This Disclosure Statement is being submitted for approval but has not yet been approved by the Bankruptcy Court. This is not a solicitation of acceptance or rejection of the plan. Acceptances or rejections may not be solicited until a disclosure statement has been approved by the Bankruptcy Court. The information in this Disclosure Statement is subject to change. This Disclosure Statement is not an offer to sell any Securities and is not soliciting an offer to buy any Securities.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
F21 OPCO, LLC, *et al.*,[1]	Case No. 25-10469 (MFW)
Debtors.	(Jointly Administered)

DISCLOSURE STATEMENT FOR DEBTORS' JOINT PLAN PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

YOUNG CONAWAY STARGATT & TAYLOR, LLP

Andrew L. Magaziner (No. 5426)
Robert F. Poppiti, Jr. (No. 5052)
Ashley E. Jacobs (No. 5635)
S. Alexander Faris (No. 6278)
Kristin L. McElroy (No. 6871)
Andrew M. Lee (No. 7078)
Sarah E. Gawrysiak (No. 7403)
Rodney Square
1000 North King Street
Wilmington, DE 19801
Telephone: (302) 571-6600
Email: amagaziner@ycst.com
rpoppiti@ycst.com
ajacobs@ycst.com
afaris@ycst.com
kmcelroy@ycst.com
alee@ycst.com
sgawrysiak@ycst.com

Proposed Counsel to the
Debtors and Debtors in Possession

Dated: March 28, 2025

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: F21 OpCo, LLC (8773); F21 Puerto Rico, LLC (5906); and F21 GiftCo Management, LLC (6412). The Debtors' address for purposes of service in these Chapter 11 Cases is: 110 East 9th Street, Suite A500, Los Angeles, CA 90079.

RECOMMENDATION BY THE DEBTORS

THE BOARD OF MANAGERS OF F21 OPCO, LLC HAS APPROVED THE TRANSACTIONS CONTEMPLATED BY THE PLAN AND DESCRIBED IN THIS DISCLOSURE STATEMENT AND RECOMMENDS THAT ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED SUBMIT BALLOTS TO ACCEPT THE PLAN BY RETURNING THEIR BALLOTS SO AS TO BE ACTUALLY RECEIVED BY THE NOTICE AND CLAIMS AGENT NO LATER THAN [JUNE 2], 2025, AT 4:00 P.M. (PREVAILING EASTERN TIME) PURSUANT TO THE INSTRUCTIONS SET FORTH HEREIN AND ON THE BALLOTS.

AS OF THE DATE HEREOF, HOLDERS OF 100% OF EACH OF THE ABL CLAIMS, TERM LOAN CLAIMS, AND SUBORDINATED LOAN CLAIMS HAVE AGREED, SUBJECT TO THE TERMS AND CONDITIONS OF THE PSA, TO VOTE IN FAVOR OF AND OTHERWISE SUPPORT THE PLAN.

IMPORTANT INFORMATION REGARDING THIS DISCLOSURE STATEMENT

THIRD-PARTY RELEASE

PLEASE BE ADVISED THAT ARTICLE VIII OF THE PLAN CONTAINS CERTAIN RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, WHICH ARE ALSO SET FORTH IN ARTICLE VI OF THIS DISCLOSURE STATEMENT. ARTICLE VIII.C OF THE PLAN CONTAINS A THIRD-PARTY RELEASE. YOU ARE ADVISED AND ENCOURAGED TO CAREFULLY REVIEW AND CONSIDER THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR RESPECTIVE ENTIRETY, INCLUDING THE RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS SET FORTH IN ARTICLE VIII OF THE PLAN AS YOUR RIGHTS MAY BE AFFECTED.

DISCLOSURE STATEMENT, DATED MARCH 28, 2025

SOLICITATION OF VOTES ON THE DEBTORS' JOINT PLAN PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE FROM HOLDERS OF OUTSTANDING CLAIMS IN THE FOLLOWING CLASSSES:

VOTING CLASS	NAME OF CLASS UNDER THE PLAN
CLASS 3	ABL CLAIMS
CLASS 4	TERM LOAN CLAIMS
CLASS 5	SUBORDINATED LOAN CLAIMS
CLASS 6	GENERAL UNSECURED CLAIMS

IF YOU ARE IN CLASS 3, CLASS 4, CLASS 5, OR CLASS 6 (COLLECTIVELY, THE "VOTING CLASSES"), YOU ARE RECEIVING THIS DOCUMENT AND THE ACCOMPANYING MATERIALS BECAUSE YOU ARE ENTITLED TO VOTE ON THE PLAN.

DELIVERY OF BALLOTS

BALLOTS MUST BE ACTUALLY RECEIVED BY THE NOTICE AND CLAIMS AGENT BY THE VOTING DEADLINE, WHICH IS 4:00 P.M. (PREVAILING EASTERN TIME) ON [JUNE 2], 2025, VIA THE ENCLOSED PRE-PAID, PRE-ADDRESSED RETURN ENVELOPE

OR

AT ONLY ONE OF THE FOLLOWING ADDRESSES:

VIA FIRST-CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO:

FOREVER21 BALLOT PROCESSING CENTER
C/O KCC DBA VERITA
222 N. PACIFIC COAST HIGHWAY, SUITE 300
EL SEGUNDO, CA 90245

OR

VIA "E-BALLOT" SUBMISSION AT:

HTTPS://WWW.VERITAGLOBAL.NET/FOREVER21

PLEASE CHOOSE ONLY ONE METHOD TO RETURN YOUR BALLOT. BALLOTS RECEIVED VIA FACSIMILE OR EMAIL WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS ON THE PROCEDURE FOR VOTING ON THE PLAN, PLEASE CONTACT THE NOTICE AND CLAIMS AGENT VIA EMAIL AT F21INFO@VERITAGLOBAL.COM WITH A REFERENCE TO "FOREVER21 SOLICITATION" IN THE SUBJECT LINE OR VIA THE INQUIRY FORM AT: HTTPS://VERITAGLOBAL.NET/FOREVER21/INQUIRY .

This disclosure statement (as may be amended, supplemented, or otherwise modified from time to time, this "Disclosure Statement") provides information regarding the Debtors' Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code (as may be amended, supplemented, or otherwise modified from time to time, the "Plan"),[2] which the Debtors are seeking to have confirmed by the Bankruptcy Court. A copy of the Plan is attached hereto as Exhibit A. The Debtors are providing the information in this Disclosure Statement to certain holders of Claims for purposes of soliciting votes to accept or reject the Plan.

The consummation and effectiveness of the Plan are subject to certain material conditions precedent described herein and set forth in Article IX.A of the Plan. There is no assurance that the Bankruptcy Court will confirm the Plan or, if the Bankruptcy Court does confirm the Plan, that the conditions necessary for the Plan to become effective will be satisfied or in the alternative waived.

The Debtors urge each holder of a Claim or Interest to consult with its own advisors with respect to any legal, financial, securities, tax, or business advice in reviewing this Disclosure Statement, the Plan, and each proposed transaction contemplated by the Plan.

The Debtors strongly encourage holders of Claims in Class 3, Class 4, Class 5, and Class 6 to read this Disclosure Statement (including the risks described in greater detail in Article IX hereof) and the Plan in their entirety before voting to accept or reject the Plan. Assuming the requisite acceptances to the Plan are obtained, the Debtors will seek the Bankruptcy Court's approval of the Plan at the Confirmation Hearing.

DISCLAIMERS

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS FOR THE PURPOSE OF SOLICITING VOTES TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING ALL ATTACHED EXHIBITS AND DOCUMENTS INCORPORATED INTO THIS DISCLOSURE STATEMENT, AS WELL AS THE RISK FACTORS DESCRIBED IN ARTICLE IX OF THIS DISCLOSURE STATEMENT.

NO LEGAL OR TAX ADVICE IS PROVIDED TO YOU BY THIS DISCLOSURE STATEMENT. THE DEBTORS URGE EACH HOLDER OF A CLAIM TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN,

[2] Capitalized terms used but not otherwise defined in this Disclosure Statement will have the meaning ascribed to such terms in the Plan. The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between this Disclosure Statement and the Plan, the Plan will govern.

AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASES AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT ARE ATTACHED HERETO AND INCORPORATED BY REFERENCE HEREIN. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTION 1125 OF TITLE 11 OF THE UNITED STATES CODE (THE "**BANKRUPTCY CODE**") AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (THE "**BANKRUPTCY RULES**") AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL, STATE, OR LOCAL SECURITIES LAWS (SUCH STATE OR LOCAL SECURITIES LAWS, COLLECTIVELY "**BLUE SKY LAWS**"), INCLUDING, FOR THE AVOIDANCE OF DOUBT AND WITHOUT LIMITATION, THE U.S. SECURITIES ACT OF 1933, AS AMENDED, TOGETHER WITH THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "**SECURITIES ACT**") OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("**SEC**") OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL, OR REGULATORY AUTHORITY WHETHER IN THE UNITED STATES OR ELSEWHERE. THIS DISCLOSURE STATEMENT HAS NOT BEEN FILED FOR APPROVAL WITH THE SEC OR ANY STATE AUTHORITY AND NEITHER THE SEC NOR ANY STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

NEITHER THIS SOLICITATION NOR THIS DISCLOSURE STATEMENT CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

THIS DISCLOSURE STATEMENT CONTAINS "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS CONSIST OF ANY STATEMENT OTHER THAN A RECITATION OF HISTORICAL FACT AND CAN BE IDENTIFIED BY THE USE OF FORWARD LOOKING TERMINOLOGY SUCH AS "WILL," "MAY," "EXPECT," "ANTICIPATE," "BELIEVE," "ESTIMATE," "FORECAST," "OUTLOOK," "BUDGET," OR "CONTINUE" OR THE NEGATIVE THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THE DEBTORS CONSIDER ALL STATEMENTS REGARDING ANTICIPATED OR FUTURE MATTERS TO BE FORWARD-LOOKING STATEMENTS.

THE READER IS CAUTIONED THAT ALL FORWARD-LOOKING STATEMENTS ARE NECESSARILY SPECULATIVE AND BASED ON ESTIMATES AND ASSUMPTIONS, AND THAT THERE ARE CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE PRESENTED IN SUCH FORWARD-LOOKING STATEMENTS, INCLUDING, BUT NOT LIMITED TO, RISKS AND UNCERTAINTIES DESCRIBED IN ARTICLE IX OF THIS DISCLOSURE STATEMENT—"CERTAIN RISK FACTORS TO BE CONSIDERED." THERE ARE ASSUMPTIONS, ESTIMATES, RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE DEBTORS' ACTUAL PERFORMANCE AND RECOVERIES TO HOLDERS OF CLAIMS TO BE DIFFERENT FROM WHAT IS DESCRIBED HEREIN, AND THE DEBTORS EXPRESSLY DISCLAIM ANY OBLIGATION TO UPDATE THE FORWARD-LOOKING STATEMENTS SET FORTH HEREIN, EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW. THE LIQUIDATION ANALYSIS AND OTHER INFORMATION CONTAINED HEREIN AND ATTACHED HERETO ARE ESTIMATES ONLY, AND THE VALUE OF THE PROPERTY DISTRIBUTED TO HOLDERS OF ALLOWED CLAIMS MAY BE AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED. THEREFORE, ANY ANALYSES, ESTIMATES, OR RECOVERY PROJECTIONS MAY OR MAY NOT TURN OUT TO BE ACCURATE. FORWARD-LOOKING STATEMENTS SHOULD BE EVALUATED IN THE CONTEXT OF THE ASSUMPTIONS AND ESTIMATES DESCRIBED HEREIN.

THE DEBTORS BELIEVE THAT THE SOLICITATION OF VOTES ON THE PLAN MADE BY THIS DISCLOSURE STATEMENT ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND RELATED STATE STATUTES.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THE DEBTORS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESS. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED, AND ARE BASED ON THE DEBTORS' CURRENT BELIEFS, INTENTIONS, AND EXPECTATIONS, AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ACTUAL RESULTS OR DEVELOPMENTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED OR IMPLIED IN SUCH STATEMENTS, AND THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE ANY SUCH STATEMENTS. THE DEBTORS' MANAGEMENT HAS REVIEWED THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION

FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, THE FINANCIAL INFORMATION AND LIQUIDATION ANALYSIS CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED (UNLESS OTHERWISE EXPRESSLY PROVIDED HEREIN) AND NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESS AND ITS FUTURE RESULTS AND OPERATIONS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

NEITHER THIS DISCLOSURE STATEMENT, THE PLAN, THE CONFIRMATION ORDER, NOR THE PLAN SUPPLEMENT WAIVES OR SHALL WAIVE ANY RIGHTS OF THE DEBTORS WITH RESPECT TO THE HOLDERS OF CLAIMS OR INTERESTS BEFORE THE EFFECTIVE DATE. RATHER, THIS DISCLOSURE STATEMENT SHALL CONSTITUTE A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS RELATED TO POTENTIAL CONTESTED MATTERS, POTENTIAL ADVERSARY PROCEEDINGS, AND OTHER PENDING OR THREATENED LITIGATION OR ACTIONS.

NO RELIANCE SHOULD BE PLACED ON THE FACT THAT A PARTICULAR CLAIM OR PROJECTED OBJECTION TO A PARTICULAR CLAIM IS OR IS NOT IDENTIFIED IN THIS DISCLOSURE STATEMENT. THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. EXCEPT AS PROVIDED UNDER THE PLAN, THE DEBTORS OR THE PLAN ADMINISTRATOR, AS APPLICABLE, MAY SEEK TO INVESTIGATE, FILE, AND PROSECUTE CLAIMS AND CAUSES OF ACTION AND MAY OBJECT TO CLAIMS AFTER CONFIRMATION OR THE EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS ON THE TERMS SPECIFIED IN THE PLAN.

THE DEBTORS ARE GENERALLY MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF WHERE FEASIBLE, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO OR OBLIGATION TO UPDATE OR OTHERWISE REVISE SUCH INFORMATION, TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE HEREOF OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT. HOLDERS OF CLAIMS OR INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS SENT. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION, MODIFICATION, OR AMENDMENT. THE DEBTORS

RESERVE THE RIGHT TO FILE AN AMENDED OR MODIFIED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST RELY ON THEIR OWN EVALUATION OF THE DEBTORS AND THEIR OWN ANALYSES OF THE TERMS OF THE PLAN IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. IMPORTANTLY, BEFORE DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM IN A VOTING CLASS SHOULD REVIEW THE PLAN IN ITS ENTIRETYAND CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT AND ANY EXHIBITS HERETO.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTORS (INCLUDING THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, WHO VOTE TO REJECT THE PLAN, OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN ARTICLE IX.A OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED OR, IF CONFIRMED, THAT THE CONDITIONS REQUIRED TO BE SATISFIED FOR THE PLAN TO BECOME EFFECTIVE WILL BE SATISFIED OR WAIVED.

[Remainder of page intentionally left blank.]

TABLE OF CONTENTS

EXHIBITS

EXHIBIT A: Debtors' Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code

EXHIBIT B: Plan Support Agreement

EXHIBIT C: Corporate Structure Charts

EXHIBIT D: Liquidation Analysis

THE DEBTORS HEREBY ADOPT AND INCORPORATE INTO THIS DISCLOSURE STATEMENT EACH EXHIBIT ATTACHED HERETO BY REFERENCE AS THOUGH FULLY SET FORTH HEREIN.

ARTICLE I.
INTRODUCTION

A. Overview

F21 OpCo, LLC ("**F21 OpCo**") and its debtor affiliates (collectively, "**Forever 21**," or the "**Debtors**," or the "**Company**") submit this Disclosure Statement in connection with the solicitation of votes on the *Debtors' Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code*, dated March 26, 2025 (as may be amended, restated, modified, or supplemented from time to time, the "**Plan**"), a copy of which is attached hereto as **Exhibit A**. The Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") on March 16, 2025 (the "**Petition Date**"). The Debtors' chapter 11 cases (the "**Chapter 11 Cases**") are jointly administered under Case No. 25-10469 (MFW).

In recent years, the Company has faced a number of adverse events and conditions even as people returned to in-person shopping once the COVID-19 pandemic eased – the historic rise in inflation rates, decreased consumer discretionary spending, shifting consumer preferences, and the ability for certain non-U.S. online retailer competitors to take advantage of the "de minimis exemption" which exempts goods valued under $800 from import duties and tariffs resulting in non-U.S. retailers selling their products at drastically lower prices to U.S. consumers – that ultimately proved to be more than it could bear. Despite the cost-saving operational measures implemented by the Debtors' management team in recent years to improve Company performance and curtail losses, the Debtors, with the assistance of their advisors and their parent company, the Debtors determined that it was necessary to evaluate potential strategic alternatives for stabilizing their businesses and maximizing value for their stakeholders, including a sale of the Debtors' assets or equity, as well as winding down the Company's operations.

After considering their options, the Debtors commenced store closings at a significant number of their stores starting on February 14, 2025, which process continued for all remaining stores no later February 28, 2025. In addition, the Debtors initiated these Chapter 11 Cases to maximize value for an orderly and efficient liquidation at each of their brick-and-mortar retail locations in the United States (such sales, the "**Store Closing Sales**"). At the same time, the Debtors have continued to market their business to third parties that may be interested in purchasing all or a subset of the Company or its assets on a going concern basis (such marketing and sale process, the "**Going Concern Sale Process**"), a process that the Debtors have continued postpetition. If there is an actionable going concern proposal that warrants stopping ongoing store closing sales, the Debtors will exercise their business judgment and determine the appropriate course of action.

The Debtors also engaged in extensive arms' length and good faith negotiations with the Debtors' secured lenders regarding the terms of a chapter 11 plan and financing needs. On March 16, 2025, the Debtors and their prepetition secured lenders reached an agreement in principle reflected in a plan support agreement ("**PSA**"), a copy of which is attached as **Exhibit B,** regarding the consensual use of cash collateral and a framework for distributing all available proceeds of the Debtors' assets in accordance with the priority scheme set forth in the Bankruptcy Code, subject to agreements reached in connection with the PSA, through a chapter 11 plan. Under the terms of

the PSA, the Debtors and the Consenting Creditors (which hold 100% of each of the ABL Claims, Term Loan Claims, and Subordinated Loan Claims) have agreed, subject to the terms and conditions of the PSA, to support the transactions reflected in the Plan. The PSA paves a clear path to a confirmable plan that will ensure the timely and efficient wind down of the Debtors and their estates, and will bring finality to these Chapter 11 Cases in the near term.

