# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d)**
**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): October 19, 2020**

# GARRETT MOTION INC.
**(Exact Name of Registrant as Specified in its Charter)**

| **Delaware** | **1-38636** | **82-4873189** |
|---|---|---|
| **(State or other jurisdiction of incorporation)** | **(Commission File Number)** | **(I.R.S. Employer Identification Number)** |

| **La Pièce 16, Rolle, Switzerland** | **1180** |
|---|---|
| **(Address of principal executive offices)** | **(Zip Code)** |

**Registrant's telephone number, including area code: +41 21 695 30 00**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **None** | **None** | **None** |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 7.01 Regulation FD Disclosure.**

As previously disclosed, on September 20, 2020 (the "Petition Date"), the Company and certain of its subsidiaries (collectively, the "Debtors") each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Debtors' chapter 11 cases (the "Chapter 11 Cases") are being jointly administered under the caption "*In re Garrett Motion Inc.*, 20-12212."

Also as previously disclosed, on the Petition Date, certain of the Debtors (the "Sellers") also entered into a share and asset purchase agreement (the "Stalking Horse Purchase Agreement") with AMP Intermediate B.V. (the "Stalking Horse Bidder") and AMP U.S. Holdings, LLC, each affiliates of KPS Capital Partners, LP, pursuant to which the Stalking Horse Bidder has agreed to purchase, subject to the terms and conditions contained therein, all of the equity interests in each of Garrett LX I S.à r.l., and Garrett Transportation I Inc. (subject to an election by the Stalking Horse Bidder to purchase substantially all of the assets of Garrett Transportation I Inc., instead of its equity), along with certain other assets and liabilities of the Debtors (the "Acquired Assets") pursuant to a plan of reorganization under the Bankruptcy Code. The acquisition of the Acquired Assets pursuant to the Stalking Horse Purchase Agreement is subject to approval of the Bankruptcy Court and an auction to solicit higher or otherwise better bids pursuant to a bidding procedures order to be entered by the Bankruptcy Court (the "Bidding Procedures Order"). Under the Bidding Procedures Order, the Stalking Horse Purchase Agreement serves as the minimum or floor bid on which the Debtors, their creditors, suppliers, vendors, and other bidders may rely.

On October 19, 2020, the Company issued a press release, (i) disclosing that it had received a proposal from the Stalking Horse Bidder to revise the terms of the Stalking Horse Purchase Agreement following approval of the Bidding Procedures Order by the Bankruptcy Court (the "Stalking Horse Bidder Revised Proposal") and (ii) referencing the public announcement that Honeywell International Inc., Centerbridge Partners, L.P. and Oaktree Management L.P. (collectively, the "Bidding Group") had entered into a coordination agreement in anticipation of submitting to the Company an alternative proposal for a plan of reorganization (the "Alternative Proposal") (the "Press Release"). The Press Release is furnished herewith as Exhibit 99.1, which is incorporated herein by reference.

The Alternative Proposal was delivered to the Company on October 16, 2020, and was publicly disclosed in (i) Amendment No. 1 to the Schedule 13D filed by Oaktree Capital Management, L.P. and certain of its affiliates ("Oaktree") on October 16, 2020 (the "Oaktree Amended 13D") and (ii) Amendment No. 1 to the Schedule 13D filed by Centerbridge Credit Partners Master, L.P. and certain of its affiliates on October 16, 2020. The proposed terms of the Alternative Proposal are described in the coordination agreement, previously filed by Oaktree as Exhibit II to the Oaktree Amended 13D, which is incorporated by reference and furnished herewith as Exhibit 99.2. In connection with the Alternative Proposal, the Company received a letter from the Bidding Group's attorneys on October 16, 2020, a copy of which is furnished herewith as Exhibit 99.3 and incorporated herein by reference (the "Bidding Group Letter"). The Company responded to the Bidding Group Letter through its attorneys by letter on October 19, 2020 (the "Garrett Letter"). A copy of the Garrett Letter is furnished herewith as Exhibit 99.4 and incorporated herein by reference.

