Adequate Protection to Certain Prepetition Secured Parties; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief* [Docket No. 449].

AR Facility Term Sheet; (b) authorizing the Debtors' payment of the Structuring Fee and Expense Reimbursement subject to the terms contained herein; and (c) granting related relief.

### **Jurisdiction and Venue**

8. 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.

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

10. The statutory bases for the relief requested herein are sections 363 and 503(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), rule 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Local Rules 2002-1 and 9013-1.

### **Background**

11. 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.

12. 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. On June 12, 2025, the Court entered an order [Docket No. 102] authorizing the procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. On June 25, 2025, the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors [Docket No. 184] (the “Committee”).<sup>4</sup> No request for the appointment of a trustee or examiner has been made in these chapter 11 cases.

### **The New AR Facility and Related Obligations**

13. The below chart summarizes the material terms of the New AR Facility Term Sheet:

Summary of New AR Facility Term Sheet <sup>5</sup>	
<b>Company Parties</b>	<ul style="list-style-type: none"> <li><u>Sellers</u>: Initially, certain affiliates of Marelli Holdings Co., Ltd. and acceptable additional Marelli affiliates, in their capacity as originators of the relevant Account Receivables, as may be added from time to time</li> <li><u>Guarantors</u>: Marelli Holdings Co., Ltd. and other Debtors who are guarantors in respect of the debtor in possession facilities</li> </ul>
<b>Purchaser</b>	Deutsche Bank AG, New York Branch or Deutsche Bank Trust Company (as Arranger, Administrative Agent, and Purchaser)

<sup>4</sup> On July 2, 2025, the U.S. Trustee filed the *Amended Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 230] and on September 10, 2025, the U.S. Trustee filed the *Second Amended Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 922].

<sup>5</sup> This table is provided for reference purposes only. The specific terms of the New AR Facility are set forth in greater detail in the New AR Facility Term Sheet. If any description set forth herein is in conflict with the New AR Facility Term Sheet, the New AR Facility Term Sheet shall control. Capitalized terms used in this table but not otherwise defined therein shall have the meanings ascribed to them in the New AR Facility Term Sheet.

<b>Facility</b>	<ul style="list-style-type: none"> <li>• Uncommitted account receivables purchase facility in the amount of \$215,400,000 (“<u>Facility Amount</u>”) <ul style="list-style-type: none"> <li>○ Deutsche Bank shall be granted a superpriority lien and administrative expense claim on all receivables and proceeds thereof that are sold to the Purchaser pursuant to the New AR Facility (which receivables shall not be subject to the liens and claims held under the DIP facilities) to secure the claims under the Facility in the event it is recharacterized as indebtedness</li> <li>○ Deutsche Bank shall be granted a superpriority lien on all or substantially all of the assets of Marelli and the Guarantors, ranking ahead of the liens for Tranche B Loans but behind only the liens for Tranche A Loans (as defined in the debtor in possession facility), to secure any dilution claims and any other obligations of Marelli and its affiliates that may arise from time to time under the New AR Facility</li> <li>○ Any claims arising from the New AR Facility shall be granted superpriority administrative status in accordance with the priority set forth in the New AR Facility Term Sheet</li> </ul> </li> </ul>
<b>Purchase Price</b>	<ul style="list-style-type: none"> <li>• With respect to each receivable, an amount equal to (1) the product of the notional amount of the receivable and the Advance Rate, minus (2) the applicable Discount Amount <ul style="list-style-type: none"> <li>○ <u>Advance Rate</u>: 100% of eligible receivables, subject to historic dilution data (and subject to the applicable discount)</li> <li>○ <u>Discount Amount</u>: With respect to each receivable, an amount equal to the product of (1) the sum of (x) the applicable term of the receivable plus (y) a five (5) day grace period and (2) the result of dividing the Applicable Margin by 360</li> <li>○ <u>Applicable Margin</u>: The Applicable Margin shall be the Reference Rate <i>plus</i> 4.25 % per annum if the Structuring Fee is paid by December 31, 2025 (the “<u>Reduced Margin</u>”); <i>provided</i> that the Applicable Margin shall be the Reference Rate <i>plus</i> 4.75 % per annum if the Structuring Fee is paid after December 31, 2025</li> </ul> </li> </ul>
<b>Dilution Reserve</b>	<ul style="list-style-type: none"> <li>• A dilution reserve account will be established at Deutsche Bank to serve as collateral in the case of a dilution event on purchased receivables <ul style="list-style-type: none"> <li>○ 15% of each funding will be directed to fill the dilution reserve account with USD, until the total amount in such account equals 15% of the outstanding amount of Purchase Price of outstanding Receivables</li> <li>○ Upon the reserve account being fully funded, subsequent fundings will not require funding of the reserve account</li> <li>○ Deutsche Bank shall be granted a superpriority lien on the dilution reserve account to secure any dilution claims and any other obligations of Seller and its affiliates that may arise from time to time under the New AR Facility and shall not be subject to any liens not in favor of Deutsche Bank</li> </ul> </li> </ul>
<b>Availability Period</b>	Until further notice (annual renewal)
<b>Structuring/Commitment Fees</b>	1.75% of the Facility Amount paid either (i) by no later than December 31, 2025 to