The Plan contemplates the below treatment for certain Classes of Claims and Interests:

- ABL Claims. If Class 6 (General Unsecured Claims) votes in favor of the Plan, each holder of an Allowed ABL Claim shall receive its pro rata share of 94% of the Net Proceeds. If Class 6 (General Unsecured Claims) votes against the Plan, each holder of an Allowed ABL Claim shall receive its pro rata share of 97% of the Net Proceeds.

- Term Loan Claims and Subordinated Loan Claims. Holders of Allowed Term Loan Claims and Allowed Subordinated Loan Claims will not receive any distribution on account of such Claims against the Debtors, but holders of Term Loan Claims and Subordinated Loan Claims that are Consenting Creditors shall receive releases under the Plan. Since all lenders under the Term Loan Facility and Subordinated Loan Facility have agreed to vote in favor of the Plan pursuant to the PSA, holders of General Unsecured Claims shall receive a distribution under the Plan, notwithstanding that such Claims are junior in priority to the Term Loan Claims and Subordinated Loan Claims, respectively.

- General Unsecured Claims. If Class 6 (General Unsecured Claims) votes in favor of the Plan, each such holder shall receive its pro rata share of 6% of the Net Proceeds. If Class 6 (General Unsecured Claims) votes against the Plan, each such holder shall receive its pro rata share of 3% of the Net Proceeds.

B. Who is Entitled to Vote

Under the Bankruptcy Code, only holders of claims or interests in "impaired" classes are entitled to vote on a chapter 11 plan (unless, for reasons discussed in more detail below, such holders are deemed to reject the plan pursuant to section 1126(g) of the Bankruptcy Code). Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless: (i) the plan leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or interest; or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan, among other things, cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

There are four Classes entitled to vote on the Plan whose acceptances thereof are being solicited: (i) holders of ABL Claims (Class 3), (ii) holders of Term Loan Claims (Class 4), (iii) holders of Subordinated Loan Claims (Class 5), and (iv) holder(s) of General Unsecured Claims (Class 6).

C. Estimated Recoveries under the Plan

The following table summarizes: (i) the treatment of Claims and Interests under the Plan; (ii) which Classes are Impaired by the Plan; (iii) which Classes are entitled to vote on the Plan; and (iv) the estimated recoveries for holders of Claims and Interests.[3] The table is qualified in its entirety by reference to the full text of the Plan. A more detailed summary of the terms and provisions of the Plan is provided in the Summary of the Plan set forth in Article VI of this Disclosure Statement. To the extent that any inconsistency exists between the summaries contained in this Disclosure Statement and the Plan, the terms of the Plan shall govern. **The classification, treatment, and the projected recoveries of classified Claims are described in summary form below for illustrative purposes only and are subject to material change. In particular, the total claim amounts for General Unsecured Claims is the Debtors' estimate and the actual amount could differ materially. Actual recoveries could differ materially from the estimates in the following table based on, among other things, whether the amount of Claims actually Allowed against the applicable Debtor exceeds (or are less than) the estimates provided below. In such an instance, the recoveries available to the Holders of Claims could be materially different when compared to the estimates provided below.**

Class	Claim or Interest	Treatment	Impaired or Unimpaired	Entitlement to Vote	Estimated Allowed Claims	Projected Recovery
1	**Other Secured Claims**	On the Effective Date, except to the extent that a Holder of an Allowed Other Secured Claim and the Debtors or the Plan Administrator, as applicable, agree to less favorable treatment for such Holder, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, at the Debtors' option, either (i) payment in full in Cash, (ii) delivery of the collateral securing its Allowed Other Secured Claim, or (iii) such other treatment rendering its Allowed Other Secured Claim Unimpaired.	Unimpaired	Not Entitled to Vote (Presumed to Accept)	[$0.00]	100%
2	**Other Priority Claims**	On the Effective Date, except to the extent that a Holder of an Allowed Other Priority Claim and the Debtors or the Plan Administrator, as applicable, agree to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive	Unimpaired	Not Entitled to Vote (Presumed to Accept)	[$0.00]	100%

[3] Under Article III.D of the Plan, any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from this Plan for purposes of voting to accept or reject this Plan and for purposes of determining acceptance or rejection of this Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

Class	Claim or Interest	Treatment	Impaired or Unimpaired	Entitlement to Vote	Estimated Allowed Claims	Projected Recovery
		payment in full in Cash or otherwise receive treatment rendering such Holder's Claim Unimpaired.				
3	**ABL Claims**	On the Effective Date, except to the extent that a Holder of an ABL Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed ABL Claim, each Holder of an Allowed ABL Claim shall receive its pro rata share (based on such Holder's proportionate share of all Allowed ABL Claims) of: • (A) if Class 6 (General Unsecured Claims) votes to accept the Plan, 94% of the Net Proceeds or (B) if Class 6 (General Unsecured Claims) votes to reject the Plan, 97% of the Net Proceeds; and • following the Liquidation Process, 100% of the Excess Amounts (if any).	Impaired	Entitled to Vote	$1,085,633,778.08	[2.36% – 3.01%]
4	**Term Loan Claims**	On the Effective Date, except to the extent that a Holder of a Term Loan Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Term Loan Claim, each Holder of an Allowed Term Loan Claim shall be deemed to waive any such Term Loan Claim against the Debtors (but not the non-Debtor Loan Parties (as defined in the Term Loan Credit Agreement)) and will not receive any distribution on account of such Claim in exchange for the releases set forth in the Plan.	Impaired	Entitled to Vote	$320,875,000.00	0.00%
5	**Subordinated Loan Claims**	On the Effective Date, except to the extent that a Holder of a Subordinated Loan Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Subordinated Loan Claim, each Holder of an Allowed Subordinated Loan Claim shall be deemed to waive any such Subordinated Loan Claim against the Debtors (but not the non-Debtor Loan Parties (as defined in the Subordinated Loan Credit Agreement)) and will not receive any distribution on account of such Claim in	Impaired	Entitled to Vote	$176,147,053.95	0.00%

Class	Claim or Interest	Treatment	Impaired or Unimpaired	Entitlement to Vote	Estimated Allowed Claims	Projected Recovery
		exchange for the releases set forth in the Plan.				
6	**General Unsecured Claims**	Except to the extent that a Holder of an Allowed General Unsecured Claim and the Debtors or the Plan Administrator, as applicable, agree to less favorable treatment for such Holder, in full and final satisfaction, compromise, settlement, and release of and in exchange for such General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive its pro rata share (based on such holder's proportionate share of the aggregate amount of all Allowed General Unsecured Claims) of: • interests in (and proceeds of) the remaining unencumbered property of the Debtors (if any); and • (A) if Class 6 (General Unsecured Claims) votes to accept the Plan, 6% of the Net Proceeds or (B) if Class 6 (General Unsecured Claims) votes to reject the Plan, 3% of the Net Proceeds. Notwithstanding anything to the contrary in the Plan, the treatment of the Allowed General Unsecured Claim of SPARC Group LLC on account of the SPARC Payable shall be subject to the terms of the SPARC Settlement.	Impaired	Entitled to Vote	[$432,951,881.00][4]	[0.19% - 0.46%]
7	**Intercompany Claims**	On the Effective Date, Intercompany Claims may be Reinstated as of the Effective Date solely for the purpose of facilitating the Liquidation Process or, at the Debtors' option, be cancelled, released, and extinguished without any distribution on account of such Claims.	Unimpaired / Impaired	Not Entitled to Vote (Presumed to Accept / Deemed to Reject)		N/A
8	**Intercompany Interests**	On the Effective Date, all Intercompany Interests may be Reinstated as of the Effective Date solely for the purpose of facilitating the Liquidation Process or, at the Debtors' option, may be cancelled, released, and extinguished, without any distribution on account of such Interest.	Unimpaired / Impaired	Not Entitled to Vote (Presumed to Accept / Deemed to Reject)		N/A

[4] This estimate accounts for all general unsecured claims included on the Schedules plus projected rejection damages claims, *minus* (i) seventy-five percent of the SPARC Payable and (ii) liabilities on account of unused gift cards recorded on the Debtors' books and records, but for which the Debtors have no claims data.

Class	Claim or Interest	Treatment	Impaired or Unimpaired	Entitlement to Vote	Estimated Allowed Claims	Projected Recovery
9	**Existing Equity Interests**	On the Effective Date, all Existing Equity Interests will be cancelled, released, and extinguished and will be of no further force and effect. No Holders of Existing Equity Interests will receive a distribution under the Plan on account of such Existing Equity Interests.	Impaired	Not Entitled to Vote (Deemed to Reject)		0%

D. Recommendation by the Debtors

The Debtors believe that the Plan is fair and equitable and maximizes value for all stakeholders. The Plan represents the best available path to a timely and efficient wind down of the Debtors' estates and bringing finality to these Chapter 11 Cases and all interested parties in the near term.

The Debtors strongly urge all Holders of Claims entitled to vote to accept the Plan by returning their Ballots, so as to be actually received by the Notice and Claims Agent no later than June 2, 2025, at 4:00 p.m. (prevailing Eastern Time) pursuant to the instructions set forth herein and on the Ballots.

ARTICLE II.
GENERAL BACKGROUND

A. The Debtors' Business and Corporate History

Forever 21 sells trendy clothing and accessories to customers in the United States primarily at brick-and-mortar stores, and has been a leader in the "fast fashion" industry since its founding in 1984. The Company began as a 900 square foot store in California, but through the 1980s and 1990s, expanded throughout the United States and, eventually, globally. At its peak, Forever 21 employed 43,000 people, had over $4 billion in annual sales, and operated internationally under franchise arrangements entered into with foreign partners.

The Debtors have had a fiercely loyal customer base, consisting primarily of young people seeking affordable means of self-expression through fashion. Since its inception, Forever 21 has stocked its stores with vibrant clothing, jewelry, handbags, eyewear, scarves, shoes, and thousands of accessories grouped together across a range of styles to fit any occasion, allowing young people to express their fashion sense through trendy but affordable clothing and accessories. Forever 21 has license or other partnership arrangements with some of the biggest and most recognizable brands in retail and has been at the center of pop culture for decades.

As discussed more fully herein, the Debtors' corporate structure and business operations relate back to the 2019 Bankruptcy (as defined below) commenced by the Debtors' predecessor, Forever 21, Inc. ("**Old F21**"), and certain of its then-affiliates. As a result of the 2019 Bankruptcy, the Company continued as a strengthened going concern after obtaining a significant investment from its ownership and access to substantial additional financing sources. The Company was also

able to reduce expenses as a result of strategically exiting unprofitable stores during the 2019 Bankruptcy.

As of the Petition Date, the Debtors operate approximately 354 leased stores in the United States, including locations at some of the most desirable shopping malls in the country. Forever 21 also sells merchandise through its website—www.forever21.com—that the Company has hosted since the early 2000s. Pursuant to a license agreement with a subsidiary of Authentic Brands Group ("**ABG**"), the Debtors license the Forever 21 brand for certain product categories and uses within the U.S.[5]

B. The 2019 Chapter 11 Case

In 2019, after confronting significant financial distress on the heels of an aggressive foreign expansion campaign, the Debtors' predecessor, Old F21 and certain of its then-affiliates filed a prior chapter 11 case in this District (the "**2019 Bankruptcy**"). The 2019 Bankruptcy was jointly administered under case caption *In re Forever 21, Inc., et al.*, Case No. 19-12122 (MFW). Old F21 used the 2019 Bankruptcy to work collaboratively with its major stakeholders, including landlords and trade vendors, to maintain Old F21's business while also reducing its domestic and international footprint and shedding many burdensome obligations. Through the 2019 Bankruptcy, Old F21 implemented a Court-supervised marketing and sales process in hope of finding a viable buyer for Old F21's assets.

Old F21 was able to successfully consummate a going-concern sale during the 2019 Bankruptcy. Specifically, a joint venture formed with Old F21's largest landlords, Simon Property Group (together, with any affiliates or subsidiaries, "**Simon**") and Brookfield Property Partners (together, with any affiliates or subsidiaries, "**Brookfield**"), on the one hand, and ABG, on the other, purchased Old F21's business pursuant to a Court-approved going-concern sale transaction in February 2020 (the "**F21 Acquisition**"). One year later, Brookfield sold its interest in F21 Opco to SPARC Group Holdings LLC ("**SPARC**"). SPARC's primary equity holders, Simon and ABG, are leaders in their respective fields. Simon, an S&P 100 company, is a real estate investment trust engaged in the ownership of premier shopping, dining, entertainment, and mixed-use destinations. ABG, in turn, is a brand licensing and development, marketing, and entertainment company that owns a portfolio of global media, entertainment, and lifestyle brands.

The F21 Acquisition preserved thousands of jobs and vendor and landlord relationships, and kept a significant number of stores occupied, all, as it turned out, on the eve of the COVID-19 pandemic. While Old F21's operational assets now reside with F21 OpCo (i.e., accounts receivable, inventory, leasehold interests, etc.), Old F21's intellectual property now resides with a subsidiary of ABG, which currently licenses the F21 brand to the Debtors for their domestic operations and to third parties that operate under the "Forever 21" brand internationally. For the avoidance of doubt, parties doing business under the Forever 21 brand internationally are not involved in these Chapter 11 Cases.

[5] The Forever 21 brand is separately licensed by ABG to third parties around the world.

C. The Debtors' Business Operations After the 2019 Bankruptcy

1. The F21 Acquisition

The Debtors continued their predecessors' business in the United States following the F21 Acquisition, which, among other things, allowed the Company to take advantage of valuable synergies that SPARC had developed in the retail industry. Specifically, by utilizing the vast retail experience possessed by ABG and Simon, SPARC had become, and remains at this time, a leader in the operations of fashion and apparel companies through the operation of well-known and successful brands such as Aéropostale, Brooks Brothers, Eddie Bauer, Nautica, and Lucky Brands.

The Debtors enjoyed a moderate period of success after the F21 Acquisition, especially after customers returned to pre-pandemic shopping habits on an incremental basis. Specifically, the Company generated approximately $2 billion in revenue and $165 million in EBITDA in fiscal year 2021. Since fiscal year 2021, however, the Company's performance has suffered significantly due to inflation, the de minimis exemption, and certain other factors.

The Debtors have also continued to operate the Forever21.com website, selling clothes to customers throughout the U.S. In 2024, approximately 11% of the Debtors' domestic sales were originated online.

2. Historical Cash Management

After the F21 Acquisition, the Debtors participated in a cash pooling system that SPARC had developed for the collection of brands it operates. Centered at SPARC Group LLC, the entity housing the Aéropostale brand's operations, all cash generated by entities under the SPARC umbrella, including the Debtors, was swept into an account held by SPARC Group LLC (such arrangement, the "**Cash Pooling Arrangement**"), which SPARC Group LLC then used to pay down the Old SPARC ABL Facility (as defined below). As the Debtors or other SPARC subsidiaries required cash to fund their respective operations, SPARC Group LLC would draw on the Old SPARC ABL Facility and disburse funds to the applicable SPARC portfolio company (generally on a brand-by-brand basis); an intercompany receivable owing from such entity was recorded and, simultaneously, the applicable SPARC subsidiary would book an intercompany payable owing to SPARC Group LLC. This arrangement continued after the Old SPARC ABL Facility was replaced with the ABL Facility (as defined below) in connection with the SPARC Acquisition (as defined below). As of the Petition Date, the intercompany payable owing from the Debtors to SPARC Group LLC pursuant to the Cash Pooling Arrangement is approximately $323 million (the "**SPARC Payable**").

3. The Company's Vendor and Landlord Relationships

The Debtors rely on a comprehensive network of primarily foreign vendors for manufacturing and production of their merchandise. The Company has, in the last five years, worked with well over 1,000 vendors and suppliers to manufacture and deliver merchandise to customers in the United States and internationally. Generally, the Company has worked with various domestic vendors to design and source merchandise from foreign manufacturers, located predominantly in China, Korea, and Hong Kong.

After consummation of the F21 Acquisition, the Company operated approximately 413 Forever 21 stores in the United States, but did not own any of its own real property. Recognizing the consumer shift away from shopping at brick-and-mortar stores and the significant burden of Forever 21's leasehold expenses, the Company attempted to further shed underperforming leases throughout 2024. Also during this timeframe, to further trim costs and support the business, the Company successfully renegotiated many of its leases to reduce rents, including its leases with Simon and Brookfield, and the Company renegotiated the royalty under its licensing agreement.

As of the Petition Date, the Debtors lease retail space from approximately 78 unique landlords nationwide, with approximately 27% of their operating retail locations from Simon and 19% from Brookfield. Of the Debtors' open stores as of the Petition Date, approximately 123 are located in shopping malls, 55 in outlet centers, and the balance in cities and suburban shopping areas with strong foot traffic and surrounding retail operations. Approximately 75% of the Debtors' leases determine the Company's rental obligations based on a calculation of such location's prior month's revenue, rather than on a flat rate basis, a structure that was highly favorable to the Company given its performance struggles. The percentage rent owed to applicable landlords depends on many factors, including but not limited to the productivity of the real estate, the supply and demand dynamics for space, geographic location, store square footage, and other considerations.

The Debtors also lease a corporate headquarters in Los Angeles, California, which the Debtors have occupied since June 2022, and lease and operate a 656,000 square foot distribution center in Perris, California (the "**Distribution Center**"), which houses certain valuable machinery and equipment, as well as the Debtors' merchandise and inventory.[6]

As of the Petition Date, the Debtors are current on their rental obligations other than rent which came and due and owing to landlords between March 1, 2025, and the Petition Date.

D. JC Penney Acquires SPARC

On December 19, 2024, JC Penney, an iconic American shopping destination offering a broad portfolio of fashion, apparel, home, beauty, and jewelry from national and private brands, acquired SPARC, thereby forming a new company known as Catalyst Brands (hereinafter, "**Catalyst Brands**," and such acquisition, the "**SPARC Acquisition**"). In connection with the SPARC Acquisition, among other things, all equity interests in SPARC were acquired by Copper Retail JV, LLC, the parent company of the JC Penney business. The SPARC Acquisition brought together the operations for six unique brands, and Catalyst Brands launched with 1,800 store locations and 60,000 employees. As part of the SPARC Acquisition, the former owner of SPARC, SPARC Group Holdings II LLC (equity in which is held by affiliates of Simon, ABG, and global e-commerce platform Shein) became a minority owner in Catalyst Brands. As of the SPARC Acquisition, affiliates of Simon, ABG, and Brookfield all hold equity in Catalyst Brands.