The Stalking Horse Bidder Revised Proposal was delivered to the Company on October 19, 2020. The proposed terms of the Stalking Horse Bidder Revised Proposal are described in the letter of intent of the same date furnished herewith as Exhibit 99.5, which is incorporated herein by reference. The Stalking Horse Bidder Revised Proposal is subject to Bankruptcy Court approval of the Debtors' proposed Bidding Procedures Order. The Stalking Horse Purchase Agreement would remain subject to higher or better offers in the Chapter 11 Cases. Closing of the transaction is subject to customary regulatory approvals, as well as Bankruptcy Court approval and other customary conditions. Following Bankruptcy Court approval of the Debtors' proposed Bidding Procedures Order, the Company expects to discuss with the Stalking Horse Bidder amendments to the Stalking Horse Purchase Agreement and other transaction documentation to reflect the terms of the revised bid.

The information furnished pursuant to this Item 7.01, including Exhibits 99.1, 99.2, 99.4 and 99.5, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act.

**Cautionary Information Regarding Trading in the Company's Securities.**

The Company's securityholders are cautioned that trading in the Company's securities during the pendency of the Chapter 11 Cases is highly speculative and poses substantial risks. Trading prices for the Company's securities may bear little or no relationship to the actual recovery, if any, by holders thereof in the Company's Chapter 11 Cases. Accordingly, the Company urges extreme caution with respect to existing and future investments in its securities.

**Forward-Looking Statements**

This Current Report on Form 8-K contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of fact, that address activities, events or developments that the Company or the Company's management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements including without limitation the Company's statements regarding the Alternative Proposal and the Stalking Horse Bidder Revised Proposal. Although the Company believes forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results or performance of the company to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to those described in the Company's annual report on Form 10-K for the year ended December 31, 2019, as updated by the Company's quarterly report on Form 10-Q for the period ended June 30, 2020, as well as the Company's other filings with the Securities and Exchange Commission, under the headings "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements." You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by the Company's forward-looking statements.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

| Exhibit No. | Description |
|---|---|
| 99.1 | Press Release of Garrett Motion Inc., dated October 19, 2020. |
| 99.2 | Coordination Agreement by and among the parties identified therein (incorporated by reference to Exhibit II to Amendment No. 1 to the Schedule 13D jointly filed on October 16, 2020 by Oaktree Capital Management, L.P., among others). |
| 99.3 | Letter from the Bidding Group's Attorneys to the Company's Attorneys, dated October 16, 2020. |
| 99.4 | Letter from the Company's Attorneys to the Bidding Group's Attorneys, dated October 19, 2020. |
| 99.5 | Letter of Intent of KPS Capital Partners, L.P., dated October 19, 2020. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 19, 2020

Garrett Motion Inc.

By: /s/ Jerome Maironi
Jerome Maironi
Senior Vice President, General Counsel and
Corporate Secretary

**EXHIBIT 99.1**

**GARRETT MOTION AUCTION PROCESS YIELDS IMPROVED BIDS**

- *KPS agrees to increase stalking horse bid by $500 million to $2.6 billion and offer co-investment opportunity in new public parent company to Garrett stockholders*
- *Garrett also received preliminary proposal that the Company sell its business to certain stockholders in lieu of further marketing process*

ROLLE, Switzerland – October 19, 2020 – Garrett Motion Inc. ("Garrett") today announced that it has received an improved stalking horse bid from KPS Capital Partners, LP ("KPS") with respect to a potential purchase of its business. The Company is continuing with its competitive bidding process, and seeking approval of bidding procedures and stalking horse bid protections from the bankruptcy court.

Garrett also responded today to an October 16, 2020, non-binding proposal from a group of institutional investors and Honeywell International Inc. that the Company sell control to the institutional investors without a further marketing process.

**Improved Stalking Horse Bid From KPS**

On September 20, 2020, Garrett and certain affiliates of KPS entered into a share and asset purchase agreement (the "Purchase Agreement") in connection with the proposed purchase of Garrett's business. The purchase would be implemented through voluntary Chapter 11 cases with the United States Bankruptcy Court for the Southern District of New York also commenced by Garrett and certain of its subsidiaries on September 20, 2020 (*In re: Garrett Motion, Inc., et al.*, No. 20-12212 (MEW) (Bankr. S.D.N.Y.).

