

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11
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EXIDE TECHNOLOGIES, : Case No. 13-11482 (KJC)
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Debtor.¹ : **Related Docket Nos. 6, 66, 90, 286**
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**FINAL ORDER GRANTING DEBTOR'S MOTION FOR ORDER
PURSUANT TO BANKRUPTCY CODE SECTION 105(a), 363(b), 1107(a), AND 1108
AND BANKRUPTCY RULES 6003 AND 6004 AUTHORIZING
PAYMENT OF CRITICAL VENDORS**

Upon the motion (the "Motion")² of the Debtor for interim and final orders, pursuant to sections 105(a), 363(b), 1107(a), and 1108 of title 11 of the United States Code (the "Bankruptcy Code"), and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") (i) authorizing, but not directing, the Debtor to pay, in the ordinary course of business, the prepetition claims of certain critical vendors and (ii) authorizing, but not directing, the applicable banks and financial institutions to honor all related checks and electronic payment requests; and upon the First Day Declaration; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by the Motion is in the best interests of the Debtor, its estate, its creditors, its stakeholders, and other parties in interest; and after due deliberation thereon, and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED that:

¹ The last four digits of the Debtor's taxpayer identification number are 2730. The Debtor's corporate headquarters are 13000 Deerfield Parkway, Building 200, Milton, Georgia 30004.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

1. The Motion is GRANTED as set forth herein.
2. The Debtor is hereby authorized, but not required, to pay, in consultation with the Creditor's Committee (as defined below), without further order of the Court, the Critical Vendor Claims in an amount not to exceed, in the aggregate, \$10 million (inclusive of any amounts paid pursuant to the Interim Order) without further order of this Court.
3. The Debtor shall undertake appropriate efforts to cause the Critical Vendors to enter into Trade Agreements with the Debtor substantially in the form of the letter annexed as Exhibit A to the Motion as a condition to payment of its Critical Vendor Claims.
4. With respect to the waiver of entry of any Trade Agreement, the Debtor shall provide the Creditors' Committee, counsel to the agent under the Debtor's postpetition senior secured credit facility (the "DIP Agent"), and counsel to the unofficial committee of senior secured noteholders (the "Unofficial Noteholders' Committee") with at least three (3) business days advance notice of any such proposed waiver with the Creditors' Committee and the DIP Agent having a right to object to such waiver on an expedited basis in the Bankruptcy Court, provided, however, that if an objection to the waiver is raised within the three business days' notice period, no waiver shall take place until the resolution of the objection or further order of the Court, except in the circumstances described in paragraph 5.
5. With respect to waiver of entry of any Trade Agreement where, due to exigent circumstances in the Debtor's business judgment, advance notice (as described in paragraph 4) cannot reasonably be given to the Creditors' Committee, the DIP Agent, and the Unofficial Noteholders' Committee, the Creditors' Committee, the DIP Agent, and the Unofficial Noteholders' Committee shall retain the right to object to such waiver and may request disgorgement of any payment made to a Critical Vendor pursuant to this paragraph.

6. If a Critical Vendor refuses to supply goods and/or services to the Debtor on Customary Trade Terms following receipt of payment on its Critical Vendor Claim or fails to comply with any Trade Agreement entered into by such Critical Vendor and the Debtor, the Debtor may, in its sole discretion, and without further order of the Court, (i) declare that any Trade Agreement between the Critical Vendor and the Debtor is terminated and (ii) declare that payments made to the Critical Vendor on account of its Critical Vendor Claim be deemed to have been made in payment of then-outstanding postpetition claims of such Critical Vendor without further order of this Court or action by any person or entity. In the event that such events occur, a Critical Vendor shall then immediately repay to the Debtor any payment made to it on account of its Critical Vendor Claim to the extent that payments on account of such Critical Vendor Claim exceed the postpetition claims of such Critical Vendor then outstanding without giving effect to any rights of setoff, claims, provision for payment of reclamation or section 503(b)(9) claims, or otherwise, such excess shall be deemed to be an unauthorized voidable postpetition transfer under Bankruptcy Code Section 549 and, therefore, recoverable by the Debtor in cash upon written request and upon recovery by the Debtor, any such prepetition claim shall be reinstated as if the payment had not been made, less the Debtor's reasonable costs in recovering such amounts. If the Debtor seeks to recover such payments, nothing shall preclude a party from contesting such treatment by making a written request (the "Request") to the Debtor to schedule a hearing before this Court. If such a Request is made, the hearing on the Request will be the next scheduled hearing date not less than thirty (30) days after the Debtor received the Request, of which hearing the Debtor will provide notice to the requesting party and other interested parties in accordance with the Bankruptcy Code and the orders of this Court. In the event that a Trade Agreement is terminated or a Critical Vendor refuses to supply goods or

services to the Debtor following receipt of payment on its Critical Vendor Claim (regardless of whether such Critical Vendor has entered into a Trade Agreement), it is the explicit intention of this Court to return the parties to their position immediately prior to the entry of this order with respect to all prepetition claims.

7. The Debtor may, in its sole discretion, reinstate a terminated Trade Agreement if (i) such determination is subsequently reversed by this Court after notice and a hearing following a motion by the Critical Vendor, for good cause shown, that the determination was materially incorrect; (ii) the underlying default under the Trade Agreement was fully cured by the Critical Vendor not later than five (5) business days following the Debtor's notification to the Critical Vendor that a default had occurred; or (iii) the Debtor, in its discretion, reach a favorable alternative agreement with the Critical Vendor.