---

[6] The Debtors utilize a third-party logistics provider, Maersk, to provide labor at the Distribution Center, which is leased for approximately $500,000 per month under a lease (the "**Distribution Center Lease**") set to expire in 2029. The Debtors have been actively marketing the Distribution Center Lease given the advantageous location and Distribution Center capacity.

In connection with the SPARC Acquisition, Catalyst Brands also stated publicly that it was exploring strategic options for the Company.

E. The Debtors' Organizational Structure

The Debtors' organizational structure remained the same after the SPARC Acquisition. Debtor F21 OpCo is the primary operating Debtor; Debtor F21 Puerto Rico, LLC operates the Debtors' five stores in Puerto Rico; and Debtor F21 GiftCo Management, LLC is the entity which administers the Debtors' gift card program. A copy of the organizational charts (a) of F21 OpCo and its direct and indirect subsidiaries, which includes the three Debtors and (b) setting forth the Debtors and their non-Debtor affiliates within the broader Catalyst Brands enterprise (collectively, the "**Corporate Organization Charts**") are attached hereto as **Exhibit C**.

Each of F21 Puerto Rico, LLC and F21 Giftco Management, LLC is 100% owned by F21 OpCo. F21 OpCo, in turn, is 100% owned by SPARC.

F. Capital Structure and Prepetition Debt

1. Pre-SPARC Acquisition Debt Structure

Prior to the SPARC Acquisition, SPARC and certain of its direct and indirect subsidiaries, including the Debtors, were party to (a) that certain Third Amended and Restated Credit Agreement, dated as of March 1, 2022 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "**Old SPARC ABL Credit Agreement**"), entered into with PNC Bank National Association, as administrative agent and collateral agent, and the lenders party thereto that provided an asset-backed facility (the "**Old SPARC ABL Facility**"), (b) that certain Credit Agreement, dated as of July 10, 2023 (as amended, restated, amended and restated, supplemented and otherwise modified from time to time, the "**Old SPARC LC Term Loan Agreement**"), by and among SPARC Group LLC, PNC Bank, National Association, as administrative agent, and each lender from time to time party thereto, that provided a term loan backed by letter of credit (the "**Old SPARC LC Term Loan Facility**"), and (c) the initial Subordinated Loan Credit Agreement (as defined below) originally entered into in February 2024 to provide intercompany loans for the benefit of direct and indirect subsidiaries of SPARC.

In connection with the SPARC Acquisition, among other things, (a) the Old SPARC ABL Facility and Old SPARC LC Term Loan Facility were repaid and refinanced, all commitments to the lenders thereunder were terminated, and all related loan documents, guarantees, liens, and other obligations thereunder were terminated and released, (b) SPARC and certain of its direct and indirect subsidiaries, including the Debtors, became joining loan parties to JC Penney's existing debt facilities, i.e., the ABL Facility and the Term Loan Facility (as defined below), and (c) certain JC Penney entities that are ABL Loan Parties and Term Loan Parties (each as defined below) became obligors under the Subordinated Loan Facility.

2. Post-SPARC Acquisition Debt Structure

As of the Petition Date, the Debtors are obligors under the ABL Credit Agreement, Term Loan Credit Agreement, and Subordinated Loan Credit Agreement. The following table

summarizes the Debtors' outstanding funded-debt obligations (collectively, the "**Prepetition Indebtedness**") as of the Petition Date:

Funded Debt	Maturity	Approximate Outstanding Principal Amount as of the Petition Date
ABL Loan Facility	December 16, 2026	$1.085 billion
Term Loan Facility	December 16, 2026	$321 million
Subordinated Loan Facility	May 26, 2027	$176 million
TOTAL FUNDED DEBT		$1.582 billion

3. ABL Facility**.**

Pursuant to that certain Joinder and Third Amendment to Credit Agreement, dated as of December 6, 2024, the Debtors became ABL Loan Parties under that certain Credit Agreement, originally dated as of December 7, 2020 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the Petition Date, the "**ABL Credit Agreement**" and, collectively with the Loan Documents (as defined in the ABL Credit Agreement), the "**ABL Loan Documents**"), by and among (a) Penney Holdings LLC, as lead administrative borrower, and certain other Loan Parties (as defined in the ABL Credit Agreement), including non-Debtor affiliates (together with Penney Holdings LLC, collectively, the "**ABL Loan Parties**"), (b) Wells Fargo Bank, N.A., in its capacity as administrative agent, and Wells Fargo Bank, N.A. and PNC Bank, N.A., as co-collateral agents (collectively, in such capacities, the "**ABL Agent**"), and (c) the lenders party thereto from time to time (collectively, the "**ABL Lenders**"). The ABL Loan Documents provide for a revolving facility of up to $1.75 billion (the "**Revolving Facility**") and a first-in, last out facility of $160 million (the "**FILO Facility**," and together with the Revolving Facility, the "**ABL Facility**"), in each case subject to certain adjustments to the applicable borrowing base as described in the ABL Credit Agreement.

The maturity date on the ABL Facility is December 16, 2026. The obligations under the ABL Loan Documents are secured by liens on, and security interests in, substantially all assets of the ABL Loan Parties, subject to certain exceptions (the "**Prepetition Collateral**" and the liens attaching to such ABL Collateral, the "**ABL Liens**").

As of the Petition Date, approximately $1.085 billion in aggregate principal amount is outstanding under the ABL Facility, consisting of approximately $925 million in principal amount outstanding under the Revolving Facility and approximately $160 million in principal amount outstanding under the FILO Facility. The ABL Lenders have full recourse rights against the Company with respect to these obligations.

4. Term Loan Facility.

Pursuant to that certain Joinder and Third Amendment to Credit Agreement, dated as of December 6, 2024, the Debtors became Term Loan Parties under that certain Credit Agreement, originally dated as of December 7, 2020 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the Petition Date, the "**Term Loan Credit Agreement**" and, collectively with the Loan Documents (as defined in the Term Loan Credit Agreement), the "**Term Loan Documents**"), by and among (a) Penney Holdings LLC, as lead administrative borrower, and the other Loan Parties (as defined in the Term Loan Credit Agreement), including non-Debtor affiliates (together with Penney Holdings LLC, collectively, the "**Term Loan Parties**"), (b) Pathlight Capital LP, in its capacity as administrative agent and collateral agent (in such capacity, the "**Term Loan Agent**"), and (c) the lenders from time to time party thereto (collectively, the "**Term Loan Lenders**"). The Term Loan Documents provide for a first in, last-out term loan credit facility of up to $340 million (the "**Term Loan Facility**").

The maturity date on the Term Loan Facility is December 16, 2026. The obligations under the Term Loan Documents are secured by liens on, and security interests in, the Prepetition Collateral, among other assets of certain non-Debtors (collectively, the "**Term Loan Liens**"). The Term Loan Liens on the Prepetition Collateral are subordinate and junior in priority to the ABL Liens on the Prepetition Collateral.

As of the Petition Date, approximately $321 million in principal amount is outstanding under the Term Loan Facility. The Term Loan Lenders have full recourse rights against the Company for these obligations.

5. Subordinated Loan Facility.

The Debtors are party to that Amended and Restated Credit Agreement, dated as of December 19, 2024 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the Petition Date, the "**Subordinated Loan Credit Agreement**"[7] and, collectively with the Loan Documents (as defined in the Subordinated Loan Credit Agreement), the "**Subordinated Loan Documents**"), by and among (a) Penney Holdings LLC, as lead administrative borrower, and the other Loan Parties (as defined in the Subordinated Loan Credit Agreement), including non-Debtor affiliates (together with Penney Holdings LLC, collectively, the "**Subordinated Loan Parties**"), (b) Simon Blackjack Consolidated Holdings, LLC, in its capacity as the administrative agent and collateral agent (in such capacity, the "**Subordinated Loan Agent**"), and (c) the lenders from time to time party thereto. The Subordinated Loan Documents provide for a term loan facility of approximately $169 million (the "**Subordinated Loan Facility**"), with payment-in-kind interest accruing thereon.

The maturity date on the Subordinated Loan Facility is May 26, 2027. The obligations under the Subordinated Loan Documents are secured by liens on, and security interests in, the Prepetition Collateral (the "**Subordinated Loan Liens**"). The Subordinated Loan Liens are

[7] The Subordinated Loan Credit Agreement amended the underlying Term Loan Credit, Guaranty and Security Agreement, dated as of February 23, 2024, which was in effect immediately prior and up to the Restatement Date (as defined in the Subordinated Loan Credit Agreement).

subordinate and junior in priority to each of the ABL Liens and the Term Loan Liens on the Prepetition Collateral.

As of the Petition Date, approximately $176 million in principal amount is outstanding under the Subordinated Loan Facility. The Subordinated Loan Parties have full recourse rights against the Company for these obligations.

6. (d) Intercreditor Agreements**.**

In connection with the SPARC Acquisition, the Debtors became party to that certain Amended and Restated Intercreditor Agreement, dated as of December 16, 2021 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the Petition Date, the "**ABL-Term Loan Intercreditor Agreement**"), by and among (a) the ABL Agent, (b) the Term Loan Agent, and (c) the ABL Loan Parties and Term Loan Parties. Among other things, the ABL – Term Loan Intercreditor Agreement sets forth the agreements among the ABL Agent and the Term Loan Agent with respect to the priority of liens on, and security interests in, the Prepetition Collateral.

In connection with the SPARC Acquisition, the Debtors also became party to that certain Intercreditor Agreement, dated as of December 19, 2024 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the Petition Date, the "**Senior-Subordinated Intercreditor Agreement**"), by and among (a) the ABL Agent, (b) the Term Loan Agent, (c) the Subordinated Loan Agent, and (d) the ABL Loan Parties, Term Loan Parties, and Subordinated Loan Parties from time to time party thereto. Among other things, the Senior-Subordinated Intercreditor Agreement sets forth the agreements among the ABL Agent, the Term Loan Agent and the Subordinated Loan Agent with respect to the priority of liens on, and security interests in, the Prepetition Collateral. Pursuant to the Senior-Subordinated Intercreditor Agreement, the parties thereto agreed, among other things, that the Subordinated Loan Liens on the Prepetition Collateral shall be subordinate and junior in all respects to the ABL Liens and Term Loan Liens.

7. (e) SPARC Payable

As described above, the Debtors also benefited from the Cash Pooling Arrangement in the years prior to the SPARC Acquisition. Because the Debtors faced significant financial challenges in recent years, the Debtors believe that they were net beneficiaries under the Cash Pooling Arrangement as this system funded losses at the Debtors' operations. As noted above, as of the Petition Date, approximately $338 million (i.e., the SPARC Payable) is due and payable to SPARC Group LLC by the Debtors.

ARTICLE III.
EVENTS IMMEDIATELY PRIOR TO, AND GOALS OF, THE CHAPTER 11 CASES

A. The Debtors Face New Financial Headwinds

The Company initially stabilized its retail and e-commerce operations through the 2019 Bankruptcy and successfully implemented certain strategic initiatives thereafter. In fact, as the COVID pandemic eased in 2021, the Company generated $165 million in EBITDA in fiscal year

2021. In recent years, however, the Debtors' business operations have been negatively impacted by challenges affecting many peer retailers, including persistent inflation, decreased consumer discretionary spending, a stubborn rise in interest rates, contracting margins, supply chain interruptions, competition from non-U.S. retailers taking advantage of the de minimis exemption, and shifting customer preferences.

As a result of these operational obstacles and industry changes, the Debtors' revenue suffered. The Debtors have lost more than $400 million over the last three fiscal years and, in fiscal year 2024 alone, the Debtors lost approximately $150 million. Current projections reflect that the Debtors are anticipated to lose $180 million in EBITDA through 2025.

The Company has sought to address its operational issues, and in 2024 it closed approximately 34 retail locations, some under the supervision of Hilco Merchant Resources, LLC ("**Hilco**").[8] In addition, Simon, among other cooperating landlords, began offering material rent concessions to the Company in April 2024, and ABG similarly extended the Debtors a 50% discount on its licensing fees at that time.[9] To date, the concessions negotiated with various landlords and ABG, collectively, total over $50 million in savings.

The Company also explored other strategic solutions to address its performance, including commencing an informal outreach to a handful of potential acquirers which, unfortunately, yielded no viable transactions or go-forward business partners. Consequently, given historically declining performance and lack of material unencumbered assets, the Company began to consider both in- and out-of-Court options.

B. Post-SPARC Acquisition, Corporate Governance, Retention of Professionals

As noted above, as part of the SPARC Acquisition, Catalyst Brands announced that it was considering strategic options for the Company. In connection with those efforts, the Debtors retained Young Conaway Stargatt & Taylor, LLP ("**Young Conaway**"), Paul, Weiss, Rifkind, Wharton & Garrison, LLP ("**Paul, Weiss**"), and Berkeley Research Group, LLC ("**BRG**") in January 2025 to explore various restructuring or transactional opportunities. In addition, on January 14, 2025, the Debtors formed a new board of managers (the "**Board**"), consisting of two individuals experienced in overseeing distressed situations as both restructuring professionals and directors—Paul Aronzon and Scott Vogel—to oversee the Debtors' restructuring strategy. In addition, on or about January 16, 2025, Stephen Coulombe and Michael Brown, both of BRG, were appointed as Co-Chief Restructuring Officers of the Company. The Board has been overseeing the Debtors' contingency planning. Among other things, the Board has supervised (a) the ongoing evaluation of the marketing and sales process, (b) the assessment of strategic alternatives if the marketing process does not yield a viable going concern sale, and (c) an investigation (the "**Investigation**") of any potential claims and causes of action that the Company may have against third parties, including insiders.

---

[8] The Store Closing Sales described herein, overseen by the Liquidator Joint Venture (as defined herein), commenced at each of the Debtors' remaining locations prior to the Petition Date.

[9] This arrangement does not extend to wholesale or online sales.

C. Review of Strategic Alternatives

1. Prepetition Going Concern Sale Process

In the months leading up to the Petition Date, the Debtors' management team, with direction from the Board, began marketing their assets and soliciting bids for a value maximizing transaction. On or about January 17, 2025, the Debtors retained SSG Capital Advisors, LLC ("**SSG**"), an experienced investment banking firm specializing in middle market situations, to oversee and continue the Going Concern Sale Process that commenced, on an informal basis, in Summer 2024. Since its engagement, SSG has contacted 217 strategic and financial buyers, 30 of which have entered into confidentiality agreements with the Debtors and engaged in due diligence on the Debtors' assets. The Debtors also retained Retail Consulting Services, Inc. d/b/a RCS Real Estate Advisors ("**RCS**"), on or about February 20, 2025, to solicit interest in the Debtors' lease portfolio on a standalone basis. The Debtors' senior management team and advisors have spent significant time meeting with numerous parties interested in acquiring the Debtors' core assets and exploring going concern scenarios for the Debtors' business.

2. Store Closing Sales

As described above, the Debtors commenced store closings at a significant number of their stores starting on February 14, 2025, which process continued for all remaining stores no later February 28, 2025. With respect to the Store Closing Sales, prior to selecting the Liquidator Joint Venture (as defined below), the Debtors solicited bids from various third-party consultants, and held diligence sessions to determine which consultant possessed the requisite skills, resources, and experience to perform the Debtors' large-scale going out of business sales in a controlled, efficient, and value-maximizing manner. The Debtors received and, with the assistance of their advisors, carefully considered multiple formal proposals, including that presented by a joint venture comprised of Hilco, Gordon Brothers Retail Partners, LLC, and SB360 Capital Partners, LLC (collectively, the "**Liquidator Joint Venture**"). Notably, all potential bidders contemplated running the Store Closing Sales through a chapter 11 process. To ensure that the Debtors entered into a consulting arrangement on the most favorable terms reasonably available under the circumstances, the Debtors spent significant time negotiating the economics of the proposals. Following these extensive negotiations, the Debtors determined to move forward with the proposal submitted by the Liquidator Joint Venture, which the Debtors, in consultation with their advisors and the Board, determined under the circumstances represented the most value-maximizing transaction reasonably available and preserved the best opportunity to consummate an alternative, going-concern transaction should one become feasible.

The Debtors and Liquidator Joint Venture subsequently engaged in arm's-length negotiations with respect to the terms of the Liquidator Joint Venture's retention to conduct the Store Closing Sales and, on February 12, 2025, the Debtors and Liquidator Joint Venture executed an amendment to the agency agreement previously entered into by and between the Company and Hilco (such amendment, the "**Agency Agreement Amendment**," and the underlying agency agreement, the "**Agency Agreement**"). Among other things, the Agency Agreement Amendment binds the new participants in the Liquidator Joint Venture to the initial Agency Agreement entered into with Hilco and memorializes the terms for the Liquidator Joint Venture's compensation. As described above, prior to the Petition Date, on or about February 14, 2025, the Company

commenced Store Closing Sales at approximately 236 of the Debtors' retail locations, initiating an incremental closing process that will allow the Debtors to minimize time in chapter 11 and to exit stores quickly. Subsequently, the Company commenced Store Closing Sales at the Debtors' remaining 118 locations on or about February 27, 2025. Pursuant to the Agency Agreement Amendment, which the Bankruptcy Court approved on an interim basis on March 18, 2025, the Liquidator Joint Venture will serve as the exclusive agent to the Debtors in connection with the Store Closing Sales during these Chapter 11 Cases.

The Agency Agreement Amendment provides that the Debtors and Liquidator Joint Venture expect to complete all Store Closing Sales before May 1, 2025, with many Store Closing Sales ending before April 1, 2025. While the Store Closing Sales are conducted, the Going Concern Sale Process (as defined below) will continue to run its course as the Debtors and their advisors work towards achieving a value maximizing, go-forward transaction. To facilitate this process, the Debtors intend to file a motion seeking approval of bid procedures or other sale-related relief in the near term.

D. The Investigation

As discussed above, as the independent Board began assessing strategic alternatives for the Company's business, it also began investigating any potential claims or causes of action that the Debtors may have against third parties, including insiders, to maximize value for parties in interest and ensure the propriety of any releases that might be considered as part of any strategic alternative.

As part of that process, the Board interviewed Young Conaway in January 2025 to determine its experience and approach in conducting investigations in similar situations, both in and out of court, and to confirm Young Conaway's capacity and available resources to conduct the Investigation. After interviewing Young Conaway, the Board conferred and determined that, because of Young Conaway's experience in such matters and its ability to commit a dedicated team to complete the Investigation in an efficient and thorough manner, it would be in the best interests of the Company to retain Young Conaway to assist and advise the Board in connection with the Investigation. The Board retained Young Conaway as its counsel, for purposes of the Investigation, on January 21, 2025, and immediately began the Investigation thereafter.