Under the terms and conditions of the revised stalking horse bid received from KPS:

- KPS would increase the base purchase price for the Garrett business by $500 million, from $2.1 billion to $2.6 billion (in each case subject to adjustment as provided in the Purchase Agreement). KPS would also purchase an entity that directly holds (and after the closing will retain) the claims of Garrett and its affiliates against Honeywell International Inc. in connection with the disputed subordinated asbestos indemnity agreement and tax matters agreement.
- Upon completion of the sale, KPS would list the new parent company on a recognized U.S. stock exchange.
- KPS would make available to existing Garrett stockholders an equity co-investment opportunity on the same economic terms as KPS, allowing Garrett stockholders to continue to hold shares in the publicly-listed reorganized business. KPS would offer co-investment in an aggregate amount of up to $350 million, $100 million of which would be available to all shareholders on a pro rata basis. KPS has indicated that it expects existing shareholders would own approximately 24% of outstanding common equity assuming maximum co-investment (subject to adjustment).
- The anticipated dates for Garrett's competitive process would be extended to provide Garrett with additional time to assess higher or better offers. The anticipated auction date would be December 18, 2020 rather than November 24, 2020, with other dates adjusted accordingly.

The revised bid from KPS is conditioned on court approval of Garrett's proposed bidding procedures. The Purchase Agreement would remain subject to higher or better offers in the bankruptcy case. Closing of the transaction is subject to customary regulatory approvals, as well as court approval and other customary conditions. Following court approval of Garrett's proposed bid procedures, Garrett would work with KPS to amend the Purchase Agreement and other transaction documentation to reflect the terms of the revised bid.

**Alternative Proposal Would Discontinue Auction and Sell Control to Certain Institutional Investors**

On October 16, 2020, Honeywell International Inc., Centerbridge Partners, L.P. and Oaktree Management L.P. (collectively, the "Bidding Group") publicly announced that they had entered into a coordination agreement in anticipation of submitting to Garrett an alternative proposal for a plan of reorganization (the "Alternative Proposal"). Garrett received a letter on behalf of the Bidding Group regarding the Alternative Proposal after the public announcement.

The Alternative Proposal was prepared with public information only and had not been negotiated with Garrett. It followed invitations from Garrett to the members of the Bidding Group to join the competitive process alongside other bidders. Garrett understands that the terms of the Alternative Proposal prohibit any participating parties from discussing alternative transactions with Garrett or other third parties during the bankruptcy case. The Alternative Proposal also requests that Garrett agree to stop the competitive process altogether and not seek, solicit or support any alternative to the Alternative Proposal.

The substantive terms of the Alternative Proposal also include a settlement with Honeywell, the cash sale of virtually all equity value of Garrett to the institutional investors party to the Alternative Proposal and special participation rights offered to select institutional investors in return for their support of the Alternative Proposal.

Garrett responded to the Bidding Group today by raising initial questions about the content of the Alternative Proposal, including its impact on the competitive process, the availability and terms of financing and its treatment of remaining Garrett stockholders. Garrett again invited the members of the Bidding Group to participate in what is intended to be an ongoing competitive process, and Garrett intends to continue discussions with the Bidding Group regarding the Alternative Proposal as well.

**Information about the Chapter 11 Process**

Garrett anticipates emerging from Chapter 11 and completing the sale process in early 2021.

Morgan Stanley & Co. LLC and Perella Weinberg Partners are serving as financial advisors, Sullivan & Cromwell LLP and Quinn Emanuel Urquhart & Sullivan LLP are serving as legal advisors, and AlixPartners are serving as restructuring advisor to Garrett Motion.

Court filings and other documents related to the Chapter 11 process are available at http://www.kccllc.net/garrettmotion or by calling Garrett's claims agent, KCC, at 866-812-2297 (U.S. toll-free) or +800 3742 6170 (international toll-free) or sending an email to Garrettinfo@kccllc.com.

**Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements including without limitation our statements regarding our Chapter 11 process and the ongoing competitive process. Although we believe forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results or performance of the company to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to those described in our annual report on Form 10-K for the year ended December 31, 2019, as updated by our quarterly report on Form 10-Q for the period ended June 30, 2020, as well as our other filings with the Securities and Exchange Commission, under the headings "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements." You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements.