	<p>receive the Reduced Margin or (ii) by closing of New AR Facility, in which case the Reduced Margin will not apply. If the Facility does not officially close by March 31, 2026, the Structuring Fee shall be returned to Marelli, less a 0.75% non-refundable commitment fee</p> <p>The payment of the Structuring Fee prior to December 31, 2025 shall be in the Company's sole discretion; <i>provided that</i> the following conditions must be satisfied prior to payment of the Structuring Fee:</p> <ol style="list-style-type: none"> <li>1. The Court shall have entered an order approving Marelli's entry into the New AR Facility Term Sheet, which shall approve the Structuring Fee and expense reimbursement provisions contained therein;</li> <li>2. Deutsche Bank shall have received approval from its credit committee to enter into the New AR Facility Term Sheet and enter into a Receivables Purchase Agreement (RPA) consistent with the New AR Facility Term Sheet;</li> <li>3. The RPA shall be substantially agreed between the Debtors and Deutsche Bank</li> </ol>
<b>Expense Reimbursement</b>	<p>All legal fees and expenses of Deutsche Bank's outside counsel accrued in connection with negotiating, drafting and preparing the New AR Facility to be billed to and paid by Marelli, regardless of whether or not the New AR Facility closes. Deutsche Bank's reasonable and documented outside counsel legal fees for Deutsche Bank's ongoing monitoring of these chapter 11 cases to be billed to and paid by Marelli on a monthly basis but not to exceed \$500,000 in the aggregate (the "<u>Monitoring Cap</u>"). The Monitoring Cap will not apply if a Material Change occurs in the chapter 11 cases.</p>

### **Basis for Relief**

#### **I. Entry Into the New AR Facility Term Sheet and Payment of the Structuring Fee and Expense Reimbursement Are Sound Exercises of the Debtors' Business Judgment.**

14. Section 363(b) of the Bankruptcy Code provides, in relevant part, that a debtor, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Courts in this circuit will approve the use, sale or lease of estate property outside of the ordinary course if the proposed action is supported by a valid business reason. *See In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996) ("[U]nder normal circumstances the court would defer to the [debtor's] judgment so long as there is a legitimate business justification."); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) ("[C]ourts require the debtor to show that a sound business purpose justifies such actions."); *In re*



*Del. & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991) (noting section 363 requires “a sound business purpose” for proposed use of property).

15. If a valid business reason exists for non-ordinary-course use of estate property, then the debtor’s business decision to so use estate property is entitled to judicial deference under the business judgment rule. *See, e.g., Martin*, 91 F.3d at 395; *In re Bridgeport Holdings, Inc.*, 388 B.R. 548, 567 (Bankr. D. Del. 2008). Under the business judgment rule, courts will approve the debtor’s business decision to use estate property outside of the ordinary course of business unless it is shown that such decision is the product of bad faith. *See In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that overcoming the business judgment rule is a “near-Herculean task,” in that it requires a showing that the business decision in question “go[es] so far beyond the bounds of reasonable business judgment that its only explanation is bad faith”).