The Investigation, which concluded shortly after the Petition Date, took approximately two months and included extensive factual and legal analysis into, among other things, any claims that the Debtors or their anticipated estates may have against insiders, including SPARC, Simon, Brookfield, and ABG. This inquiry focused on, among other things, (i) the basis for the SPARC Payable, which the Debtors estimate to be approximately $338 million as of the Petition Date, (ii) the leases which govern the Debtors' occupancy at premises owned by Simon and Brookfield, (iii) the licensing arrangement entered into with an ABG subsidiary which governs the Debtors' use of material intellectual property, (iv) a dividend issued to SPARC in 2021, and (v) the facts and circumstances surrounding the SPARC Acquisition.

As part of the Investigation, on behalf of the Board, Young Conaway first requested and received pertinent information and documents from the Debtors, certain of their advisors, and the Debtors' parent, SPARC. Young Conaway next conducted a total of twelve (12) interviews,

including interviews with current and former officers and advisors of the Debtors, representatives of Simon and ABG, and officers and other representatives of the Debtors' direct and indirect parent companies. These interviews addressed information related to, among other things, the nature, facts, and circumstances of the relationship between SPARC and the Debtors, the nature, facts, and circumstances of the Debtors' relationship with their indirect owners in their capacity as such and, as applicable, in their capacity as landlords and licensors to the Debtors, and the scope and merit of any claims among the parties.

Young Conaway also met with BRG and representatives from RCS, the Debtors' retained real estate consultant. BRG provided detailed analysis and information pertaining to the SPARC Payable and the reconciliation thereof, and RCS provided analysis and information pertaining to the Debtors' lease portfolio, including (i) with respect to the 2019 Bankruptcy and lease negotiations that occurred in connection therewith, and (ii) in respect of comparable leases in similar markets.

Young Conaway analyzed, among other potential causes of action, actual fraudulent transfer, constructive fraudulent transfer, insider fraudulent transfer, preferential transfer, breach of fiduciary duty, breach of contract, unjust enrichment, and unlawful distribution. The Board remained actively engaged throughout the Investigation and received summaries of the work performed by Young Conaway and weekly accounts of the Investigation's progress. Moreover, the Board communicated with Young Conaway, BRG, and RCS prior to concluding its Investigation, and asked for and received additional information throughout the process. At the conclusion of the process, Young Conaway presented the Board with a privileged report summarizing Young Conaway's analysis.

Based on the analysis presented by Young Conaway, the Board determined that the Debtors do not have any colorable or valuable claims and/or causes of action against the Debtors' insiders relating to any prepetition conduct of such parties. Nonetheless, given other considerations relevant to these Chapter 11 Cases, including the overall anticipated recovery for general unsecured creditors and the liquidating context of these proceedings, the Board determined that it was appropriate to secure consideration in return for the Debtor Release provided for in the Plan.

The Board instructed Young Conaway to negotiate with the SPARC Parties regarding any releases to be given under the Plan and, in particular, consideration that the Board would deem sufficient to grant releases to such parties under the facts and circumstances of these proceedings.

After multiple rounds of good-faith, arms-length negotiations, on March 27, 2025, the Debtors, on the one hand, and the SPARC Parties, on the other, agreed that, in exchange for the mutual releases contemplated in the Plan, SPARC Group LLC will unconditionally waive its right to any recovery on account of 75% of the SPARC Payable upon the Effective Date. Importantly, this reduces the Debtors' anticipated general unsecured creditors' Claim pool by approximately 37.5%, thereby increasing recoveries for other Holders of General Unsecured Claims in a material manner. Based on the current estimated claims pool and the projected available cash proceeds at the conclusion of these Chapter 11 Cases, the Debtors believe that this waiver, negotiated at the direction of the Board and after multiple rounds of good faith negotiations, is worth approximately $750,000 in real dollar consideration should the Plan be accepted by Class 6. This "real dollar" value of the waiver would be even greater if the aggregate amount of Allowed General Unsecured

Claims is lower than anticipated or if the value available to general unsecured creditors exceeds the current expectations of the wind down process, or vice versa.

Given the results of the Investigation, the Board believes that the negotiated consideration described above more than sufficiently warrants the Debtor Release of such parties and provides a meaningful improvement in available proceeds for other Holders of General Unsecured Claims.

E. Prepetition Negotiations with Consenting Creditors Regarding the Consensual Use of Cash Collateral and PSA

In January and February 2025, the Debtors approached the ABL Agent and the Term Loan Agent to discuss the Company's financial situation and related determination to wind down the Debtors' operations while also pursuing going concern alternatives. To assist with this process, BRG worked with the Debtors, the ABL Agent, and the Term Loan Agent to prepare a budget and cash flow forecast to support the execution of a chapter 11 proceeding to implement the Going Concern Sale Process, the Store Closing Sales, or both in parallel. As part of those discussions, the Company also proposed the material terms for an agreement that would allow the Debtors to use cash collateral on a consensual basis during the pendency of these proceedings, as well as a liquidating plan that would streamline these Chapter 11 Cases and provide finality for all interested parties. As a result of those discussions, the Debtors and all ABL Lenders, Term Loan Lenders, and Subordinated Loan Lenders entered into the PSA, dated March 16, 2025.

The PSA, among other things, memorializes the material terms of the Plan and concessions obtained by the Debtors from their secured creditors for the benefit of unsecured creditors. At a high level, the Debtors have negotiated a distribution—which could be as much as 6% of distributable proceeds—to general unsecured creditors which would otherwise be significantly out of the money given forecasted recoveries for the Debtors' assets and the lack of any material unencumbered assets. In connection with the PSA, the Debtors and the ABL Agent also reached an agreement which will enable the Debtors to use cash collateral on a consensual basis during the duration of these Chapter 11 Cases and use the cash proceeds from the Store Closing Sales and any successful going concern sale realized pursuant to the Going Concern Sale Process to fund the administrative claims incurred. The Cash Collateral Order (as defined below) approved a budget which well positions the Debtors to prosecute these Chapter 11 Cases, including with respect to the Plan, and implement a responsible and orderly wind-down upon confirmation and consummation thereof.

ARTICLE IV.
THE CHAPTER 11 CASES

A. Commencement of the Chapter 11 Cases

The Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code on March 16, 2025. The filing of the petitions commenced the Chapter 11 Cases, at which time the Debtors were afforded the protections of and became subject to the limitations of the Bankruptcy Code. Since the Petition Date, the Debtors have continued to operate their business as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. First Day Pleadings

To minimize disruption to the Debtors' operations, on and shortly after the Petition Date, along with their voluntary petitions for relief under chapter 11 of the Bankruptcy Code, the Debtors filed multiple motions and applications seeking various relief from the Bankruptcy Court (collectively, the "**First Day Pleadings**"), including with respect to (a) use cash collateral and declare certain prepetition secured parties adequately protected [Docket No. 25]; (b) continue utilizing the Debtors' prepetition cash management system, including with respect to intercompany transactions [Docket No. 6]; (c) continue the Store Closing Sales and assume the Agency Agreement Amendment [Docket No. 14]; (d) honor certain customer programs in the ordinary course of business on a limited basis [Docket No. 8]; (e) make payment on account of prepetition claims of certain of the debtors' shippers, freight forwarders, and warehousemen [Docket No. 9]; (f) pay prepetition wage claims and related obligations in the ordinary course of business and continue certain employee benefit programs [Docket No. 12]; (g) pay certain taxes and fees [Docket No. 10]; (h) establish procedures for utility companies to request adequate assurance, pursuant to which the utility companies were prohibited from discontinuing service except in certain circumstances [Docket No. 5]; and (i) continue their prepetition insurance and surety arrangements, and pay premiums and other amounts arising thereunder [Docket No. 11]. On March 18, 2025, the Bankruptcy Court entered orders granting the relief requested in these First Day Pleadings on an interim basis. A hearing to consider approval of the relief requested in these First Day Pleadings on a final basis is scheduled for April 15, 2025 at 2:00 p.m. (prevailing Eastern Time).

C. Other Procedural and Administrative Motions

On March 17, 2025, the Debtors filed a motion seeking authorization to reject certain leases for 17 closed retail locations across the United States [Docket No. 43]. A hearing to consider approval of the relief requested in this motion is scheduled for April 15, 2025, at 2:00 p.m. (prevailing Eastern Time).

The Debtors filed applications to retain the following to assist the Debtors with carrying out their duties under the Bankruptcy Code during the Chapter 11 Cases: (a) KCC d/b/a Verita Global ("**Verita**") as claims and noticing agent [Docket No. 4]; (b) Young Conaway, as lead counsel [Docket No. 106]; (c) Paul, Weiss, as special corporate and finance counsel [Docket No. 114]; (d) BRG, to provide co-chief restructuring officers and additional personnel [Docket No. 109]; (e) SSG, as investment banker and financial advisor [Docket No. 107]; and (f) RCS, as real estate advisor [Docket No. 110]. The postpetition compensation of all of the Debtors' professionals retained pursuant to sections 327 and 328 of the Bankruptcy Code is subject to the approval of the Bankruptcy Court. The Debtors have filed or will shortly file a motion to establish a process for the monthly allowance and payment of compensation and the reimbursement of expenses for those professionals retained pursuant to sections 327 and 328 of the Bankruptcy Code whose services are authorized by the Bankruptcy Court. These applications and motions are scheduled to be heard by the Bankruptcy Court on April 15, 2025.

D. Claims Process

On March 17, 2025, the Debtors filed a motion [Docket No. 41] to establish bar dates for holders of Claims to file such Claims against the Debtors (the "**Bar Date Motion**"). Pursuant to the Bar Date Motion, the Debtors are seeking to establish, among other things, (a) the deadline by which non-governmental claimants must file a proof of claim in the Chapter 11 Cases as 30 days after service of the Bar Date Notice (as defined in the Bar Date Motion) at 5:00 p.m., prevailing Eastern Time (the "**Claims Bar Date**"), and (b) September 12, 2025, at 5:00 p.m., prevailing Eastern Time (the "**Governmental Bar Date**"), as the deadline by which governmental claimants must file a proof of claim in the Chapter 11 Cases. In addition, with respect to any claims arising from the Debtors' rejection of executory contracts and unexpired leases, the order established the later of (a) the Claims Bar Date or the Governmental Bar Date, as applicable, and (b) 5:00 p.m., prevailing Eastern Time, on the date that is 30 days following entry of the order approving the Debtors' rejection of the applicable executory contract or unexpired lease as the rejection damages bar date. Finally, if the Debtors amend the Schedules, any claims arising due to such amendment will be due 30 days from the date the notice of the Schedule amendment is mailed. A hearing to consider approval of the relief requested in the Bar Date Motion is scheduled for April 1, 2025, at 11:30 a.m. (prevailing Eastern Time).

E. Official Committee of Unsecured Creditors

On March 26, 2025, the Office of the United States Trustee for the District of Delaware (the "**U.S. Trustee**") filed a notice [Docket No. 114] appointing an official committee of unsecured creditors (the "**Committee**").

ARTICLE V.
PLAN SUPPORT AGREEMENT[10]

On March 16, 2025, prior to the commencement of these Chapter 11 Cases, the Debtors and the Consenting Creditors entered into the PSA attached hereto as **Exhibit B**. The PSA sets forth the material terms of the Plan and, by virtue of the PSA, each Consenting Creditor agreed to support, and vote in favor of, the Plan. After extensive negotiations culminated in the PSA, the Debtors believe that they have a defined path to ensure the timely and efficient wind down of their estates and bring finality to these Chapter 11 Cases and their stakeholders in the near term.

Pursuant to the PSA and the interim cash collateral order [Docket No. 88) (the "**Cash Collateral Order**,") the Debtors agreed with the Consenting Creditors to implement the following case milestones (the "**Milestones**"):

Deadline to file Plan & Disclosure Statement	March 28, 2025[11]

[10] The following summary is provided for illustrative purposes only and is qualified in its entirety by reference to the PSA. In the event of any inconsistency between this summary and the PSA, the PSA will control in all respects.

[11] Pursuant to the terms of the PSA and the Cash Collateral Order, the Debtors obtained the necessary consents to extend the deadline to file the Plan and Disclosure Statement from March 26, 2025 to March 28, 2025.

Deadline to Obtain Final Cash Collateral Order & Store Closing Order	April 20, 2025
Deadline to Obtain Entry of Solicitation Procedures Order	May 5, 2025
Deadline to Obtain Entry of Confirmation Order	June 14, 2025
Deadline for Plan to go Effective	June 19, 2025 (the "**Outside Date**")

ARTICLE VI.
SUMMARY OF PLAN

THE FOLLOWING SUMMARIZES CERTAIN OF THE SIGNIFICANT ELEMENTS OF THE PLAN. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION SET FORTH IN THE PLAN. IN THE CASE OF ANY INCONSISTENCY BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN, THE PLAN SHALL GOVERN IN ALL RESPECTS.

A. Administrative Claims and Priority Tax Claims

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims (including Professional Fee Claims) and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III.

1. Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors or the Plan Administrator, as applicable, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim or otherwise receive treatment in a manner consistent with section 1129(a)(9)(A) of the Bankruptcy Code in accordance with the following: (1) if an Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date (or, if not then due, when such Allowed Administrative Claim becomes due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order allowing such Administrative Claim becomes a Final Order or the Debtors or the Plan Administrator, as applicable, and the Holder of the Administrative Claim consensually agree to the Allowed amount of such Administrative Claim, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed Administrative Claim; or (4) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for Professional Fee Claims, all applications seeking allowance and payment of Administrative Claims must be Filed and served on the Debtors or the Plan Administrator, as applicable, and their counsel no later than the Administrative Claims Bar Date pursuant to the procedures specified in the Plan, the Confirmation Order, and the notice of Effective Date. Any objections to such applications must be Filed and served on the requesting party by the Claims Objection Deadline. Unless otherwise agreed to by the applicant and the Debtors or the Plan Administrator, as applicable, after notice and a hearing, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, a Final Order.

Except as otherwise provided in Article II.B, Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not File and serve such a request on or before the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting Administrative Claims against the Debtors, the Estates, Distribution Co., the Plan Administrator, or the assets or property of any of the foregoing, and any Administrative Claims shall be deemed disallowed as of the Effective Date, without the need for any objection from the Debtors or Plan Administrator or any notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

2. Professional Fee Claims

i. *Final Fee Applications*

All final requests for payment of Professional Fee Claims by Professionals for services rendered and reimbursement of expenses incurred prior to the Effective Date must be Filed no later than 30 days after the Effective Date. Objections to Professional Fee Claims must be Filed and served no later than 14 days after the Filing of the Professional Fee Claim. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims of Professionals after notice and a hearing in accordance with the procedures established by the Bankruptcy Court. The Plan Administrator shall pay the amount of the Allowed Professional Fee Claims owing to the Professionals in Cash to such Professionals, including from funds held in the Professional Fee Escrow Account, promptly after the Professional Fee Claims are Allowed by entry of an order of the Bankruptcy Court.

ii. *Professional Fee Escrow Account*

As soon as reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Escrow Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Processionals pursuant to one or more Final Orders of the Bankruptcy Court. No Liens, claims, or interests shall encumber the Professional Fee Escrow Account or Cash held in the Professional Fee Escrow Account in any way. Funds held in the Professional Fee Escrow Account shall not be considered property of the Debtors, their Estates, or Distribution Co. If some or all of the Professional Fee Amount is not held in the trust account of one more counsel to the Debtors, the

Plan Administrator is charged with administering the Professional Fee Escrow Account after the Effective Date.

The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Debtors or the Plan Administrator, as applicable, from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; *provided* that the Debtors' and the Plan Administrator's obligations to pay Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Escrow Account shall promptly be paid to Distribution Co. without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

iii. *Professional Fee Escrow Amount*

The Professionals shall provide a reasonable and good-faith estimate of their fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date projected to be outstanding as of the Effective Date, and shall deliver such estimate to the Debtors no later than three days before the anticipated Effective Date; *provided*, *however*, that such estimate shall not be considered or deemed an admission or limitation with respect to the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. The total aggregate amount so estimated as of the Effective Date shall be utilized by the Debtors to determine the amount to be funded to the Professional Fee Escrow Account, *provided* that the Plan Administrator shall use Cash held by Distribution Co. to increase the amount of the Professional Fee Escrow Account to the extent fee applications are Filed after the Effective Date in excess of the amount held in the Professional Fee Escrow Account based on such estimates.

iv. *Post-Confirmation Date Fees and Expenses*

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to the Chapter 11 Cases that are incurred after the Confirmation Date through and including the Effective Date, in the ordinary course of business. The Debtors and the Plan Administrator, as applicable, shall pay within ten business days after submission of a detailed invoice to the Debtors or the Plan Administrator, as applicable, such reasonable claims for compensation or reimbursement of expenses incurred by the Professionals of the Debtors, as applicable. If the Debtors dispute the reasonableness of any such invoice, the Debtors or the Plan Administrator, as applicable, or the affected Professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of any such invoice, and the disputed portion of such invoice shall not be paid until the dispute is resolved. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code, any orders governing compensation, or otherwise in

seeking retention or compensation for services rendered after such date shall terminate, and the Debtors or, after the Effective Date, the Plan Administrator may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Priority Tax Claims

Except to the extent a Holder of an Allowed Priority Tax Claim and the Debtors or the Plan Administrator, as applicable, agree to less favorable treatment for such Holder, in full and final satisfaction of the Allowed Priority Tax Claim, each Holder thereof will be paid in full in Cash or otherwise receive treatment in a manner consistent with the provisions of section 1129(a)(9)(C) of the Bankruptcy Code.

B. Classification and Treatment of Claims and Interests

1. Classification of Claims and Interests

The Plan groups the Debtors together solely for the purpose of describing treatment under the Plan, Confirmation of the Plan, and distributions to be made in respect of Claims against and Interests in the Debtors under the Plan. Such groupings shall not affect each Debtor's status as a separate legal entity, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger or consolidation of any legal entities, or cause the transfer of any assets. Except as otherwise provided by or permitted under the Plan, all Debtors shall continue to exist as separate legal entities. The Plan is not premised on, and does not provide for, the substantive consolidation of the Debtors with respect to the Classes of Claims or Interests set forth in the Plan.