**About Garrett Motion Inc.**

Garrett Motion is a differentiated technology leader, serving customers worldwide for more than 65 years with passenger vehicle, commercial vehicle, aftermarket replacement and performance enhancement solutions. Garrett's cutting-edge technology enables vehicles to become safer, and more connected, efficient and environmentally friendly. Our portfolio of turbocharging, electric boosting and automotive software solutions empowers the transportation industry to redefine and further advance motion. For more information, please visit www.garrettmotion.com.

**Garrett Motion:**

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**EXHIBIT 99.3**

October 16, 2020

By E-mail

Andrew G. Dietderich
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
dietdericha@sullcrom.com

Re: In re: Garrett Motion, Inc., et al., No. 20-12212 (MEW) (Bankr. S.D.N.Y.)

Dear Andy,

We write on behalf of Centerbridge Partners, L.P. ("Centerbridge") and Oaktree Capital Management, L.P. ("Oaktree"), who collectively hold approximately 15% of the Senior Notes and over 9% of the Debtors' common equity, certain clients of Jones Day who collectively hold approximately 40% of the Debtors' common equity and some Senior Notes, and Honeywell International Inc. ("Honeywell" and, together with Centerbridge, Oaktree, and the Jones Day clients, the "Plan Sponsors") in connection with the Debtors' pending Bid Procedures Motion (ECF No. 18), which is scheduled to be heard on October 21, 2020. As summarized below, the Plan Sponsors have formulated a proposal for a plan of reorganization for the Debtors (the "Proposal") that, unlike the liquidating plan foreshadowed by the bid from KPS Capital Partners, LP (the "Stalking Horse Bid"), will be supported by all of the Debtors' major financial constituencies.

The Proposal is described in an exhibit to this letter and, as you know, it was filed publicly with the U.S. Securities and Exchange Commission today. We are eager to begin working hand in glove with the Debtors and their advisors to cause the Proposal to be evidenced by a plan of reorganization, described in a disclosure statement, filed with the Court, confirmed by the Court, and consummated as promptly as possible.

As an initial matter, the Proposal contemplates a plan of reorganization instead of a sale implemented through a liquidation plan. This will allow the Debtors to move expeditiously through these chapter 11 cases and negate the need for a potentially lengthy, contested, and expensive auction process. A speedy, value-maximizing reorganization that considerably deleverages the Debtors' balance sheet will send a positive message to the Debtors' vendors, customers, and other contract counterparties by, among other things, eliminating the series of risks associated with the proposed sale process—addressing concerns about damage to customer relationships that the Debtors have repeatedly expressed to the Court.

The key benefits of the Proposal include:

- all of the Debtors' funded debt holders are paid in full or are otherwise unimpaired through the Proposal, including satisfying the "Acceptable Plan" provision of the Debtors' existing restructuring support agreement;
- all unsecured creditors receive payment in full in cash or are reinstated and paid in the ordinary course;
- Honeywell will be the lone impaired creditor—having agreed to convert its claim from a liability on the Debtors' balance sheet to new Series Preferred B Stock—and is supportive of the Proposal, thus allowing for emergence of the Debtors on a faster timetable and, importantly, without years of potential litigation between the Debtors, Honeywell, and equity holders, which Honeywell would vigorously defend; and
- all common equity holders are reinstated and receive an opportunity to participate in the upside of the substantial deleveraging of the Debtors through the repayment of funded debt and the infusion of no less than approximately $1.1 billion of equity capital at emergence, with up to $100 million of additional equity capital to be raised through a rights offering as part of which common equity holders will receive subscription rights to reinvest in the business.

Apart from the foregoing, the Proposal clearly has a materially higher implied value than the proposed Stalking Horse Bid. The Proposal includes commitments by well-known and highly regarded investment firms to provide the required equity capital through the commitments to purchase at least approximately $1.1 billion of Convertible Series A Preferred Stock that will be used to deleverage the Debtors' balance sheet. The Convertible Series A Preferred Stock will contain no maintenance covenants and, upon a change of control, the reorganized Debtors may redeem such stock at their election. With a substantial infusion of new equity capital to pay down debt and the conversion of Honeywell's claim from a liability to new Series B Preferred Stock, the Debtors will emerge from bankruptcy in a healthier and even more competitive position than before they filed these chapter 11 cases.