16. Entry into the New AR Facility Term Sheet and obtaining authorization to pay the Structuring Fee and Expense Reimbursement are supported by valid and sound business reasons. The New AR Facility will replace the factoring facilities that are anticipated to lapse in January 2026 and will generate additional near-term liquidity. The New AR Facility Term Sheet is the product of extensive good faith, arm’s-length negotiations between the Debtors and Deutsche Bank, and payment of the Structuring Fee and agreement on the Expense Reimbursement are prerequisites to obtaining the pricing improvements provided for in the New AR Facility Term Sheet.

17. In light of the foregoing, entry into the New AR Facility Term Sheet, and obtaining authorization to pay the Structuring Fee and Expense Reimbursement constitutes a sound exercise of the Debtors’ business judgment and is in the best interests of the Debtors’ estates.

**II. The Structuring Fee and Expense Reimbursement Should Constitute Allowed Administrative Expenses Pursuant to Section 503(b) of the Bankruptcy Code.**

18. The Structuring Fee and Expense Reimbursement, if paid, should be approved under section 503(b) of the Bankruptcy Code as necessary to preserve the value of the Debtors' estates. In *Calpine Corp. v. O'Brien Env'tl. Energy, Inc. (In re O'Brien Env'tl. Energy, Inc.)*, 181 F.3d 527 (3d Cir. 1999), the Third Circuit stated: "the allowability of break-up fees, like that of other administrative expenses, depends upon the requesting party's ability to show that the fees were *actually necessary to preserve the value of the estate*." *Id.* (emphasis added). Here, the Structuring Fee and Expense Reimbursement are "necessary to preserve the value of the estate[s]" because (i) Deutsche Bank conditioned execution of the New AR Facility Term Sheet on designation of the Structuring Fee and Expense Reimbursement as administrative expenses; and (ii) the New AR Facility is critical to replace the anticipated liquidity loss from the lapse of certain factoring arrangements in January 2026.

19. The Structuring Fee and Expense Reimbursement, if paid, are designed to compensate Deutsche Bank if the parties are successful in reaching definitive documentation on the New AR Facility. Deutsche Bank has already committed substantial time and resources in connection with the New AR Facility, and will only continue to do so with the assurance of the relief requested in this motion. The Debtors believe that the New AR Facility is critical to the Debtors' successful restructuring efforts, and obtaining authorization to pay the Structuring Fee and Expense Reimbursement is a condition to Deutsche Bank's execution of the New AR Facility Term Sheet.

20. Accordingly, the Debtors request that the Court grant administrative expense status to the Structuring Fee and Expense Reimbursement.

**Reservation of Rights**

21. 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.

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

22. 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**

23. The Debtors will provide notice of this motion to: (a) the U.S. Trustee; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) Paul

Hastings LLP and Morris James LLP, as co-counsel to the Committee; (d) the office of the attorney general for each of the states in which the Debtors operate; (e) United States Attorney's Office for the District of Delaware; (f) the Internal Revenue Service; (g) the United States Securities and Exchange Commission; (h) the United States Department of Justice; (i) Mayer Brown LLP, as counsel to the DIP Agent; (j) Davis Polk & Wardwell LLP, as counsel to Mizuho Bank, Ltd., in all capacities other than as Prepetition Agent; (k) Young Conaway Stargatt & Taylor, LLP, as counsel to Mizuho Bank, Ltd., in its capacity as Prepetition Agent; (l) Akin Gump Strauss Hauer & Feld LLP and Cole Schotz P.C., as counsel to the Ad Hoc Group of Senior Lenders; (m) Paul, Weiss, Rifkind, Wharton & Garrison LLP, as counsel to the Sponsors; and (n) any party that has requested notice pursuant to Bankruptcy Rule 2002 (the "Notice Parties"). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

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

*[Remainder of page intentionally left blank.]*

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

Dated: December 9, 2025  
Wilmington, Delaware

*/s/ Laura Davis Jones*

---

**PACHULSKI STANG ZIEHL & JONES LLP**

Laura Davis Jones (DE Bar No. 2436)  
Timothy P. Cairns (DE Bar No. 4228)  
Edward A. Corma (DE Bar No. 6718)  
919 North Market Street, 17th Floor  
P.O. Box 8705  
Wilmington, Delaware 19899 (Courier 19801)  
Telephone: (302) 652-4100  
Facsimile: (302) 652-4400  
Email: [ljones@pszjlaw.com](mailto:ljones@pszjlaw.com)  
[tcairns@pszjlaw.com](mailto:tcairns@pszjlaw.com)  
[ecorma@pszjlaw.com](mailto:ecorma@pszjlaw.com)