The Plan constitutes a separate chapter 11 plan for each Debtor, and the classifications set forth in Classes 1 through 9 shall be deemed to apply to each Debtor, as may be applicable. Except for the Claims addressed in Article II, all Claims and Interests are classified in the Classes set forth below in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been otherwise paid, released, or satisfied at any time. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.D. For all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors, except that Class 9 shall be vacant at each Debtor other than OpCo.

The classification of Claims against and Interests in the Debtors pursuant to the Plan is as follows:

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
2	Other Priority Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
3	ABL Claims	Impaired	Entitled to Vote
4	Term Loan Claims	Impaired	Entitled to Vote
5	Subordinated Loan Claims	Impaired	Entitled to Vote
6	General Unsecured Claims	Impaired	Entitled to Vote
7	Intercompany Claims	Unimpaired / Impaired	Not Entitled to Vote (Presumed to Accept / Deemed to Reject)
8	Intercompany Interests	Unimpaired / Impaired	Not Entitled to Vote (Presumed to Accept / Deemed to Reject)
9	Existing Equity Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

3. Treatment of Claims and Interests

i. *Class 1 – Other Secured Claims*

(a) *Classification*: Class 1 consists of all Other Secured Claims against the Debtors.

(b) *Treatment*: On the Effective Date, except to the extent that a Holder of an Allowed Other Secured Claim and the Debtors or the Plan Administrator, as applicable, agree to less favorable treatment for such Holder, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, at the Debtors' option, either (i) payment in full in Cash, (ii) delivery of the collateral securing its Allowed Other Secured Claim, or (iii) such other treatment rendering its Allowed Other Secured Claim Unimpaired.

(c) *Voting*: Class 1 is Unimpaired, and Holders of Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the

Bankruptcy Code. Therefore, Holders of Class 1 Other Secured Claims are not entitled to vote to accept or reject the Plan.

ii. *Class 2 – Other Priority Claims*

(a) *Classification*: Class 2 consists of all Other Priority Claims against the Debtors.

(b) *Treatment*: On the Effective Date, except to the extent that a Holder of an Allowed Other Priority Claim and the Debtors or the Plan Administrator, as applicable, agree to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive payment in full in Cash or otherwise receive treatment rendering such Holder's Claim Unimpaired.

(c) *Voting*: Class 2 is Unimpaired, and Holders of Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 2 Other Priority Claims are not entitled to vote to accept or reject the Plan.

iii. *Class 3 – ABL Claims*

(a) *Classification*: Class 3 consists of all ABL Claims against the Debtors.

(b) *Allowance*: On the Effective Date, ABL Claims shall be allowed in the aggregate principal amount of $1,085,633,778.08 outstanding ABL Loans, comprising $925,633,778.08 in aggregate principal amount of Revolving Loans and $160,000,000.00 in aggregate principal amount of FILO Loans, plus unpaid interest, fees (including any attorneys' and financial advisors' fees), premiums, charges, indemnities, and any other obligations, amounts, and expenses arising under or in connection with the ABL Credit Agreement.[12]

(c) *Treatment*: On the Effective Date, except to the extent that a Holder of an ABL Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed ABL Claim, each Holder of an Allowed ABL Claim shall receive its pro rata share (based on such Holder's proportionate share of all Allowed ABL Claims) of:

(i) if Class 6 (General Unsecured Claims) votes to accept the Plan, 94% of the Net Proceeds or (B) if Class 6 (General Unsecured Claims) votes to reject the Plan, 97% of the Net Proceeds; and

(ii) following the Liquidation Process, 100% of the Excess Amounts (if any).

[12] The ABL Claims also include letters of credit in the aggregate undrawn face amount of $178,273,737.26.

(d) *Voting*: Class 3 is Impaired, and Holders of ABL Claims are entitled to vote to accept or reject the Plan.

iv. *Class 4 – Term Loan Claims*

(a) *Classification*: Class 4 consists of all Term Loan Claims against the Debtors.

(b) *Allowance*: On the Effective Date, Term Loan Claims shall be allowed in the aggregate principal amount of $320,875,000.00 outstanding Term Loans, plus unpaid interest, fees (including any attorneys' and financial advisors' fees), premiums, charges, indemnities, and any other obligations, amounts, and expenses arising under or in connection with the Term Loan Credit Agreement.

(c) *Treatment*: On the Effective Date, except to the extent that a Holder of a Term Loan Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Term Loan Claim, each Holder of an Allowed Term Loan Claim shall be deemed to waive any such Term Loan Claim against the Debtors (but not the non-Debtor Loan Parties (as defined in the Term Loan Credit Agreement)) and will not receive any distribution on account of such Claim in exchange for the releases set forth in the Plan.

(d) *Voting*: Class 4 is Impaired, and Holders of Term Loan Claims are entitled to vote to accept or reject the Plan.

v. *Class 5 – Subordinated Loan Claims*

(a) *Classification*: Class 5 consists of all Subordinated Loan Claims against the Debtors.

(b) *Allowance*: On the Effective Date, Subordinated Loan Claims shall be allowed in the aggregate principal amount of $176,147,053.95 outstanding Subordinated Loans, plus unpaid interest, fees (including any attorneys' and financial advisors' fees), premiums, charges, indemnities, and any other obligations, amounts, and expenses arising under or in connection with the Subordinated Loan Credit Agreement.

(c) *Treatment*: On the Effective Date, except to the extent that a Holder of a Subordinated Loan Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Subordinated Loan Claim, each Holder of an Allowed Subordinated Loan Claim shall be deemed to waive any such Subordinated Loan Claim against the Debtors (but not the non-Debtor Loan Parties (as defined in the Subordinated Loan Credit Agreement)) and will not receive any distribution on account of such Claim in exchange for the releases set forth in the Plan.

(d) *Voting*: Class 5 is Impaired, and Holders of Subordinated Loan Claims are entitled to vote to accept or reject the Plan.

vi. *Class 6 – General Unsecured Claims*

(a) *Classification*: Class 6 consists of all General Unsecured Claims against the Debtors.

(b) *Treatment*: Except to the extent that a Holder of an Allowed General Unsecured Claim and the Debtors or the Plan Administrator, as applicable, agree to less favorable treatment for such Holder, in full and final satisfaction, compromise, settlement, and release of and in exchange for such General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive its pro rata share (based on such Holder's proportionate share of the aggregate amount of all Allowed General Unsecured Claims) of:

(i) interests in (and proceeds of) the remaining unencumbered property of the Debtors (if any); and

(ii) (A) if Class 6 (General Unsecured Claims) votes to accept the Plan, 6% of the Net Proceeds or (B) if Class 6 (General Unsecured Claims) votes to reject the Plan, 3% of the Net Proceeds.

(c) *Voting*: Class 6 is Impaired, and Holders of the General Unsecured Claims are entitled to vote to accept or reject the Plan.

vii. *Class 7 – Intercompany Claims*

(a) *Classification*: Class 7 consists of all Intercompany Claims against the Debtors.

(b) *Treatment*: On the Effective Date, Intercompany Claims may be Reinstated as of the Effective Date solely for the purpose of facilitating the Liquidation Process or, at the Debtors' option, be cancelled, released, and extinguished without any distribution on account of such Claims.

(c) *Voting*: Class 7 is either Impaired, and Holders of Intercompany Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code, or Unimpaired, and such Holders are conclusively deemed to have accepted the Plan pursuant to section 1126(f). Therefore, Holders of Class 7 Intercompany Claims are not entitled to vote to accept or reject the Plan.

viii. *Class 8 – Intercompany Interests*

(a) *Classification*: Class 8 consists of all Intercompany Interests in the Debtors.

(b) *Treatment*: On the Effective Date, all Intercompany Interests may be Reinstated as of the Effective Date solely for the purpose of facilitating the Liquidation Process or, at the Debtors' option, may be cancelled, released, and extinguished, without any distribution on account of such Interest.

(c) *Voting*: Class 8 is either is either Impaired, and Holders of Intercompany Interests are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code, or Unimpaired, and such Holders are conclusively deemed to have accepted the Plan pursuant to section 1126(f). Therefore, Holders of Class 8 Intercompany Interests are not entitled to vote to accept or reject the Plan.

ix. *Class 9 – Existing Equity Interests*

(a) *Classification*: Class 9 consists of all Existing Equity Interests.

(b) *Treatment*: On the Effective Date, all Existing Equity Interests will be cancelled, released, and extinguished and will be of no further force and effect. No Holders of Existing Equity Interests will receive a distribution under the Plan on account of such Existing Equity Interests.

(c) *Voting*: Class 9 is Impaired, and Holders of Existing Equity Interests are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 9 Existing Equity Interests are not entitled to vote to accept or reject the Plan.

4. Special Provisions Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Plan Administrator's rights with respect to any Claims that are Unimpaired, including all legal and equitable defenses to or setoffs or recoupments against such Claims that are Unimpaired.

5. Elimination of Vacant Classes; Presumed Acceptance by Non-Voting Classes

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims or Interests in such Class shall be deemed to have accepted the Plan.

6. Controversy Concerning Impairment

If a controversy arises as to whether any Claim or any Class of Claims or Interests is Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Hearing.

7. Subordination of Claims

Except as expressly provided in the Plan, the allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan shall

take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, contract, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors or the Plan Administrator, as applicable, reserve the right to reclassify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

8. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by at least one Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

9. No Substantive Consolidation

Although the Plan is presented as a joint plan of liquidation for administrative purposes, the Plan does not provide for the substantive consolidation of the Debtors' Estates, and on the Effective Date, the Debtors' Estates shall not be deemed to be substantively consolidated for any reason. Except as expressly provided in the Plan, nothing in the Plan, the Confirmation Order, or the Disclosure Statement shall constitute or be deemed to constitute a representation that any one or all of the Debtors is subject to or liable for any Claims or Interests against or in any other Debtor. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of any Allowed Claim exceed the amount of the Allowed Claim.

10. Reservation of Rights Regarding Claims

Except as otherwise provided in the Plan or in other Final Orders of the Bankruptcy Court, nothing will affect the Debtors' or the Plan Administrator's respective rights and defenses, whether legal or equitable, with respect to any Claim, including all rights with respect to legal and equitable defenses to alleged rights of setoff or recoupment.

C. Means for Implementation of the Plan

1. General Settlement of Claims and Interests

As described in the Plan and as otherwise provided in the Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute and be deemed a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, or otherwise resolved pursuant to the Plan, including with respect to the recoveries waived by the

Holders of ABL Claims, Term Loan Claims, and Subordinated Loan Claims and the SPARC Settlement. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates. Subject to Article VI, all distributions made to Holders of Allowed Claims in any Class are intended to be and shall be final.

2. Implementation of the SPARC Settlement

On the Effective Date, the SPARC Settlement shall be effective and binding pursuant to the Plan and Confirmation Order. Pursuant to the SPARC Settlement:

(1) the SPARC Payable shall be deemed Allowed as a General Unsecured Claim in the amount of not less than approximately $323,000,000.00, subject to reconciliation prior to a hearing on the Disclosure Statement;

(2) on the Effective Date of the Plan, the SPARC Parties shall waive the right to recover from the Debtors as to seventy-five percent (75%) of the SPARC Payable; and

(3) the SPARC Parties shall be Released Parties under this Plan and receive the Releases specified in Article VIII of the Plan.

The SPARC Settlement is integral to the development and implementation of the Plan. The Plan, taken together with the Disclosure Statement, shall serve as a motion to approve the SPARC Settlement pursuant to Bankruptcy Rule 9019. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the SPARC Settlement, including each of the compromises and settlements provided for in the SPARC Settlement, and the Bankruptcy Court's findings shall constitute its determination that the SPARC Settlement is in the best interests of the Debtors, their Estates, Holders of Claims and Interests, and other parties in interest, is supported by good and valuable consideration, and is fair, equitable, and reasonable.

3. Sources of Consideration for Plan Distributions

Subject in all respects to the provisions of the Plan concerning the Professional Fee Escrow Account, the Debtors or the Plan Administrator, as applicable, shall fund distributions under the Plan with Cash on hand on the Effective Date and all other Distribution Co. Assets.

4. Vesting of Assets

On the Effective Date, pursuant to sections 1141(b) and 1141(c) of the Bankruptcy Code, the Distribution Co. Assets shall vest in Distribution Co. free and clear of all Claims, Liens, encumbrances, charges, and other interests except as otherwise expressly provided in the Plan or the Confirmation Order. Upon the Effective Date and the vesting of the Distribution Co. Assets in Distribution Co., the Debtors shall have no further duties or responsibilities in connection with implementation of the Plan.

On the Effective Date, Distribution Co. shall: (1) take possession of all books, records, and files of the Debtors and the Estates that were not sold or otherwise transferred prior to the Effective Date and that relate to the operation and business of Distribution Co.; and (2) provide for the retention and storage of such books, records, and files until such time as the Plan Administrator determines, in accordance with the Plan Administration Agreement, that retention of same is no longer necessary or beneficial.

5. Liquidation Process

i. *Distribution Co.*

On the Effective Date, in accordance with Article IV.C, the Distribution Co. Assets will be transferred to, or retained by, Distribution Co. without any further action of the Debtors or any managers, employees, officers, directors, members, partners, shareholders, agents, advisors, or representatives of the Debtors. Distribution Co. may be comprised of one or more of the post-Effective Date Debtors. On and after the Effective Date, the Plan Administrator shall effectuate the Liquidation Process in accordance with the provisions of the Plan, the Confirmation Order, the Plan Administration Agreement, and any other applicable Definitive Documents.

ii. *Plan Administration Agreement*

On the Effective Date, the Debtors shall execute the Plan Administration Agreement. The Plan Administration Agreement will contain provisions permitting the amendment or modification of the Plan Administration Agreement necessary to effectuate, implement, consummate, and/or further evidence the provisions of the Plan.

iii. *Purpose of Distribution Co.*

On and after the Effective Date, except as otherwise provided in the Plan, Distribution Co., at the direction of the Plan Administrator, shall effectuate the Liquidation Process and compromise or settle the Claims, Interests, or Causes of Action remaining against the Debtors, if any, without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. After the Effective Date, pursuant to the Plan, and on behalf of Distribution Co., the Plan Administrator, in its sole discretion, as part of the Liquidation Process, shall sell, liquidate, use, or dispose of any asset, property, right, liability, debt, or obligation of the Debtors on terms consistent with the Plan without approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

iv. *Plan Administrator*

Appointment of the Plan Administrator

Upon the occurrence of the Effective Date, the Plan Administrator shall be deemed appointed to serve as the administrator of the Liquidation Process. The Plan Administrator, subject to the terms and conditions of the Plan, the Plan Supplement, the Confirmation Order, and the Plan Administration Agreement, shall be authorized to execute, deliver, file, or record such documents, contracts, instruments, releases, and other agreements, and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the Liquidation Process. The Plan Administrator shall have and perform all of the duties,

responsibilities, rights, and obligations set forth in the Plan and the Plan Administration Agreement, as applicable.

From and after the Effective Date, the Plan Administrator shall act as the exclusive representative of Distribution Co. for all purposes and as the sole officer and director of each of the post-Effective Date Debtors. Any successor Plan Administrator appointed pursuant to the Plan Administration Agreement shall be bound by and comply with the terms of the Plan, the Confirmation Order, and the Plan Administration Agreement.

The Plan Administrator shall effectuate the Liquidation Process with the Plan Administration Amount. The Plan Administrator shall be compensated as set forth in the Plan Administration Agreement. The Plan Administrator shall fully comply with the terms, conditions, and rights set forth in the Plan, the Plan Supplement, the Confirmation Order, and the Plan Administration Agreement. The Plan Administrator (and any professionals retained by the Plan Administrator) shall not be required to File a fee application to receive compensation and all costs, liabilities, and expenses reasonably incurred by the Plan Administrator following the Effective Date, including any fees, costs, or expenses of the Notice and Claims Agent in connection with the administration of Claims asserted against the Debtors as requested by the Plan Administrator, and any personnel or professionals employed by the Plan Administrator in the performance of the Plan Administrator's duties shall be paid from the Plan Administration Amount.

Responsibilities, Power, and Authority of the Plan Administrator

The Plan Administrator shall have the power and authority to perform the acts described in the Plan Administration Agreement, subject to approval by the Court where applicable, in addition to any powers granted by law or conferred to it by any other provision of the Plan. The powers of the Plan Administrator shall include: (i) preserving and liquidating the Distribution Co. Assets; (ii) administering and paying taxes, including (A) preparing and filing any tax forms or returns on behalf of the Estates and Distribution Co., including filing final tax returns or otherwise required federal, state, and local tax returns and, pursuant to section 505(b) of the Bankruptcy Code, requesting, as appropriate, an expedited determination of any unpaid tax liability of any Debtor, the Estate, or Distribution Co. as determined under applicable tax law, and paying taxes required to be paid on behalf of the Debtors and (B) representing the interest and account of Distribution Co. before any taxing authority in all matters including any action, suit, proceeding, or audit; (iii) retaining and paying, without the need for retention or fee applications, professionals in connection with the Plan Administrator's performance of its duties under the Plan and the Plan Administration Agreement; (iv) distributing information statements as required for U.S. federal income tax and other applicable tax purposes; (v) preparing and Filing all monthly operating reports due after the Effective Date and all post-Confirmation reports as required by the U.S. Trustee; (vi) the power to pursue, prosecute, resolve, compromise, and settle any retained Causes of Action, without notice to or approval from the Bankruptcy Court; (vii) the power to object to Claims; (viii) Filing an application or applications for entry by the Bankruptcy Court of a final decree closing one or more of the Chapter 11 Cases, as appropriate; (ix) making distributions to Professionals for Allowed Professional Fee Claims, including from the Professional Fee Escrow Account; (x) making distributions to beneficiaries of Distribution Co. in accordance with the Plan, the Confirmation Order, and the Plan Administration Agreement; (xi) the power and authority to wind down, liquidate, or otherwise dissolve the post-Effective Date Debtors and non-Debtor

Company Parties, without the necessity for any other or further actions to be taken by or on behalf of such dissolving Entity or its shareholder or any payments to be made in connection therewith, other than the filing of a certificate of dissolution with the appropriate governmental authorities; (xii) the power to invest funds of Distribution Co., and withdraw, make distributions, and pay taxes and other obligations owed by Distribution Co. from such funds in accordance with the Plan and the Plan Administration Agreement; and (xiii) such other responsibilities and powers as may be vested in the Plan Administrator pursuant to the Plan, the Plan Supplement, the Plan Administration Agreement, or an order of the Bankruptcy Court (including the Confirmation Order), or as may be necessary and proper to carry out the provisions of the Plan. The enumeration of the foregoing powers shall not be considered in any way to limit or control the power and authority of the Plan Administrator to act as specifically authorized by any other provision of the Plan, the Plan Administration Agreement, and/or any applicable law, or to limit the Plan Administrators ability to act or not take action in any way it may deem necessary or appropriate to discharge all obligations assumed by the Plan Administrator or provided in the Plan and to conserve and protect Distribution Co. and the Distribution Co. Assets or to confer on the creditors the benefits intended to be conferred upon them by the Plan.

v. *Debtors' Professionals*

After the Effective Date, the Debtors' Professionals will continue to provide services to Distribution Co. with respect to (i) any applications for Professional Fee Claims or expense reimbursements for its Professionals, including preparing, objecting to, defending, and attending any hearing with respect to the same, (ii) any motions or other actions seeking enforcement or implementation of the provisions of the Plan or Confirmation Order, and (iii) any appeal pending as of the Effective Date or filed thereafter, the outcome of which could reasonably be expected to affect in any material way any cases, controversies, suits, or disputes arising in connection with the Consummation, interpretation, implementation, or enforcement of the Plan or the Confirmation Order. Following the Effective Date, the Debtors' Professionals shall be entitled to reasonable compensation for services rendered in connection with the matters identified in clauses (i) through (iii). Any such payments made in connection therewith shall be made without any further notice to or action, order, or approval of the Bankruptcy Court.

