

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
MARELLI AUTOMOTIVE LIGHTING USA LLC, <i>et al.</i> , ¹)	Case No. 25-11034 (CTG)
)	
Debtors.)	(Jointly Administered)
)	
)	Re: Docket Nos. 1375, 1376,
)	1377, 1514, 1536, 1537

**ORDER (I) AUTHORIZING
AND APPROVING THE DEBTORS' KEY
EMPLOYEE INCENTIVE PLAN, (II) AUTHORIZING
AND APPROVING THE DEBTORS' KEY EMPLOYEE
RETENTION PLAN, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”): (a) authorizing and approving the KEIP; (b) authorizing and approving the KERP; and (c) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declarations, the Cumberland Declaration, and the Simion 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 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

¹ 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.

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



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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 Employee Plans are authorized and approved in their entirety, subject to the terms of this Order.
2. The Debtors are authorized, pursuant to sections 363(b) and 503(c) of the Bankruptcy Code, to take all actions necessary to implement the Employee Plans on the terms and conditions set forth in the Motion, including making any payments that come due pursuant to the terms thereof during these chapter 11 cases and without the need for further Court approval; *provided, however,* that any amounts not paid or that are otherwise forfeited pursuant to the KEIP and/or KERP, as applicable, shall not be subject to reallocation to other Employee Plan Participants or otherwise, notwithstanding the Debtors' ability to direct the forfeited payments to a new hire in the same role as the Employee Plan Participant; *provided, further,* that any accrued and unpaid awards to KEIP Participants shall not be made in the event that these chapter 11 cases are converted to chapter 7 of the Bankruptcy Code.
3. Monetary amounts stated in the Motion that were originally denominated in euros or other currencies have been converted to United States dollar based on exchange rates in effect at the time of preparation of the KEIP and KERP, solely for ease of reference. Amounts paid to

Employee Plan Participants pursuant to this Order will be paid in the participants' respective local currencies and the Debtors shall be authorized to make adjustments to any award amounts made on account of currency exchange rates at the time of payment.

4. The total number of KERP Participants stated in the Motion represents headcount prior to the filing of the Motion, solely for ease of reference. Accordingly, the total number of KERP Participants may vary based on standard fluctuations in headcount; *provided*, that no modifications to the material terms of the Employee Plans, including changes to the aggregate annual cost of the KERP (other than as a result of non-insider employees hired by the Debtors in the ordinary course of business), shall be made without further Court approval.

5. The "cut-in" Adjusted EBITDA Percentage Performance Metric under the KEIP shall be modified to be equal to 1.7% on an annual basis.

6. The DIOH Performance Metric under the KEIP shall be modified to require, in addition to the satisfaction of the DIOH Performance Metric as set forth in the Motion, the satisfaction of the Backorder Metric.³

7. No payments shall be made to KEIP Participants on account of any awards under the KEIP until 75 days following quarter-end and advisors to the Committee and advisors to the Ad Hoc Group of Senior Lenders, on a professionals-eyes-only basis, shall receive, and have the

³ For purposes of this Order, "Backorder Metric" shall mean that the "customer backorders" shall be no greater than 20% during the applicable period; *provided* that if there is a Force Majeure or a Customer Related Impact that occurs and alters the amount of customer backorders, then such DIOH Performance Metric shall still be met regardless of the Backorder Metric threshold.

For purposes of this Order, "Force Majeure" shall mean natural disasters, acts of God, acts of war, terrorism, national strikes or labor disputes which are the result or part of a general industry labor strike or disturbance, fires, floods, earthquakes, pandemics, epidemics, or any other similar cause beyond the reasonable control of the Debtors.

For purposes of this Order, "Customer Related Impact" shall mean delays attributable to customer order information delays or other customer-related actions that impact the Debtors' ability to order raw materials and manufacture finished goods.

opportunity to review, the Performance Metric calculations on account of the KEIP, including supporting materials, at least five (5) calendar days prior to any payment on account of the KEIP.

8. Advisors to the Committee and advisors to the Ad Hoc Group of Senior Lenders, on a professionals-eyes-only basis, shall receive, and have the opportunity to review, the Performance Metric calculations on account of the QIP and SQIP, including supporting materials, at least five (5) calendar days prior to any payment on account of the QIP or SQIP to Employee Plan Participants consistent with the reporting in accordance with paragraph 9 of this Order.

9. The Debtors shall provide advance notice to the U.S. Trustee, and, on a professionals-eyes-only basis, advisors to the Committee and advisors to the Ad Hoc Group of Senior Lenders of proposed payments under the KERP consistent with the existing reporting protocol in place in connection with the *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* [Docket No. 321] (the “Wages Order”) and otherwise specifically identifies the proposed payments pursuant to each of the QIP, SQIP, and TBR Plan.

10. Discretionary bonus payments under the TBR Plan shall not exceed \$250,000.00 to any individual TBR Plan Participant, and the Debtors shall provide advance notice to the U.S. Trustee, and, on a professionals-eyes-only basis, advisors to the Committee and advisors to the Ad Hoc Group of Senior Lenders of proposed discretionary pool payments under the TBR Plan to any TBR Plan Participant that exceeds \$75,000.00.

11. The Debtors shall eliminate any “minimum guaranteed payout” under the Performance Metrics on account of any QIP and SQIP Participants that are included on Exhibit C attached to the *Certification of Counsel Regarding Order (I) Authorizing the Debtors to File Under*

Seal the Motion For Approval of the Key Employee Incentive Plan and the Key Employee Retention Plan, and (II) Granting Related Relief [Docket Nos. 1536, 1537].

12. Notwithstanding the relief granted herein or any action taken hereunder, nothing contained in this Order shall create any rights in favor of, or enhance the status of, any claim held by any employee or other person or entity.

13. 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.

14. 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.

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

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

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



Dated: January 27th, 2026
Wilmington, Delaware

CRAIG T. GOLDBLATT
UNITED STATES BANKRUPTCY JUDGE