To replace the Debtors' existing contractual arrangement with Honeywell, the Proposal provides for a restructured payment stream in the form of Series Preferred B Stock pursuant to which Honeywell will be entitled to receive fixed payments over a 14-year period according to a defined schedule. The Proposal allows the reorganized Debtors to delay payments to Honeywell if EBITDA falls below a certain threshold. The Debtors thus not only stand to benefit from a substantial deleveraging of their balance sheet through the Proposal—which will place them in a superior competitive position for years to come—but they also will have a simplified, predictable stream of future payments going forward and will continue to have a mechanism through which payments to Honeywell are deferred in the event of unexpected fluctuations in future business environments.

As the Proposal demonstrates, there is no need for the Debtors to rush to seek approval of the Stalking Horse Bid. On the contrary, the Proposal restructures the Debtors' obligations while maintaining the interests of equity in these solvent cases without the need for a $63 million break fee, an uncapped expense reimbursement that is payable regardless of the consummation of the transaction, or time consuming and value destructive litigation. Furthermore, the commitments to provide financing for the Proposal do not include any backstop fee or other financing fee.

The Plan Sponsors urge the Debtors to adjourn the hearing on the Bid Procedures Motion until they have had time to seriously consider the Proposal. At such an early stage in these chapter 11 cases, it is unnecessary to bind yourselves to a greater than $63 million cost at the expense of your unsecured creditors and equity holders. The Plan Sponsors believe, and as further supported by the Proposal, that an adjournment of the Bid Procedures Motion will only serve to benefit the Debtors and all of their stakeholders by maximizing the value of the Debtors' estates.

We request that you confirm in writing as soon as possible that you have forwarded this letter to the Board of Directors of Garrett Motion, Inc. and the "Consulting Professionals" as that term is defined in the Debtors' Bid Procedures Motion.

We look forward to your response.

Sincerely,

| | | |
|---|---|---|
| /s/ *Dennis F. Dunne* | /s/ *Nicole L. Greenblatt* | /s/ *Bruce Bennett* |
| Dennis F. Dunne, Esq. | Nicole L. Greenblatt, P.C. | Bruce Bennett, Esq. |
| Milbank LLP | Kirkland & Ellis LLP | Jones Day |

Enclosure

**EXHIBIT 99.4**

**[Letterhead of Sullivan & Cromwell LLP]**

October 19, 2020

Dennis F. Dunne,
Milbank LLP,
55 Hudson Yards,
New York, NY 10003.

Nicole Greenblatt,
Kirkland & Ellis LLP,
601 Lexington Avenue,
New York, NY 10022.

Bruce Bennett, Esq.,
Jones Day,
555 S. Flower St., 50th Floor,
Los Angeles, CA 90071.

**Re:** ***In re: Garrett Motion, Inc., et al.,*** **No. 20-12212 (MEW) (Bankr. S.D.N.Y.)**

Dear Dennis, Nicole & Bruce:

On behalf of Garrett Motion Inc. ("GMI") and the other debtors in the above-captioned cases (collectively, the "Debtors"), we would like to thank you and your various clients for the letter of October 16, 2020, summarizing a proposal of plan sponsorship (the "Proposal"). We have shared the Proposal with the GMI's Board of Directors and the Debtors have directed their advisors to engage with you on the Proposal as part of the ongoing competitive process.[1]

As we have said repeatedly, the Debtors welcome participation from Centerbridge, Oaktree and Honeywell in the competitive process and, in particular, are pleased that Honeywell now appears willing to engage in settlement discussions over its claims with the Debtors. However, the sale process is a competitive one, with other parties actively pursuing potential proposals; attempts to stifle competition through lock-up agreements or other coercive arrangements harm the estate unnecessarily.

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1 As we have stated before, the auction is open to both sale plans and to new money plans such as the Proposal.

GMI has announced a sale of its business, and GMI's Board of Directors therefore has a duty to obtain the highest price reasonably achievable. When the Board considers value for GMI stockholders, it cannot ascribe any value to special inducements offered only to a limited group of individual institutional investors in exchange for their consent to an otherwise inferior or non-committed transaction. These sorts of tactics to build 'consensus' make the Board's decision harder, not easier. As you know, GMI is a Delaware corporation with a large number of creditors and thousands of shareholders, most of whom do not have access to sophisticated restructuring counsel. ***It is the value received by the stakeholders that are not part of the bidding consortium that is meaningful to the Board of Directors*.**

With this in mind, the Debtors have identified a number of initial concerns with your Proposal and we would like to engage with you to address them.