**KIRKLAND & ELLIS LLP**

**KIRKLAND & ELLIS INTERNATIONAL LLP**

Joshua A. Sussberg, P.C. (admitted *pro hac vice*)  
Nicholas M. Adzima (admitted *pro hac vice*)  
Evan Swager (admitted *pro hac vice*)  
601 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900  
Email: [joshua.sussberg@kirkland.com](mailto:joshua.sussberg@kirkland.com)  
[nicholas.adzima@kirkland.com](mailto:nicholas.adzima@kirkland.com)  
[evan.swager@kirkland.com](mailto:evan.swager@kirkland.com)

-and-

Ross M. Kwasteniet, P.C. (admitted *pro hac vice*)  
Spencer A. Winters, P.C. (admitted *pro hac vice*)  
333 West Wolf Point Plaza  
Chicago, Illinois 60654  
Telephone: (312) 862-2000  
Facsimile: (312) 862-2200  
Email: [ross.kwasteniet@kirkland.com](mailto:ross.kwasteniet@kirkland.com)  
[spencer.winters@kirkland.com](mailto:spencer.winters@kirkland.com)

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

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

**Exhibit A**

**Proposed Order**

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

In re:	)	
	)	Chapter 11
	)	
MARELLI AUTOMOTIVE LIGHTING USA LLC,	)	Case No. 25-11034 (CTG)
<i>et al.</i> , <sup>1</sup>	)	
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Re: Docket No. [●]</b>

**ORDER (I) APPROVING THE DEBTORS' ENTRY  
INTO THE NEW AR FACILITY TERM SHEET, (II) AUTHORIZING PAYMENT  
OF FEES AND EXPENSES THEREUNDER, AND (III) 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 order (this “Order”), (a) approving the Debtors’ entry into and performance under the New AR Facility Term Sheet; (b) authorizing the Debtors to pay the Structuring Fee and Expense Reimbursement subject to the terms contained herein; and (c) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declarations; 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 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

<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.



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"), if any; and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing, if any, 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 basis as set forth herein.
2. The Debtors' entry into the New AR Facility Term Sheet, and all terms, conditions, and covenants set forth therein, are hereby approved.
3. The Debtors are authorized, but not directed, to fully perform their obligations as and when they are incurred and come due under the New AR Facility Term Sheet, including incurring and paying the Structuring Fee and Expense Reimbursement, in each case on the terms and subject to the conditions set forth in the New AR Facility Term Sheet.
4. The Structuring Fee and Expense Reimbursement are necessary to preserve the value of the Debtors' estates and shall each be treated as an allowed administrative expense under section 503(b) of the Bankruptcy Code.
5. Nothing contained in the Motion or this Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this 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 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.

6. Nothing in this Order authorizes the Debtors to accelerate any payments not otherwise due.

7. 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.