Nothing in the foregoing paragraph shall limit the Plan Administrator's power and authority to retain and compensate professionals on its behalf and for the benefit of Distribution Co. in accordance with the Plan and the Plan Administration Agreement.

6. Authority to Act

Prior to, on, or after the Effective Date, as appropriate, all matters contemplated under the Plan, regardless of whether such matters would otherwise require approval of the stockholders, security holders, officers, directors, members, or other owners of the Debtors, shall be deemed to have occurred and shall be in effect prior to, on, or after the Effective Date, as applicable, pursuant to the applicable law of the state in which the Debtors are formed, without any further vote, consent, approval, authorization, or other action by such stockholders, security holders, officers, directors, members, or other owners of the Debtors or notice to, order of, or hearing before, the Bankruptcy Court, and such acts will be deemed authorized and approved in all respects, including: (1) the selection of the Plan Administrator; (2) the entry into the Plan Administration Agreement;

(3) the implementation of the Plan and the Liquidation Process; and (4) all other actions contemplated under the Plan.

7. Dissolution of Debtor Entities

On or after the Effective Date, one or more of the Debtors shall be dissolved for all purposes unless the Plan Administrator determines that dissolution can have any adverse impact on the Liquidation Process; *provided*, *however*, that neither the Debtors nor any party released pursuant to Article VIII shall be responsible for any liabilities that may arise as a result of non-dissolution of the Debtors. The Plan Administrator may submit with the appropriate Governmental Units a copy of the Confirmation Order, which Confirmation Order will suffice for purposes of obtaining a Certificate of Dissolution from the Delaware Secretary of State or other applicable authority of the states in which the Debtors are organized. Nothing herein shall limit the obligations of the Plan Administrator to comply with Article XII.E.

8. Cancellation of Existing Agreements and Securities

On the Effective Date, except as otherwise specifically provided for in the Plan: (1) the obligations of the Debtors under the ABL Credit Agreement, the Subordinated Loan Credit Agreement, the Term Loan Credit Agreement, and any other certificate, Security, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligation of or ownership interest in the Debtors that are Reinstated pursuant to the Plan) shall be cancelled solely as to the Debtors and their Affiliates, and Distribution Co. shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligation of or ownership interest in the Debtors that are specifically Reinstated pursuant to the Plan) shall be released. Notwithstanding the foregoing, no Executory Contract or Unexpired Lease (i) that has been, or will be, assumed pursuant to section 365 of the Bankruptcy Code or (ii) relating to a Claim that was paid in full prior to the Effective Date, shall be terminated or cancelled with respect to the Debtors on the Effective Date, except that (a) the ABL Credit Agreement, the Subordinated Loan Credit Agreement, and the Term Loan Credit Agreement shall continue in effect solely for the purpose of (I) allowing Holders of the ABL Claims to receive the distributions provided for under the Plan, (II) allowing the ABL Agent to receive or direct distributions from the Debtors and to make further distributions to the Holders of such Claims on account of such Claims, and (III) preserving the ABL Agent's, the Subordinated Loan Agent's, and Term Loan Agent's right to indemnification pursuant and subject to the terms of the ABL Credit Agreement, the Subordinated Loan Credit Agreement, and the Term Loan Credit Agreement in respect of any Claim or Cause of Action asserted against the ABL Agent, the Subordinated Loan Agent, or Term Loan Agent, as applicable.

9. Debtors' Boards or Governance Bodies

On the Effective Date, all members or managers of existing boards or governance bodies of the Debtors shall be deemed to have resigned and the employees of the Debtors shall be deemed terminated. On and after the Effective Date, the Plan Administrator shall be authorized to act on behalf of the Estates in accordance with the Plan and Plan Administration Agreement.

10. Plan Transactions

On the Effective Date, the Debtors and the Plan Administrator, as applicable, may take any and all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of consolidation, conversion, disposition, transfer, or dissolution containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of any appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, duty, or obligation on terms consistent with the Plan; (3) the filing of appropriate documents with the appropriate governmental authorities pursuant to applicable law; and (4) any and all other actions that the Debtors or the Plan Administrator, as applicable, determine are necessary or appropriate to effectuate the Plan.

11. Effectuating Documents and Further Transactions

Upon entry of the Confirmation Order, the Debtors and the Plan Administrator, as applicable, shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, consents, certificates, resolutions, programs, and other agreements or documents, and take such acts and actions as may be reasonable, necessary, or appropriate to effectuate, implement, consummate, and/or further evidence the terms and conditions of the Plan and any transactions described in or contemplated by the Plan, the implementation of the Liquidation Process, and the entry into the Plan Administration Agreement. The Debtors, the Plan Administrator, all Holders of Claims receiving distributions pursuant to the Plan, and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents, and take any other actions as may be necessary or advisable to effectuate, implement, consummate, and/or further evidence the provisions and intent of the Plan.

12. Exemption from Certain Taxes and Fees

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code and applicable law, any transfers of property pursuant to the Plan or the Confirmation Order, including (1) any and all transfers in connection with the vesting of the Distribution Co. Assets in Distribution Co., (2) the issuance, distribution, transfer, or exchange of any Cash or other interest in the Debtors to the Holders of Claims, or (3) the making, assignment, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental

assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation all such instruments or other documents governing or evidencing such transfers without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers or any other Entity with authority over any of the foregoing, wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forgo the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

13. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Article VIII, any and all Causes of Action of the Debtors and their Estates, whether arising before or after the Petition Date, including any actions enumerated in the Schedule of Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, shall be preserved and transferred to, or retained by, Distribution Co. on the Effective Date.

The Plan Administrator shall retain and may exclusively enforce any and all Causes of Action of the Debtors and their Estates, as appropriate, other than the Causes of Action released, exculpated, or waived by the Debtors on or before the Effective Date, including pursuant to the releases and exculpations contained in the Plan, including in Article VIII, which shall be deemed released and waived by the Debtors, the Estates, and Distribution Co. as of the Effective Date. The Plan Administrator may pursue such Causes of Action, as appropriate, in accordance with the best interests of Distribution Co. The Plan Administrator shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Confirmation Order, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors, Distribution Co., or the Plan Administrator, as applicable, will not pursue any and all available Causes of Action against it, except as otherwise expressly provided in the Plan, including Article VIII of the Plan. Unless any such Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a pursuant to a Final Order, the Plan Administrator expressly reserves all such Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of Confirmation or Consummation.

D. Treatment of Executory Contracts and Unexpired Leases

1. Assumption and Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided in the Plan, all Executory Contracts or Unexpired Leases not previously assumed, assumed and assigned, or rejected pursuant to an order of the Bankruptcy Court, will be deemed rejected, in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code other than those Executory Contracts or Unexpired Leases that (1) are the subject of a motion to assume or reject that is pending on the Effective Date, (2) are identified on the Schedule of Assumed Executory Contracts and Unexpired Leases, if any, or (3) are a contract, release, or other agreement or document entered into in connection with the Plan.

Entry of the Confirmation Order shall constitute an order of the Bankruptcy Court approving, subject to and upon the occurrence of the Effective Date, the assumptions, assumptions and assignments, or rejections of the Executory Contracts and Unexpired Leases assumed, assumed and assigned, or rejected pursuant to the Plan. Any Filed motions to assume, assume and assign, or reject any Executory Contracts or Unexpired Leases (or Filed objection with respect to the proposed assumption, assumption and assignment, or rejection of such contract) that is pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order but may be withdrawn, settled, or otherwise prosecuted by the Plan Administrator, with any such disposition to be deemed to effect an assumption, assumption and assignment, or rejection, as applicable, as of the Effective Date.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan and the Confirmation Order, and payment of any cure amounts relating thereto, shall, upon satisfaction of the applicable requirements of section 365 of the Bankruptcy Code, result in the full, final, and complete release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults or provisions restricting the change in control of ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption.

2. Rejection Damages Claims

If the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan and the Confirmation Order results in a Claim, then, unless otherwise ordered by the Court, such Claim shall be forever barred and shall not be enforceable against the Debtors, the Estates, Distribution Co., or any of their respective assets and properties unless a Proof of Claim is Filed with the Notice and Claims Agent within 30 days of the Effective Date.

The foregoing applies only to Claims arising from the rejection of an Executory Contract or Unexpired Lease under the Plan and the Confirmation Order; any other Claims held by a party to a rejected Executory Contract or Unexpired Lease shall have been evidenced by a Proof of Claim Filed by the applicable Bar Date set forth in the Bar Date Order or shall be barred and unenforceable. Claims arising from the rejection of Executory Contracts or Unexpired Leases under the Plan and the Confirmation Order shall be classified as General Unsecured Claims and shall, if Allowed, be treated in accordance with Article III.B.6.

3. Preexisting Obligations to Debtors under Executory Contracts or Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan and the Confirmation Order or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or Plan Administrator, as applicable, under such Executory Contracts or Unexpired Leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Debtors and the Plan Administrator, as applicable, expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties, indemnity, or continued maintenance obligations.

4. Indemnification and Insurance Preservation

Nothing in the Plan, the Confirmation Order, or the Plan Administration Agreement alters the rights and obligations of the Debtors and their Estates or the Debtors' insurers and third-party claims administrators under the Insurance Policies or modifies the coverage or benefits provided thereunder, or the terms and conditions thereof, or diminishes or impairs the enforceability of the Insurance Policies. All of the Debtors' rights and their Estates' rights under any Insurance Policy to which the Debtors and/or the Debtors' Estates may be beneficiaries shall vest with Distribution Co. for the benefit of all beneficiaries of such policies.

Without limiting the foregoing, Distribution Co. will not terminate or otherwise reduce the existing coverage under any D&O Policies in effect on the Effective Date relating to the period prior to the Effective Date, and (1) all members, managers, directors, and officers of the Company Parties who served in such capacity at any time prior to the Effective Date and (2) any other individuals, in each case of (1) and (2), covered by the D&O Policies, will be entitled to the full benefits of any such D&O Policy, to the extent set forth therein, for the full term of such policy regardless of whether such members, managers, directors, officers, or other individuals remain in such positions after the Effective Date.

Nothing in the Plan, the Confirmation Order, the Plan Administration Agreement, or any Definitive Document shall alter any indemnification provisions of the Debtors (whether in the by-laws, certificates of incorporation or formation, limited liability company agreements, limited partnership agreements, other organizational documents, board resolutions, indemnification agreements, employment contracts, engagement letters, or otherwise) that were in place as of the Petition Date, and such indemnification provisions covering directors, officers, managers, employees, attorneys, accountants, investment bankers, and other professionals of, or acting on behalf of, the Debtors, as applicable, shall be assumed by Distribution Co. and remain intact, irrevocable, and shall survive the Effective Date on terms no less favorable to such directors, officers, managers, employees, attorneys, accountants, investment bankers, and other professionals of, or acting on behalf of, the Debtors, as applicable, than the indemnification provisions in place as of the Petition Date.

5. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Assumed Executory Contracts and Unexpired Leases, nor anything contained in the

Plan, the Confirmation Order, the Plan Supplement, or the Disclosure Statement shall constitute an admission by the Debtors that any contract or lease is in fact an Executory Contract or Unexpired Lease or that any of the Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Plan Administrator, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease under the Plan and the Confirmation Order.

6. Non-Occurrence of the Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

E. Provisions Governing Distributions

1. Distribution Record Date

As of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims or Interests as maintained by the Debtors, or their respective agents, shall be deemed closed, and there shall be no further changes in the record Holders of any of the Claims or Interests. The Disbursing Agent shall have no obligation to recognize any ownership transfer of the Claims or Interests occurring on or after the Distribution Record Date. The Disbursing Agent shall be entitled to recognize and deal for all purposes hereunder only with those record Holders stated on the transfer ledgers as of the close of business on the Distribution Record Date, to the extent applicable.

Except as otherwise provided in the Plan, the Disbursing Agent shall make distributions to Holders of Allowed Claims as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' records as of the date of any such distribution; *provided*, *however*, that the manner of such distributions shall be determined at the discretion of the Debtors or the Plan Administrator, as applicable; *provided further*, *however*, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder and the Debtors or Plan Administrator, as applicable, shall have no obligation to determine alternative or current addresses.

2. Rights and Powers of Disbursing Agent

Except as otherwise provided in the Plan, all distributions under the Plan shall be made by the Disbursing Agent on or after the Effective Date. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties. If the Disbursing Agent is otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by Distribution Co. Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and out-of-pocket expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and out-of-pocket expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash from Distribution Co.

The Disbursing Agent may (1) effectuate all actions and execute all agreements, instruments, and other documents necessary to carry out the provisions of the Plan; (2) make all distributions contemplated hereby; and (3) perform such other duties as may be required of the Disbursing Agent pursuant to the Plan.

3. Delivery of Distributions

i. *Date of Distributions*

Distributions made after the Effective Date to Holders of Allowed Claims shall be deemed to have been made on the Effective Date and no interest shall accrue or be payable with respect to such Claims or any distribution related thereto. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

ii. *Delivery of Distributions*

Subject to applicable Bankruptcy Rules, all distributions to Holders of Allowed Claims shall be made by the Disbursing Agent, who shall transmit such distributions to the applicable Holders of Allowed Claims or their designees.

If any distribution to a Holder of an Allowed Claim (1) is returned as undeliverable for lack of a current address or otherwise or (2) is unclaimed (as defined below) by the Holder of the Allowed Claim within 60 calendar days after the mailing of such distribution, the Plan Administrator shall be authorized to cancel such distribution check. Additionally, in the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest. For the avoidance of doubt, the Plan Administrator shall have no obligation to determine the correct current address of such Holder. Thirty calendar days after the cancellation of a distribution check by the Plan Administrator, notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary, (1) the Holder of such Claim shall cease to be entitled to the undeliverable distribution or uncashed distribution, which will revert to Distribution Co. automatically and without need for a further order by the Bankruptcy Court for distribution in accordance with the Plan and the Plan Administration Agreement and (2) the Allowed Claim of such Holder shall be deemed disallowed, released, expunged, and forever barred for purposes of further distributions under the Plan.

A distribution shall be deemed "unclaimed" if a Holder has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Plan Administrator of an intent to accept a particular distribution; (c) responded to, as applicable, the Debtors' or Plan Administrator's requests for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

iii. *Manner of Payment*

Any distributions to be made by or on behalf of the Debtors or the Plan Administrator, as applicable, pursuant to the Plan shall be made by checks drawn on accounts maintained by the Debtors or the Plan Administrator, as applicable, or by wire transfer if circumstances justify, at the option of the Debtors or the Plan Administrator, as applicable.

iv. *Minimum Distributions*

No payment of Cash in an amount of less than $50.00 shall be required to be made on account of any Allowed Claim. Such undistributed amount may instead be used in accordance with the Plan and the Plan Administration Agreement. Each Claim to which this limitation applies shall be released pursuant to Article VIII and its Holder is forever barred pursuant to Article VIII from asserting such Claim against the Debtors, Distribution Co., the Plan Administrator, or their property.

If the Cash available for the final distribution is less than the cost to distribute such funds, the Plan Administrator may donate such funds to the unaffiliated charity of the Plan Administrator's choice.

4. Surrender of Instruments

As a condition precedent to receiving any distribution under the Plan, each holder of a certificated instrument or note must surrender such instrument or note held by it to the Disbursing Agent or its designee. Any holder of such instrument or note that fails to (1) surrender the instrument or note or (2) execute and deliver an affidavit of loss or indemnity reasonably satisfactory to the Disbursing Agent and furnish a bond in form, substance, and amount reasonably satisfactory to the Disbursing Agent within six months of being entitled to such distribution shall be deemed to have forfeited all rights and claims and may not participate in any distribution hereunder.

5. Compliance Matters

In connection with the Plan, to the extent applicable, the Debtors and the Plan Administrator, as applicable, shall comply with all tax withholding and reporting requirements imposed by any Governmental Unit, and all distributions made pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Debtors and the Plan Administrator, as applicable, shall be authorized to take all actions necessary to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Debtors and the Plan Administrator, as applicable, reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances.

As a condition precedent to receiving any distribution under the Plan, and without limiting the generality of the foregoing, the Plan Administrator or the Disbursing Agent reserves the right to require from each Holder of an Allowed Claim that is entitled to a distribution under the Plan any necessary information, including related to tax identification. If a Holder of an Allowed Claim

fails to provide any required information to effectuate a distribution within 60 days after service (by first class mail) of a formal request for the same by the Plan Administrator, such Allowed Claim shall be deemed disallowed and expunged for purposes of distributions under the Plan. For the avoidance of doubt, neither Distribution Co. nor the Plan Administrator is required to follow up with any Holder of an Allowed Claim if they fail to timely provide required information requested by the Plan Administrator.

Notwithstanding any other provision of the Plan to the contrary, each Holder of an Allowed Claim that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such Holder by any Governmental Unit, including income and other tax obligations, on account of such distribution.