*First*, although the Proposal acknowledges the constraints placed on GMI by its inappropriate capital structure and the need for additional equity, the Debtors are concerned that the Series A Preferred Stock and Series B Preferred Stock may not be treated as full equity equivalents by financial markets, rating agencies and business partners critical to GMI's future success. The quantum and cost of the proposed debt-like elements in these securities appear likely to hamper both strategic transactions and the capital deployment necessary for GMI to remain relevant in its core markets. The terms of the Series A Preferred are extremely costly to the company if paid in cash, or extremely dilutive to the common equity if PIK'd. This likely will have consequences for the future value of the equity held by current GMI stockholders, and could negatively impact the financial viability of the reorganized company and the availability and terms of exit financing. As a result, we are interested in exploring ways of reducing the cost and dilution of this structure.

*Second*, the Proposal is in substance a sale of GMI for cash to selected stockholders. Non-participating GMI stockholders suffer near total dilution from the issuance of the Series A Preferred Stock but receive only a very modest investment opportunity (less than 5% of the Series A Preferred Stock) in return. Accordingly, the Debtors have not been able to determine based on information available to them that the Proposal is superior to the current proposed stalking horse bid, or to any other alternative sale. Among other things, it is unclear how the Proposal allocates value to those portions of the business that are free of potential claims from Honeywell. This is important, of course, because that allocated value should be available for distribution to GMI stockholders. As a result, the Debtor is interested in exploring ways of expanding value to all stockholders.

*Third,* the interests of non-participating GMI stockholders have been represented in settlement negotiations with Honeywell. In particular, under the Proposal, Honeywell is to receive interests that are *junior* to the Series A Preferred Stock acquired by the Plan Sponsors but *senior* to the remaining claims of non-participating GMI stockholders.

These features call into question whether the Plan Sponsors have appropriate incentives to negotiate with Honeywell at arm's-length as a surrogate for the estate and non-participating stockholders. The absence of any review by Centerbridge, Oaktree or their representatives of confidential information of the Debtors is noteworthy in this regard. As a result, the Debtor is interested in working with the Plan Sponsors in improving the terms of the Honeywell settlement for the benefit of all stockholders.

*Fourth*, the Proposal raises process concerns by linking the otherwise unrelated terms of the equity capital raise to the settlement with Honeywell. The Debtors have not been involved in the pricing of either transaction, or in the plan of reorganization reflected in the Proposal. This dynamic is exacerbated by the near total prohibition preventing any signatory to the "coordination agreement" from considering alternatives, or engaging in discussions with the Debtors that may reveal opportunities for enhanced value to the estate.

*Fifth,* the Proposal requires significant exit financing in order to satisfy claims of current creditors, but does not identify any providers of that financing or include any meaningful description of its terms, preventing an evaluation of this critical element of the Proposal.

*Sixth,* Centerbridge and Oaktree have not conducted private-side diligence, presumably in order to remain free to buy and sell stock and claims. Restricting to learn about the Debtors, side by side with other bidders, may be an important next step to ensure no surprises for either side later.

These initial observations are intended to be constructive and not in any way to discourage the participation by this consortium in the competitive process. Indeed, this consortium may be well positioned to deliver a compelling proposal in the ongoing competitive process that benefits the many individual non-participating stakeholders in the Debtors. The Debtors are fully committed to working with the Plan Sponsors to improve the Proposal along those lines.

We look forward to discussing these matters with you.