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

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

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

**Exhibit B**

**New AR Facility Term Sheet**




---

**NEW ACCOUNT RECEIVABLES FINANCE FACILITY  
NON-BINDING TERM SHEET**

**\$215,400,000 USD FOR MARELLI NORTH AMERICA, INC.**

---

<b>Facility:</b>	An uncommitted account receivables purchase facility (the “ <u>Facility</u> ”) in the amount of up to \$215,400,000 USD (the “ <u>Facility Amount</u> ”), under which Deutsche Bank AG, New York Branch (together with its subsidiaries and affiliates, “ <u>Deutsche Bank</u> ” or “ <u>DB</u> ”) will purchase certain eligible Account Receivables arising from Customer invoices due to the Sellers (defined below), in order to assist the Sellers in decreasing their days receivables outstanding and provide additional liquidity.
<b>Arranger, Administrative Agent and Purchaser:</b>	Deutsche Bank AG, New York Branch or Deutsche Bank Trust Company Americas (the “ <u>Arranger</u> ”, “ <u>Administrative Agent</u> ” and “ <u>Purchaser</u> ”).
<b>Indicative Eligible Buyers / Customers / Obligors:</b>	OEM obligors as mutually agreed between Marelli and DB (collectively, the “ <u>Customers</u> ”), subject to DB’s internal credit approvals and based on analysis of historical 3-year dilutions.
<b>Sellers:</b>	Initially, certain affiliates of Marelli Holdings Co., Ltd. (“ <u>Marelli</u> ”, and together with its debtor subsidiaries and/or affiliates, the “ <u>Debtors</u> ”) and acceptable additional Marelli affiliates, in their capacity as originators of the relevant Account Receivables, as may be added from time to time.
<b>Guarantors:</b>	Marelli Holdings Co., Ltd. and other Debtors who are guarantors in respect of the debtor in possession facilities.
<b>Availability Period:</b>	Until further notice (annual renewal).
<b>Eligible Currencies:</b>	USD, Euro, others TBD. For the avoidance of doubt, Purchase Price in respect of any Receivable shall be funded in the same currency as such Receivable.
<b>Applicable Margin:</b>	The Applicable Margin shall be the Reference Rate <i>plus</i> 4.25 % per annum if the Structuring Fee is paid by December 31, 2025 (the “ <u>Reduced Margin</u> ”); <i>provided</i> that the Applicable Margin shall be the Reference Rate <i>plus</i> 4.75 % per annum if the Structuring Fee is paid after December 31, 2025.
<b>Reference Rate:</b>	For US Dollar denominated Receivables: Applicable SOFR.  For Euro denominated Receivables: EURIBOR rate.



For other currencies: TBD.

**Advance Rate:** 100% of eligible receivables, subject to historic dilution data (and subject to the applicable discount).

**Purchase Price:** With respect to each receivable, an amount equal to (1) the product of the notional amount of the receivable and the Advance Rate, minus (2) the applicable Discount Amount.

**Discount Amount** With respect to each receivable, an amount equal to the product of (1) the sum of (x) the applicable term of the receivable plus (y) a five (5) day grace period and (2) the result of dividing the Applicable Margin by 360.

**Dilution Reserve:** A dilution reserve account will be established at DB. This account serves as collateral in the case of a dilution event on purchased receivables. 15% of each funding will be directed to fill the dilution reserve account with USD, until the total amount in such account equals 15% of the outstanding amount of Purchase Price of outstanding Receivables (and with respect to any Purchase Price that was paid in a non-USD currency, as calculated by reference to the spot exchange rate quoted by the DB Autobahn platform on such date of calculation). Upon the reserve account being fully funded, subsequent fundings will not require funding of the reserve account. The dilution reserve account will be subject solely to liens in favor of DB to secure any dilution claims and any other obligations of Marelli and its affiliates under the Facility, and no other liens. Upon the first day of the fourth consecutive month during which no sales of receivables have been made, unapplied amounts on deposit in the reserve account (minus an amount not to exceed the total amount of outstanding purchased receivables that have not yet been paid in full to Purchaser (excluding any receivables that have not been paid due to the customer being insolvent or subject to insolvency proceedings or due to the financial inability of such customer to pay such receivable when due)) will be paid to the Seller, and the remaining amount on deposit in the reserve account will be paid to the Seller the date on which all outstanding purchased receivables (excluding any receivables that have not been paid due to the customer being insolvent or subject to insolvency proceedings or due to the financial inability of such customer to pay such receivable when due) have been paid in full to Purchaser.

**Dilution Reserve Details:** Marelli will receive interest on the account at a rate of Fed Funds (flat) paid quarterly in arrears. If Fed Funds becomes equal to or greater than IORB, DB reserves the right to adjust the interest rate accordingly.

A one-time account opening fee of \$5K and \$10K annual facility fee are payable. All account furnishing fees waived.

**Financing Tenor:** Max term of receivables of 90 days

**Structuring Fee:** 1.75% of the Facility Amount paid either (i) by no later than December 31, 2025 to receive the Reduced Margin or (ii) by closing of Facility, in which



case the Reduced Margin will not apply. If the Facility does not officially close by March 31, 2026, the Structuring Fee shall be returned to Marelli, less a 0.75% non-refundable commitment fee.