6. Distributions on Account of Obligations of Multiple Debtors

For all purposes associated with distributions under the Plan, all guarantees by any Debtor of the obligations of any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be deemed eliminated so that any obligation that could otherwise be asserted against more than one Debtor shall result in a single distribution under the Plan, *provided* that Claims held by a single entity at different Debtors that are not based on guarantees or joint and several liability shall be entitled to the applicable distribution for such Claim at each applicable Debtor. Any such Claims shall be released pursuant to Article VIII of the Plan and shall be subject to all potential objections, defenses, and counterclaims, and to estimation pursuant to section 502(c) of the Bankruptcy Code. For the avoidance of doubt, this shall not affect the obligation of each and every Debtor to pay Statutory Fees as set forth in Article XII.E.

7. Postpetition Interest on Claims

Unless otherwise expressly provided in the Plan, postpetition interest, penalties, or other fees will not accrue or be payable on account of any Claim and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on account of such Claim.

8. Foreign Currency Exchange Rate

As of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in *The Wall Street Journal* on the Petition Date.

9. Setoffs and Recoupments

Except as expressly provided in the Plan, the Debtors or the Plan Administrator, as applicable, may, pursuant to section 553 of the Bankruptcy Code, set off and/or recoup against any Plan distributions to be made on account of any Allowed Claim, any and all claims, rights, and Causes of Action that the Estate may hold against the Holder of such Allowed Claim to the extent such setoff or recoupment is either (1) agreed in amount among the relevant Debtor(s) and Holder of Allowed Claim or (2) otherwise adjudicated by the Bankruptcy Court or another court of competent jurisdiction; *provided*, *however*, that neither the failure to effectuate a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by a

Debtor, its Estate, Distribution Co., or the Plan Administrator of any and all claims, rights, and Causes of Action that such Debtor, Estate, Distribution Co., or Plan Administrator may possess against the applicable Holder.

10. Allocation of Distributions Between Principal and Interest

To the extent that any Allowed General Unsecured Claim entitled to a distribution under the Plan includes both principal and accrued but unpaid prepetition interest, such distribution shall be allocated to the principal amount (as determined for U.S. federal income tax purposes) of the Claim first, and then to accrued but unpaid prepetition interest.

11. Claims Paid or Payable by Third Parties

i. *Claims Paid by Third Parties*

If a Holder of a Claim receives a payment or other satisfaction of its Claim other than through the Debtors and/or the Plan Administrator, as applicable, on account of such Claim, such Claim shall be reduced by the amount of such payment or satisfaction without an objection to such Claim having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, and if the Claim was paid or satisfied in full other than through the Debtors and/or the Plan Administrator, as applicable, then such Claim shall be disallowed and any recovery in excess of a single recovery in full shall be paid over to the Debtors or the Plan Administrator, as applicable, without an objection to such Claim having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment or satisfaction from a party that is not the Debtors and/or the Plan Administrator, as applicable, on account of such Claim, such Holder shall, within 14 Business Days of receipt thereof, repay or return the distribution to the Debtors or Plan Administrator, as applicable, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Debtor or the Plan Administrator annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

ii. *Claims Payable by Third Parties*

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' Insurance Policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such Insurance Policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurer's agreement, the applicable portion of such Claim may be expunged (and the Claims Register adjusted accordingly) without an objection to such Claim having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

iii. *Applicability of Insurance Policies*

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable Insurance Policy. Nothing in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity, including Distribution Co., may hold against any other Person or Entity, including insurers under any policies of insurance, nor shall anything contained in the Plan constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

Notwithstanding anything to the contrary in the Plan, if any Claim is subject to coverage under an Insurance Policy, payments on account of such Claim will first be made from proceeds of such Insurance Policy in accordance with the terms thereof, with the balance of such Claim, if any, treated in accordance with the provisions of the Plan governing the Class applicable to such Claim.

12. Distributions Free and Clear

Except as otherwise provided in the Plan, any distribution or transfer made under the Plan shall be free and clear of any Liens, Claims, encumbrances, charges, and other interests, and no other entity shall have any interest, whether legal, beneficial, or otherwise, in property distributed or transferred pursuant to the Plan.

F. Procedures for Resolving Unliquidated and Disputed Claims

1. Allowance of Claims

After the Effective Date, the Plan Administrator shall have and retain any and all rights and defenses that the Debtors and the Estates had with respect to any Claim or Interest immediately prior to the Effective Date.

2. Claims Administration Responsibilities

Except as otherwise specifically provided in the Plan, after the Effective Date, the Plan Administrator shall have the authority to: (1) File, withdraw, or litigate to judgment, objections to Claims or Interests; (2) settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

3. Estimation of Claims

Before or after the Effective Date, the Debtors or the Plan Administrator, as applicable, may (but is not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any objection to any Claim or during the appeal relating to such objection.

Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged or disallowed from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), and the Debtors or the Plan Administrator, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before fourteen days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

4. Adjustment to Claims Without Objection

Any duplicate Claim or Interest or any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, cancelled, or otherwise expunged (including pursuant to the Plan), may be adjusted or expunged (including on the Claims Register, to the extent applicable) by the Plan Administrator without any objection to such Claim or Interest having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court.

Additionally, any Claim or Interest that is duplicative or redundant with another Claim against or Interest in the same Debtor or another Debtor, or any Claim or Interest that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Plan Administrator without the Plan Administrator having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

All Claims Filed on account of an indemnification obligation to a director, officer, or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court.

Any Claim that has been paid, satisfied, or assumed by a non-Debtor third party may be adjusted or expunged on the Claims Register by the Debtors or the Plan Administrator, as applicable, without an objection to such Claim having to be Filed following notice filed on the docket (i.e., a notice of satisfaction of claims) in the Bankruptcy Court of such adjustment or expungement.

5. Time to File Objections to Claims

Except as otherwise provided in the Plan, any objections to Claims shall be Filed on or before the Claims Objection Deadline (as such date may be extended upon entry of an order by the Bankruptcy Court).

6. Disallowance of Late Claims

Except as provided in the Plan or otherwise agreed, any and all Proofs of Claim Filed after the applicable Bar Date or the Administrative Claims Bar Date, as appropriate, shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

7. Disputed Claims

All Claims held by Persons or Entities from which property is recoverable under sections 542, 543, 544, 545, 547, 548, 549, or 550 of the Bankruptcy Code or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 548, 549, or 724(a) of the Bankruptcy Code shall be deemed Disputed Claims pursuant to section 502(d) of the Bankruptcy Code and Holders of such Claims shall not be entitled to vote to accept or reject the Plan. A Claim deemed Disputed pursuant to this Article VII.G shall continue to be Disputed for all purposes until the relevant proceeding against the Holder of such Claim has been settled or resolved by a Final Order and any sums due to the Debtors or the Plan Administrator, as applicable, from such Holder have been paid.

8. Amendments to Claims

Except as otherwise expressly provided for in the Plan or the Confirmation Order, on or after the applicable Bar Date or the Administrative Claims Bar Date, as appropriate, a Claim may not be Filed or amended without the authorization of the Bankruptcy Court or the Plan Administrator. Absent such authorization, any new or amended Claim Filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law.

9. No Distributions Pending Allowance

If an objection to a Claim, Proof of Claim, or portion thereof is Filed, no payment or distribution provided under the Plan shall be made on account of such Claim, Proof of Claim, or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

10. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions, if any, shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court

allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim the distribution, if any, to which such Holder is entitled under the Plan as of the Effective Date, without any interest, dividends, or accruals to be paid on account of such Claim. No interest shall accrue or be paid on any Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Claim.

G. Settlement, Release, Injunction, and Related Provisions

1. Settlement, Compromise, and Release of Claims and Interests

Because the Debtors are liquidating, they are not entitled to a discharge of obligations pursuant to section 1141 of the Bankruptcy Code with regard to any Holders of Claims or Interests. Section 1141(c) nevertheless provides, among other things, that the property dealt with by the Plan is free and clear of all Claims and Interests against the Debtors. As such, no Entity holding a Claim or Interest may receive any payment from, or seek recourse against, any assets that are to be distributed under the Plan other than assets required to be distributed to that Entity under the Plan. All parties are precluded from asserting against any property to be distributed under the Plan any Claims, rights, Causes of Action, liabilities, or Interests based upon any act, omission, transaction, or other activity that occurred before the Effective Date except as expressly provided in the Plan or the Confirmation Order.

The distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, compromise, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Plan Administrator), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by current or former employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default or "event of default" by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. Therefore, notwithstanding anything in section 1141(d)(3) to the contrary, all Persons or Entities who have held, hold, or may hold Claims or Interests based upon any act, omission, transaction, or other activity of any kind or nature related to the Debtors or the Chapter 11 Cases, that occurred prior to the Effective Date, other than as expressly provided in the Plan, shall be precluded and permanently enjoined on and after the Effective Date from interfering with the use and distribution of the Debtors' assets in the manner contemplated by the Plan. The Confirmation Order shall be

a judicial determination of the settlement, compromise, and release of all Claims and Interests subject to the occurrence of the Effective Date.

2. Releases by the Debtors

Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is, and is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably, and forever released by the Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all claims and Causes of Action, including any derivative claims, asserted or assertable on behalf of the Debtors or their Estates, as applicable, whether known or unknown, foreseen or unforeseen, matured or unmatured, liquidated or unliquidated, fixed or contingent, existing or hereafter arising, in law, equity, contract, tort, or otherwise, that the Debtors or their Estates would have been entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a Debtor, their Estates, or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the Debtors' capital structure, management, ownership, or operation thereof), the purchase, sale, or rescission of any security of the Debtors or of any other real or personal property of the Debtors (including all tangible and intangible personal property of the Debtors), any direct or indirect investment in any Debtor by any Released Party, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between or among any Debtor and any Released Party, the ownership and/or operation of the Debtors by any Released Party or the distribution of any Cash or other property of the Debtors directly or indirectly to any Released Party, any other benefit provided by any Debtor to any Released Party, cash management arrangements, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or Affiliate of a Debtor, the Chapter 11 Cases, the Wind Down Process, the formulation, preparation, dissemination, negotiation, or Filing of the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement), any other Definitive Document, or any or any transaction contemplated by the Plan Support Agreement or the Plan, or any contract, instrument, release, or other agreement or document (including any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) relating to any of the foregoing, created or entered into in connection with the Wind Down Process, Disclosure Statement, the Plan, the Plan Supplement, before or during the Chapter 11 Cases, any preference, fraudulent transfer, or other avoidance claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law (but excluding avoidance actions brought as counterclaims or defenses to Claims asserted against the Debtors by Released Parties), the Filing of the Chapter 11 Cases, the Wind Down Process, the solicitation of votes on the Plan, the pursuit of confirmation of the Plan, the pursuit of Consummation, the administration and

implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence related or relating to any of the foregoing taking place on or before the Effective Date, other than claims or liabilities primarily arising out of any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under each of the Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan, or any Claim or obligation arising under the Plan.

3. Third-Party Release

Except as otherwise expressly set forth in the Plan or the Confirmation Order, on and after the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is, and is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably and forever, released by each Releasing Party (other than the Debtors and their Estates) from any and all claims and Causes of Action, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all Entities who may purport to assert any claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, including any derivative claims, asserted or assertable on behalf of any of the foregoing Entities, whether known or unknown, foreseen or unforeseen, matured or unmatured, liquidated or unliquidated, fixed or contingent, existing or hereafter arising, in law, equity, contract, tort, or otherwise, including any derivative claims asserted or assertable on behalf of the Debtors or their Estates, that such Entity would have been entitled to assert (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a Debtor or their Estates or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the capital structure, management, ownership, or operation thereof), the purchase, sale, or rescission of any security of the Debtors or of any other real or personal property of the Debtors (including all tangible and intangible personal property of the Debtors), any direct or indirect, any investment in any Debtor by any Released Party, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between or among any Debtor and any Released Party, the ownership and/or operation of the Debtors by any Released Party or the distribution of any Cash or other property of the Debtors directly or indirectly to any Released Party, any benefit provided to any Released Party, cash management arrangements, the assertion or enforcement of rights or remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, any avoidance actions (but excluding avoidance actions brought as counterclaims or defenses to Claims asserted against the Debtors), intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or Affiliate of a Debtor, the Chapter 11 Cases, the Wind Down Process, the formulation, preparation, dissemination, negotiation, or Filing of the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement), any other Definitive Document, or any or any transaction contemplated by the Plan Support

Agreement or the Plan, or any contract, instrument, release, or other agreement or document (including any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) relating to any of the foregoing, created or entered into in connection with the Wind Down Process, Disclosure Statement, the Plan, the Plan Supplement, before or during the Chapter 11 Cases, any preference, fraudulent transfer, or other avoidance claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the Wind Down Process, the Filing of the Chapter 11 Cases, the solicitation of votes on the Plan, the pursuit of confirmation of the Plan, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence related or relating to any of the foregoing taking place on or before the Effective Date, other than claims or liabilities primarily arising out of any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any post-Effective Date obligations of any party or Entity under each of the Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan, or any Claim or obligation arising under the Plan, (b) any non-Debtor Loan Parties (as defined in the ABL Credit Agreement) from claims, causes of action, obligations, rights, or remedies arising under, or in connection with, the ABL Credit Agreement and related loan documents, (c) any non-Debtor Loan Parties (as defined in the Term Loan Credit Agreement) from claims, causes of action, obligations, rights, or remedies arising under, or in connection with, the Term Loan Credit Agreement and related loan documents, or (d) any non-Debtor Loan Parties (as defined in the Subordinated Loan Credit Agreement) from claims, causes of action, obligations, rights, or remedies arising under, or in connection with, the Subordinated Loan Credit Agreement and related loan documents.

4. Exculpation

Notwithstanding anything contained in the Plan to the contrary, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or Third-Party Release, effective as of the Effective Date, no Exculpated Party shall have or incur liability or obligation for, and each Exculpated Party is hereby released and exculpated from any Cause of Action for any claim related to any act or omission occurring on or after the Petition Date through the Effective Date in connection with, relating to, or arising out of, in whole or in part, the Chapter 11 Cases, the Wind Down Process, the formulation, preparation, dissemination, negotiation, Filing, or termination of the Disclosure Statement, the Plan, the Plan Supplement, Plan Support Agreement, or any transaction contemplated by the Plan Support Agreement or the Plan, any contract, instrument, release, or other agreement or document (including any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) relating to any of the foregoing, created or entered into in connection with the Wind Down Process, Disclosure Statement, the Plan, the Plan Supplement, the

Filing of the Chapter 11 Cases, the pursuit of confirmation of the Plan, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence occurring on or after the Petition Date through the Effective Date, except for Claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.

5. Injunction

Except as otherwise provided in the Plan or the Confirmation Order, all Entities who have held, hold, or may hold claims, Interests, Causes of Action, or liabilities that: (1) are subject to compromise and settlement pursuant to the terms of the Plan; (2) have been released pursuant to the Plan; (3) are subject to exculpation pursuant to the Plan; or (4) are otherwise satisfied, stayed, released, or terminated pursuant to the terms of the Plan, are permanently enjoined and precluded, from and after the Effective Date, from commencing or continuing in any manner, any action or other proceeding, including on account of any claims, Interests, Causes of Action, or liabilities that have been compromised or settled against the Debtors or any Person or Entity so released or exculpated (or the property or estate of any Entity, directly or indirectly, so released or exculpated) on account of, or in connection with or with respect to, any released, settled, compromised, or exculpated claims, Interests, Causes of Action, or liabilities, including being permanently enjoined and precluded, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, Distribution Co., the Released Parties, or Exculpated Parties, as applicable: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims, Interests, Causes of Action, or liabilities; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such claims, Interests, Causes of Action, or liabilities; (c) creating, perfecting, or enforcing any lien or encumbrance of any kind against such Entities or the property or the estate of such Entities on account of or in connection with or with respect to any such claims, Interests, Causes of Action, or liabilities; (d) asserting any right of setoff or subrogation of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such claims, Interests, Causes of Action, or liabilities unless such Entity has timely asserted such setoff or subrogation right in a document filed with the Bankruptcy Court explicitly preserving such setoff or subrogation (i.e., a Proof of Claim or motion asserting such rights), and notwithstanding an indication of a Claim or Interest or otherwise that such Person or Entity asserts, has, or intends to preserve any right of setoff or subrogation pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims, Interests, Causes of Action, or liabilities released, exculpated, or settled pursuant to the Plan.

Upon the Bankruptcy Court's entry of the Confirmation Order, all Holders of Claims and Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan by the Debtors, the Plan Administrator, and their respective affiliates, employees, advisors, officers and directors, or agents.

6. Waiver of Statutory Limitations on Releases

EACH RELEASING PARTY IN EACH OF THE RELEASES CONTAINED IN THE PLAN (INCLUDING UNDER ARTICLE VIII OF THE PLAN) EXPRESSLY ACKNOWLEDGES THAT ALTHOUGH ORDINARILY A GENERAL RELEASE MAY NOT EXTEND TO CLAIMS WHICH THE RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE PARTY RELEASED, IT HAS CAREFULLY CONSIDERED AND TAKEN INTO ACCOUNT IN DETERMINING TO ENTER INTO THE ABOVE RELEASES THE POSSIBLE EXISTENCE OF SUCH UNKNOWN LOSSES OR CLAIMS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH RELEASING PARTY EXPRESSLY WAIVES ANY AND ALL RIGHTS CONFERRED UPON IT BY ANY STATUTE OR RULE OF LAW WHICH PROVIDES THAT A RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CLAIMANT DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE RELEASED PARTY, INCLUDING THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542. THE RELEASES CONTAINED IN ARTICLE VIII OF THE PLAN ARE EFFECTIVE REGARDLESS OF WHETHER THOSE RELEASED MATTERS ARE PRESENTLY KNOWN, UNKNOWN, SUSPECTED OR UNSUSPECTED, FORESEEN OR UNFORESEEN.

7. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Debtors' Estates shall be fully released, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Debtors and their successors and assigns.

If any Holder of a Secured Claim or any agent for such Holder has filed or recorded publicly any Liens and/or security interests to secure such Holder's Secured Claim, as soon as practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps requested by the Plan Administrator that are necessary or desirable to record or effectuate the cancellation and/or extinguishment of such Liens and/or security interests, including the making of any applicable filings or recordings, and the Plan Administrator shall be entitled to make any such filings or recordings on such Holder's behalf.