Very Truly Yours,
/s/ Andy Dietderich
Andy Dietderich

**EXHIBIT 99.5**

**[Letterhead of KPS Capital Partners, L.P.]**

October 19, 2020

Garrett Motion Inc.
La Pièce 16
1180 Rolle, Switzerland
Attention: Sean Deason, Jerome P. Maironi

With a copy to:

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
United States
Attention: Scott Miller, Andrew Dietderich

Sullivan & Cromwell LLP
1 New Fetter Lane
London EC4A 1AN
United Kingdom
Attention: Evan S. Simpson

RE: Project Cresco

Dear Messrs. Deason and Maironi:

In this letter (this "**Revised Proposal**"), we are proposing to make the changes summarized below to our previously announced stalking horse bid (the "**Existing Proposal**") for substantially all of the assets of Garrett Motion Inc. (the "**Company**"), which we believe represents significant additional value for the Company's stakeholders. Terms that are used but not herein defined have the same meaning ascribed to them in the Share and Asset Purchase Agreement, dated September 20, 2020 (the "**SAPA**"), by and among Garrett Motion Inc., Garrett Motion Holdings Inc. ("**GMHI**"), Garrett Motion Holdings II Inc., Garrett ASASCO Inc. ("**ASASCO**"), AMP Intermediate B.V. and AMP U.S. Holdings, LLC.

Under this Revised Proposal, subject to and conditioned upon (a) the approval by the Court of the Bidding Procedures Order (including by entering into any necessary amendments to the SAPA and approving the Amended Bidding Procedures (as defined below)) and (b) the negotiation, execution and delivery of mutually satisfactory definitive documentation providing for this Revised Proposal (including the necessary amendments to the SAPA, the RSA, the Plan and any other Transaction Documents and confirmation to our satisfaction of the tax, structuring and financing impacts of the Revised Proposal), we are proposing the following changes to the Existing Proposal:

1. **Amendments to Bidding Procedures**. We propose to revise the Bidding Procedures and amend the SAPA (as appropriate) to (i) provide for filing a motion seeking approval of the Disclosure Statement and Plan no later than November 30, 2020, the final date for submitting indications of interest as no later than November 20, 2020, the final date for submitting a qualified bid as no later than December 7, 2020 and for holding the Auction no later than December 18, 2020, (ii) cap the amount of our expenses subject to reimbursement as Stalking Horse Bid Protections at

$21 million, and (iii) confirm our understanding that the Debtors may consider alternative transactions structured as either sales or plans of reorganization (such Bidding Procedures, as so amended, the "**Amended Bidding Procedures**").

2. **Purchase of ASASCO**. In lieu of the acquisition of Non-U.S. TopCo as contemplated by the Existing Proposal, Buyer (or its permitted assignee) would acquire ASASCO from GMHI. ASASCO will retain the Honeywell Claims following the Closing (but not the Excluded Liabilities relating to the Honeywell Claims).

3. **Increased Purchase Price**. In consideration for the acquisition of ASASCO, for the acquisition of the Honeywell Claims, and in response to various objections that have been filed to the Bid Procedures Motion as well as other recent developments, Buyer would increase the Purchase Price by $500 million. The amount of such additional value to be allocated to the purchase of ASASCO and to the purchase of the Honeywell Claims will be determined in good faith in accordance with procedures to be agreed with the Company.

4. **Co-Investors.** Taking into account the aforementioned price increase and in further consideration for the acquisition of ASASCO, Buyer is prepared to remain a public company following the Closing (as successor registrant to the Company) that is listed on a recognized U.S. stock exchange and, in this connection, offer up to $350 million of co-investment opportunity (on the same economic terms as KPS) to the Company's existing shareholders (no less than $100 million of which would be made available to all shareholders on a pro rata basis pursuant to a customary rights offering). This co-investment opportunity would result in the Company's existing shareholders owning approximately 24% of Buyer's outstanding common equity at Closing assuming exercise of these rights in full (and subject to customary adjustments). Any participation in these co-investment opportunities would result in an equal reduction to KPS' aggregate equity commitment.

5. **Additional Contracts**. Conditioned upon the unsecured creditors committee agreeing to support our Bidding Procedures and the Transaction prior to the hearing on the Bidding Procedures, Buyer is prepared to forego its ability to designate Additional Assumed Contracts and additional Rejected Debtor Contracts prior to the Designation Deadline as contemplated by the Existing Proposal.

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Sincerely,

KPS CAPITAL PARTNERS, LP

By: KPS Capital Partners, LLC its general partner

By: /s/ Raquel Palmer
Raquel Palmer
Managing Partner

By: /s/ Ryan Baker
Ryan Baker
Partner