Notwithstanding anything else contained herein, the payment of the Structuring Fee prior to December 31, 2025 shall be in the Company's sole discretion; *provided that* the following conditions must be satisfied prior to payment of the Structuring Fee:

1. The Bankruptcy Court shall have entered an order approving Marelli's entry into this Term Sheet, which shall approve the Structuring Fee and expense reimbursement provisions contained herein;
2. DB shall have received approval from its credit committee to enter into this term sheet and enter into a Receivables Purchase Agreement (RPA) consistent with this term sheet;
3. The RPA shall be substantially agreed between the Debtors and DB.

**Other Conditions:** DB shall be granted a superpriority lien and administrative expense claim on all receivables and proceeds thereof that are sold to the Purchaser pursuant to the Facility (which receivables shall not be subject to the liens and claims held under the DIP facilities) to secure the claims under the Facility in the event it is recharacterized as indebtedness.

DB shall be granted a superpriority lien on all or substantially all of the assets of Marelli and the Guarantors, ranking ahead of the liens for Tranche B Loans but behind only the liens for Tranche A Loans (as defined in the debtor in possession facility), to secure any dilution claims and any other obligations of Marelli and its affiliates that may arise from time to time under the Facility (the "Credit Protection"), it being understood that such superpriority lien shall be granted pursuant to the Bankruptcy Court order entered into in connection with the establishment of the Facility and no additional actions shall be required to create or perfect the Credit Protection. DB shall be granted a superpriority lien on the dilution reserve account to secure any dilution claims and any other obligations of Marelli and its affiliates that may arise from time to time under the Facility. Substantially contemporaneously with the execution of this term sheet, Marelli shall seek Bankruptcy Court approval for payment of DB's non-refundable commitment fee and DB's legal expenses in connection with negotiating, drafting and preparing the Facility, and DB's commitment to the Facility shall be effective as of the date of entry of such Bankruptcy Court order. Any claims arising from this Facility shall be granted superpriority administrative status in accordance with the priority set forth above.

Field audit prior to commencement of the program and quarterly field audits to be completed by DB within 4 weeks of the end of each quarter.

Additional potential conditions subject to credit approvals.



**Discount Request:** Seller may request Purchaser to purchase receivables on any business day (a “Purchase Request”) under the Facility, which will contain all necessary details of the invoices to be paid with the Purchase Request. DB will make payments based on Purchase Requests directly to Seller, subject to review and approval of such Purchase Requests. Amounts advanced pursuant to any Purchase Requests may not at any one time exceed the Facility Amount. The amount of each Purchase Request will equal the sum of the Purchase Price.

**Purchase Request:** The Purchase Request shall contain details as to the Invoices (invoice number, invoice amount, claim reference), expected repayment amount and Maturity Date.

**Condition Precedent to Discount requests:** Conditions precedent to the initial and each subsequent Purchase Request shall include (but not necessarily be limited to) the following:

1. Presentation of a Purchase Request satisfactory to DB;
2. No default or event of default having occurred and continuing on the Seller/s and Buyer/s, other than any default or event of default already occurring or related to ongoing bankruptcy proceedings;
3. DB to complete collection accounts opening prior to facility funding, subject to completion of all necessary KYC. Customers to remit payments directly into these newly created DB-controlled collection accounts owned by the Company and held at DB (the “Collection Accounts”);
4. Prior to Purchase Requests with respect to a particular Customer’s receivables, Seller to provide such Customer with a Notice of Assignment (“NoA”), which shall include instructions to make payments to the applicable Collection Account;
5. Completion of applicable local jurisdiction perfection formalities and receipt of local counsel legal opinions with respect thereto; and
6. Payment of all unpaid fees and indemnities by the Seller, if any.

**Connectivity:** Seller and DB to establish channel in which invoice upload file is transmitted to DB’s platform. Two methods available: (1) manual through direct file upload to platform and (2) automated through H2H connectivity.

**Collections:** All collections from Eligible Buyers to be directed directly to the Collection Accounts. DB to return to Sellers any collections received on non-purchased receivables within 2 Business Days following receipt and identification thereof; *provided* that identification of collections arising from non-purchased receivables delivered by the Company to DB shall be presumed to be accurate absent DB providing the Company with prompt notice of a bona fide dispute including reasonable details as to the reason for such dispute. Any collections erroneously paid to a Seller account to be transferred to DB within 1 Business Days of receipt and identification, but





in any event no longer than 5 Business Days after receipt (subject to extension by Purchaser in its sole discretion).