8. The Debtor's undisputed obligations to the Suppliers under Outstanding Orders arising from (a) shipments of goods delivered to and accepted by the Debtor on and after the Petition Date and (b) provision of services to the Debtor on and after the Petition Date at the Debtor's request are hereby granted administrative expense priority status pursuant to Bankruptcy Code Section 503(b)(1)(A), and the Debtor is authorized to pay such obligations in the ordinary course of business; provided, however, that the foregoing does not constitute authorization for the Debtor to pay any amount to the Suppliers for goods received or services performed where title to the underlying goods was transferred to the Debtor prior to the Petition Date.

9. The Debtor is authorized to pay, on a provisional basis, prepetition claims of vendors who have contractual obligations to the Debtor, but who nevertheless may refuse to honor such obligations on a postpetition basis (collectively, the "Contract Counterparties").

10. In the event that the Debtor makes a provisional payment to a Contract Counterparty, the Debtor may, at its option, file a Notice of Provisional Payment and a proposed order to show cause (the "Show Cause Order") with this Court within three business days of payment to such Contract Counterparty. The Debtor shall serve any such Notice of Provisional Payment and Show Cause Order on: (a) the Contract Counterparty; (b) the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"); (c) counsel for the official committee of unsecured creditors appointed in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code (the "Creditors' Committee"); (d) counsel to the agent under the Debtor's proposed postpetition senior secured credit facilities; (e) counsel to the agent for the Debtor's prepetition secured lenders; (f) the indenture trustee for each of the Debtor's secured and unsecured outstanding bond issuances; (g) counsel to the unofficial committee of senior secured noteholders; and (h) those persons who have requested notice pursuant to Bankruptcy Rule 2002. At the first regularly scheduled hearing occurring at least five business days following entry of the Show Cause Order by this Court, the Contract Counterparty will be required to appear before this Court and explain how such Contract Counterparty did not violate the automatic stay.

11. Should this Court determine that, but its conduct, the Contract Counterparty has violated the automatic stay, either (a) the payments made by the Debtor on account of any prepetition claim will be disgorged, plus attorneys' fees and interest accrued on such amount at the federal judgment rate or such other higher rate as this Court specifies, within three business days of entry of the order holding such Contract Counterparty in violation or (b) the Debtor will setoff the amount of the payments made by the Debtor on account of any prepetition claim against any future payments to be paid to such Contract Counterparty.

12. The form of Notice of Provisional Payment attached to the Motion as Exhibit B and the form of Show Cause Order attached to the Motion as Exhibit C are hereby approved by this Court in all respects for use in accordance with the provisions of the foregoing paragraph.

13. The Debtor will maintain a matrix summarizing the provisional amounts paid to each Contract Counterparty on account of its prepetition claims and the goods and services provided by each such Contract Counterparty. The Debtor will provide the matrix to the U.S. Trustee and counsel for the Creditors' Committee; provided that these parties shall keep the matrix confidential.

14. All applicable banks and other financial institutions are authorized, but not directed, to rely on the Debtor's direction to pay amounts in accordance with this Order provided that sufficient funds are available in the applicable accounts to make the payments.

15. The Debtor shall provide, on a confidential basis, to the Creditors' Committee, DIP Agent, and Unofficial Noteholders' Committee, bi-weekly written reports of all payments made hereunder, which reports shall specify any payments made to contract counterparties, and reasonable and timely access to information sufficient to enable such parties to monitor payments made, obligations satisfied, and other actions taken pursuant to this Order; *provided* that the Creditors' Committee, DIP Agent, and Unofficial Noteholders' Committee may share such information with its professionals and any private-side lenders under the proposed postpetition financing facility.

16. To the extent there is any inconsistency between the terms of the interim or final order approving the Debtor's proposed postpetition financing, if and when entered, and

this Order, the terms of the interim or final order approving the proposed postpetition financing, as applicable, shall govern.

17. The provisions contained herein shall not be construed to limit, or in any way affect, the Debtor's ability to contest any claims, including any Critical Vendor Claims, on any ground permitted by applicable law, and neither the provisions contained herein, nor any actions or payments made by the Debtor pursuant to this order, shall be deemed an admission as to the validity of the underlying obligation or a waiver of any rights the Debtor may have to subsequently dispute such obligation on any grounds that applicable law permits.

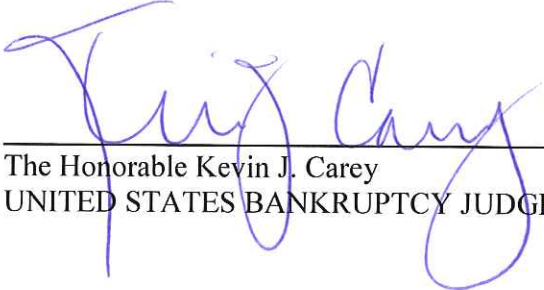
18. Nothing in this order or the Motion shall be deemed to constitute postpetition assumption or adoption of any agreement under Bankruptcy Code section 365. Notwithstanding the relief granted herein and any actions taken hereunder, nothing herein shall create, nor is intended to create, any rights in favor of, or enhance the status of any claim held by, any person.

19. The Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the relief requested is necessary to avoid immediate and irreparable harm.

20. Notwithstanding Bankruptcy Rule 6004(h), this order shall be effective and enforceable immediately upon entry hereof.

21. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this order.

Dated: Wilmington, Delaware
July 10, 2013



The Honorable Kevin J. Carey
UNITED STATES BANKRUPTCY JUDGE