Should any Eligible Buyer fail to pay to the Collection Accounts, DB reserves the right to cease funding for the applicable Eligible Buyer.

**Settlement Report:** Settlement Report provided at agreed frequency by Seller, which outlines the repayment amount due by each of Seller's Customers on each applicable Maturity Date.

**Conditions Precedent:** Will include, without limitation, all the following, in form and substance satisfactory to DB (the date on which such conditions precedent shall be satisfied, the "Closing Date"):

1. Legal opinions attesting to the capacity and other corporate issues, as well as true sale, non-contravention, validity and enforceability of the Facility documentation according to New York law and local law, as applicable;
2. Certified copy of the constitutional documents of Seller;
3. Evidence that all due corporate authorizations (including any necessary Board Resolutions) and all governmental approvals and registrations have been obtained;
4. Execution and delivery of Facility documentation, all in form and substance acceptable to the Arranger;
5. Receipt by DB of copies of all necessary consents and exemptions required in connection with the execution, delivery, performance, validity or enforceability of the Facility agreement, if any;
6. No material adverse change in the business, assets, financial condition or operations of Seller;
7. All fees and expenses, including but not limited to the Structuring Fee paid in full in cash prior to the Closing Date;
8. A Final Order entered by the Bankruptcy Court, in form and substance satisfactory to DB, approving entry into the Receivables Purchase Agreement, including related priority of payment thereunder, and the grant of the liens and security interests set forth in the section above labeled "Other Conditions" with the priority set forth therein; and
9. UCC-1 financing statements (and relevant jurisdictional equivalents) evidencing the liens securing the Facility shall have been filed in the appropriate jurisdictions. Confirmations of collateral release with respect to the receivables sold to the Purchaser pursuant to the Facility, in form and substance satisfactory to DB, shall be delivered.

**Facility Documentation:** To include, but not be limited to, the following:

1. RPA between DB and Seller;
2. Legal opinions as required.



**Taxes:** Provisions regarding taxes to be agreed between the parties in a manner customary for this type of transaction in the relevant jurisdictions.

**Legal Fees:** All legal fees and expenses of DB's outside counsel accrued in connection with negotiating, drafting and preparing the Facility to be billed to and paid by Marelli, regardless of whether or not the Facility closes. DB's reasonable and documented outside counsel legal fees for ongoing monitoring of DB's chapter 11 cases to be billed to and paid by Marelli on a monthly basis but not to exceed \$500,000 in the aggregate (the "Monitoring Cap"). The Monitoring Cap will not apply if a Material Change occurs in the chapter 11 cases.

"Material Change" shall include and be limited to the following customary events: (i) an Event of Default under the debtor in possession facilities (as defined in the relevant DIP Credit Agreement, and after the expiration of any cure periods contained there), (ii) filing of a motion authorizing the sale of all or a material portion of the Debtors' assets pursuant to section 363 of the Bankruptcy Code, (iii) conversion of the chapter 11 cases, (iv) failure to emerge from chapter 11 prior to December 31, 2026, and (v) after approval of the Facility by the Bankruptcy Court, any party in interest in the Debtors' chapter 11 cases files a challenge to the Facility, DB's liens, or DB's claims, causing DB to defend its position related thereto.

**Governing Law/ Jurisdiction:** New York Law and local addendum as needed

*The terms of this Summary of Terms and Conditions are strictly confidential and may not be discussed or revealed to outside parties except with the express consent of Deutsche Bank AG, New York Branch and Seller. The indicative terms presented herein are for information purposes only, and no commitment on the part of the Arranger to provide or arrange the financing described herein is expressed or implied. Such commitment, if provided in the future, shall be subject to agreement between Marelli North America Inc. and Deutsche Bank as to all terms and conditions of the facility, due diligence, know your customer requirements, our obtaining all necessary credit approvals, and execution of mutually satisfactory documentation. The terms of the Summary of Terms and Conditions shall expire on December 9, 2025, and are subject to Credit approval, adoption, and other DB internal approvals.*