8. Term of Injunctions or Stays

Except as otherwise provided in the Plan, to the maximum extent permitted by applicable law and subject to the Bankruptcy Court's post-Confirmation jurisdiction to modify the injunctions and stays under the Plan (1) all injunctions with respect to or stays against an action against property of the Debtors or the Estates arising under or entered during the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, and in existence on the date the Confirmation Order is entered, shall remain in full force and effect until such property is no longer property of the Debtors or the Estates; and (2) all other injunctions and stays arising under or entered during the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code shall remain in full force and effect until the earliest of (a) the date that the Chapter 11 Cases are closed pursuant to a Final Order of the Bankruptcy Court, or (b) the date that the Chapter 11 Cases are dismissed pursuant to a Final Order of the Bankruptcy Court. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect indefinitely.

9. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

10. Subordination Rights

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code, or otherwise, that a Holder of a Claim or Interest may have against other Claim or Interest Holders with respect to any distribution made pursuant to the Plan. Except as provided in the Plan, all subordination rights that a Holder of a Claim or Interest may have with respect to any distribution to be made pursuant to the Plan shall be terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or any distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Estates, their respective property, and Holders of Claims and Interests and is fair, equitable, and reasonable.

11. Protections Against Discriminatory Treatment

To the maximum extent provided by section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Debtors or Distribution Co. or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Debtors, Distribution Co., or another Entity with whom the Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

H. Conditions Precedent to the Effective Date

1. Conditions Precedent

Consummation of the Plan is subject to each of the following conditions precedent:

1. the Plan Support Agreement and the Cash Collateral Order shall not have terminated and shall continue to be in full force and effect;

2. each document or agreement constituting definitive documents contemplated in the Plan Support Agreement shall (a) be in form and substance consistent with the Plan Support Agreement, (b) have been duly executed, delivered, acknowledged, filed, and/or effectuated, as applicable, and (c) be in full force and effect, and any conditions precedent related thereto or contained therein shall have been satisfied prior to or contemporaneously with the occurrence of the Effective Date or otherwise waived;

3. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan, and all applicable regulatory or government-imposed waiting periods shall have expired or been terminated;

4. all Allowed Professional Fee Claims of Professionals shall have been paid in full or amounts sufficient to pay such fees and expenses in full after the Effective Date shall have been transferred to the Professional Fee Escrow Account;

5. all accrued and unpaid Transaction Expenses shall have been paid in full in Cash;

6. the Bankruptcy Court shall have entered the Confirmation Order in form and substance consistent with the Plan Support Agreement and the consent rights contained therein and the Confirmation Order shall continue to be in full force and effect;

7. all actions, documents, and agreements necessary to implement and Consummate the Plan shall have been effected and executed, and shall be in form and substance consistent with the Plan and Plan Support Agreement;

8. the Plan Administrator shall have been appointed and assumed its rights and responsibilities under the Plan and the Plan Administration Agreement, as applicable;

9. the Plan and the Confirmation Order shall be in form and substance consistent with the SPARC Settlement; and

10. the Debtors shall have funded with Cash the Plan Administration Amount.

2. Waiver of Conditions

Unless otherwise specifically provided for in the Plan, the conditions set forth in Article VIII.A may be waived in whole or in part by the Debtors with the express prior written consent (which may be via email of counsel) of the Required Consenting Creditors without notice to any other parties in interest or the Bankruptcy Court and without a hearing; *provided that* the condition in Article VIII.A.9 may not be waived without the express prior written consent (which may be via email of counsel) of the SPARC Parties.

3. Substantial Consummation

"Substantial Consummation" of the Plan, as defined in section 1101(2) of the Bankruptcy Code, with respect to any of the Debtors, shall be deemed to occur on the Effective Date with respect to such Debtor.

4. Effect of Non-Occurrence of the Confirmation Order

If the Effective Date does not occur with respect to any Debtor (including if the Confirmation Order is vacated), the Plan will be null and void in all respects, and nothing in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any claim by or Claims against or Interests in such Debtors, including with respect to the release of Claims; (2) prejudice in any manner the rights, including any claims or defenses, of any party in interest and distributions for Allowed Claims; (3) constitute an admission, acknowledgement, offer, or undertaking by such Debtors, any Holders, or any other Entity in any respect.

5. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code and, therefore, no such parties will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan.

I. Modification, Revocation, or Withdrawal of the Plan

1. Modification of the Plan

Subject to the limitations contained in the Plan and the Plan Support Agreement, the Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules (1) to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129 of the Bankruptcy Code and (2) after the entry of the Confirmation Order, the Debtors may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

2. Other Amendments

The Debtors may make appropriate non-material, technical adjustments and modifications to the Plan or the Plan Supplement prior to the Effective Date without further order or approval of the Bankruptcy Court.

3. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

4. Revocation of Plan

The Debtors reserve the right to revoke or withdraw the Plan prior to the entry of the Confirmation Order and to File subsequent plans of reorganization or liquidation, in each case subject to the terms of the Plan Support Agreement. If the Debtors revoke or withdraw the Plan subject to the terms hereof and the Plan Support Agreement, or if entry of the Confirmation Order or the Effective Date does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan, assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant hereto shall be deemed null and void; and (3) nothing contained in the Plan, the Plan Supplement, the Confirmation Order, or the Disclosure Statement shall (a) constitute a waiver or release of any Claims, Interests, or Causes of Action, (b) prejudice in any manner the rights of the Debtors or any other Person or Entity, or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Person or Entity.

J. Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and Consummation, the Bankruptcy Court shall retain jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases, the Confirmation Order, the Plan Supplement, and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction over, among other items, each of the following:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. resolve any cases, controversies, suits, or disputes that may arise in connection with Claims, including Claim objections, allowance, disallowance, subordination, estimation, and distribution;

3. decide and resolve all matters related to the granting and denying, in whole or in part of, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

4. resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which one or more Debtors is party or with respect to which the Debtors may be liable and to hear, determine, and, if necessary, liquidate, any cure amount arising therefrom; and/or (b) any dispute regarding whether a contract or lease is or was executory or expired;

5. adjudicate, decide or resolve any motions, adversary proceedings, contested, or litigated matters, and any other matters, and grant or deny any applications involving the Debtors that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

7. adjudicate, decide or resolve any motions, adversary proceedings, contested, or litigated matters, and any other matters relating to the retained Causes of Action;

8. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

9. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the interpretation or enforcement of the Plan or any Person's or Entity's obligations incurred in connection with the Plan;

10. issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with enforcement of the Plan;

11. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in the Plan and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

12. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

13. determine any other matters that may arise in connection with or related to the Disclosure Statement, the Plan, the Plan Supplement, and the Confirmation Order;

14. ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;

15. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by any Holder for amounts not timely repaid;

16. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

17. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Plan Supplement, or the Confirmation Order;

18. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including any request by the Debtors or the Plan Administrator on behalf of Distribution Co., as applicable, for an expedited determination of tax under section 505(b) of the Bankruptcy Code);

19. to recover all assets of the Debtors and property of the Estates, wherever located;

20. enter an order or final decree concluding or closing any of the Chapter 11 Cases;

21. enforce all orders previously entered by the Bankruptcy Court; and hear any other matter over which the Bankruptcy Court has jurisdiction.

K. Miscellaneous Provisions

1. Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e) or 7062 or otherwise, upon Consummation, the terms of the Plan and the documents and instruments contained in the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Plan Administrator, all Holders of Claims against and Interests in the Debtors (regardless of whether any such Holder has voted or failed to vote to accept or reject the Plan and regardless of whether any such Holder is entitled to receive any distribution under the Plan), all Persons or Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Person or Entity acquiring property under the Plan, any and all non-Debtor parties to Executory Contracts and Unexpired Leases, and all parties in interest.

2. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors, the Plan Administrator, all Holders

of Claims receiving distributions pursuant to the Plan, and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may reasonably be necessary or advisable to effectuate the provisions and intent of the Plan or the Confirmation Order.

3. Reservation of Rights

The Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by the Debtors with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of the Debtors with respect to the Holders of Claims or Interests prior to the Effective Date.

4. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, beneficiaries or guardian, if any, of each Person or Entity.

5. Payment of Statutory Fees

All Statutory Fees that are due and owing as of the Effective Date shall be paid by the Debtors in full in Cash on the Effective Date. After the Effective Date, Distribution Co. (or the Plan Administrator on behalf of Distribution Co.) shall pay any and all applicable Statutory Fees for each quarter (including any fraction thereof), and shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Distribution Co. and the Plan Administrator, as applicable, shall remain obligated to pay any applicable Statutory Fees until the earliest of that particular Debtor's case being closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code. The U.S. Trustee shall not be required to file any proof of claim or any request for administrative expense for Statutory Fees. The provisions of this paragraph shall control notwithstanding any other provision in the Plan to the contrary.

6. Dissolution of the Committee

On the Effective Date, the Committee will dissolve automatically and the members thereof will be released and discharged from all rights, duties, obligations, and liabilities arising on or prior to the Effective Date arising from or related to the Chapter 11 Cases; *provided*, *however*, that, after the Effective Date, the Committee will continue to exist solely with respect to prosecuting requests for payment of Professional Fee Claims for services or reimbursements of expenses incurred prior to the Effective Date by the Committee and its Professionals. Following the Effective Date, the Committee's Professionals shall be entitled to reasonable compensation for services rendered in connection with such matters and any such payments made in connection therewith shall be made without any further notice to or action, order, or approval of the Bankruptcy Court. Other than the foregoing sentence, the Debtors, Distribution Co., and the Plan Administrator will have no responsibility for paying any fees or expenses incurred by members of or advisors to the Committee after the Effective Date.

7. Notices

To be effective, all notices, requests, and demands to or upon the Debtors must be in writing (including by email) and, unless otherwise expressly provided in the Plan, will be deemed to have been duly given or made when actually delivered or, in the case of notice by email, when received, and served on or delivered to the following parties:

If to the Debtors, to:

F21 OpCo, LLC, *et al.*
110 East 9th Street, Suite A500
Los Angeles, California 90079
Attn.: Brad Sell, Scott Hampton
Email: brad.s@forever21.com; scott.hampton@forever21.com

with copies (which will not constitute notice) to:

Young Conaway Stargatt & Taylor, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Attn.: Andrew Magaziner; S. Alexander Faris
Email: amagaziner@ycst.com; afaris@ycst.com

If to the ABL Agent, to:

Otterbourg P.C.
230 Park Avenue
New York, NY 10169
Attention: Daniel F. Fiorillo and Chad B. Simon
E-mail address: dfiorillo@otterbourg.com; csimon@otterbourg.com

If to the Term Loan Agent, to:

Riemer & Braunstein LLP
Seven Times Square, Suite 2506
New York, NY 10036
Attention: Steven Fox
E-mail address: sfox@riemerlaw.com

If to the Subordinated Loan Agent, to:

Choate, Hall & Stewart LLP
Two International Place
Boston, MA 02110
Attention: Mark Silva
E-mail address: msilva@choate.com

After the Effective Date, Persons or Entities that wish to continue to receive documents pursuant to Bankruptcy Rule 2002 must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Plan Administrator is authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Persons or Entities that Filed such renewed requests.

8. Entire Agreement

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan. If the Effective Date does not occur, nothing herein or in the Plan shall be construed as a waiver by any party in interest of any or all of such party's rights, remedies, claims, and defenses, and such parties expressly reserve any and all of their respective rights, remedies, claims and, defenses. This Plan and the documents comprising the Plan Supplement, including any drafts thereof (and any discussions, correspondence, or negotiations regarding any of the foregoing) shall in no event be construed as, or be deemed to be, evidence of an admission or concession on the part of any party in interest of any claim or fault or liability or damages whatsoever. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations, discussions, agreements, settlements, and compromises reflected in or related to Plan and the documents comprising the Plan Supplement is part of a proposed settlement of matters that could otherwise be the subject of litigation among various parties in interest, and such negotiations, discussions, agreements,

settlements, and compromises shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of the Plan and the documents comprising the Plan Supplement.

9. Plan Supplement Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. Copies of such exhibits and documents shall be made available upon written request to Debtors' counsel at the address above or by downloading such exhibits and documents free of charge from the Notice and Claims Agent's website.

Unless otherwise ordered by the Bankruptcy Court, to the extent any exhibit or document in the Plan Supplement is inconsistent with the terms of any part of the Plan that does not constitute the Plan Supplement, such part of the Plan that does not constitute the Plan Supplement shall control. The documents in the Plan Supplement are considered an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order.

10. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Delaware, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control), and corporate governance matters.

11. Non-Severability of Plan Provision Upon Confirmation

The provisions of the Plan, including its release, injunction, exculpation, and compromise provisions, are mutually dependent and non-severable. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is the following: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the consent of the Debtors and the Plan Administrator, as applicable, consistent with the terms set forth in the Plan; and (3) non-severable and mutually dependent. Notwithstanding anything to the contrary in the preceding sentence, and for the avoidance of doubt, (a) prior to the Effective Date, each of the documents included in the Plan Supplement may be modified in accordance with the terms of the Plan and (b) following the Effective Date, each of the documents included in the Plan Supplement may be modified in accordance with its terms (to the extent applicable).

ARTICLE VII.
VOTING PROCEDURES AND REQUIREMENTS

Before voting to accept or reject the Plan, each holder of a Claim in any of the Voting Classes as of May 5, 2025 (the "**Voting Record Date**" and each such holder as of the Voting Record Date, a "**Record Holder**") should carefully review the Plan attached hereto as **Exhibit A**.

All descriptions of the Plan set forth in this Disclosure Statement are subject to the terms and conditions of the Plan.

A. Voting Instructions and Voting Deadline

All Record Holders have been sent a ballot (each, a "**Ballot**," and collectively, "**Ballots**") together with this Disclosure Statement. Such holders should read the Ballot carefully and follow the instructions contained therein. Please use only the Ballot that accompanies this Disclosure Statement to cast your vote.

The Debtors have engaged Verita as their Notice and Claims Agent to assist in the transmission of voting materials and in the tabulation of votes with respect to the Plan. **FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE RECEIVED BY THE NOTICE AND CLAIMS AGENT AT THE ADDRESS SET FORTH BELOW ON OR BEFORE THE VOTING DEADLINE OF 4:00 P.M. (PREVAILING EASTERN TIME) ON [JUNE 2], 2025 UNLESS EXTENDED BY THE DEBTORS. PLEASE RETURN YOUR BALLOT IN ACCORDANCE WITH THE INSTRUCTIONS RECEIVED WITH YOUR BALLOT.**

IF YOUR BALLOT IS DAMAGED OR LOST, YOU MAY CONTACT THE NOTICE AND CLAIMS AGENT AT THE NUMBER SET FORTH BELOW TO RECEIVE A REPLACEMENT BALLOT. ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE A VOTE FOR ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, YOU MAY CONTACT THE NOTICE AND CLAIMS AGENT AT:

Forever21 Ballot Processing Center
c/o KCC d/b/a Verita
222 N. Pacific Coast Highway, Suite 300
El Segundo, CA 90245
Tel: (866) 480-0830 (USA or Canada); +1 (781) 575-2040 (International)

Questions (but not documents) concerning the voting procedures may be submitted to the Notice and Claims Agent via email at F21info@veritaglobal.com with a reference to "Forever21 Solicitation" in the subject line or via the inquiry form at https://veritaglobal.net/forever21/inquiry.

Additional copies of this Disclosure Statement are available for review and download, free of charge, at https://www.veritaglobal.net/forever21, or upon request made to the Notice and Claims Agent at the telephone numbers, email address, or inquiry form set forth immediately above.

B. Voting Procedures

The Debtors are providing copies of this Disclosure Statement (including all exhibits thereto), a Ballot, and related materials (collectively, a "**Solicitation Package**") to Record

Holders. Any Record Holder or nominee of a Record Holder who has not received an applicable Ballot should contact the Notice and Claims Agent.

Holders of ABL Claims in Class 3, Term Loan Claims in Class 4, Subordinated Loan Claims in Class 5, and General Unsecured Claims in Class 6 should provide all of the information requested by the Ballot and ***promptly*** return all Ballots received in the enclosed, self-addressed, postage-paid envelope provided with each such Ballot to the Notice and Claims Agent by the Voting Deadline.

Alternatively, such holders may submit their Ballots electronically through the Notice and Claims Agent's online portal, at www.veritaglobal.net/forever21. Holders should click on the "Submit E-Ballot" section of the website and follow the instructions to submit their Ballot electronically. Each holder will receive a unique e-ballot identification number with which to submit their Ballot electronically on the Notice and Claims Agent's online portal.

The Notice and Claims Agent's online portal is the sole manner in which Ballots will be accepted via electronic or online transmission. **Ballots submitted by facsimile, email or other means of electronic transmission will not be counted.** Holders of ABL Claims, Term Loan Claims, Subordinated Loan Claims, or General Unsecured Claims who cast a Ballot using the Notice and Claims Agent's online portal should NOT also submit a paper Ballot.

If you have any questions about the solicitation or voting process, please contact the Notice and Claims Agent at (866) 480-0830 (USA or Canada) or +1 (781) 575-2040 (International) or via email at F21info@veritaglobal.com with a reference to "Forever21 Solicitation" in the subject line.

C. Parties Entitled to Vote

Pursuant to the provisions of the Bankruptcy Code, only holders of allowed claims or equity interests in classes of claims or equity interests that are impaired and that are not deemed to have rejected a proposed plan are entitled to vote to accept or reject such proposed plan. Classes of claims or interests in which the holders of claims or interests are unimpaired under a plan are presumed to have accepted such plan and are not entitled to vote to accept or reject the plan. Similarly, classes of claims or interests in which the holders of claims or interests are impaired and are not entitled to receive or retain any property under the plan on account of such claims or interests are deemed to have rejected such plan and are not entitled to vote to accept or reject the plan. For a detailed description of the treatment of Claims under the Plan, see Article VI of this Disclosure Statement.

The Debtors will request confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code as necessary. Section 1129(b) of the Bankruptcy Code permits the confirmation of a chapter 11 plan notwithstanding the rejection of such plan by one or more impaired classes of claims or equity interests. Under section 1129(b), a plan may be confirmed by a bankruptcy court if it does not "discriminate unfairly" and is "fair and equitable" with respect to each rejecting class. For a more detailed description of the requirements for confirmation of a nonconsensual plan, see Article VIII.C.2 of this Disclosure Statement.

The Claims in Classes 3, 4, 5, and 6 are impaired under the Plan and entitled to vote to accept or reject the Plan. Class 3 includes ABL Claims, Class 4 includes Term Loan Claims, Class 5 includes Subordinated Loan Claims, and Class 6 includes General Unsecured Claims.

D. Fiduciaries and Other Representatives

If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or another, acting in a fiduciary or representative capacity, such person should indicate such capacity when signing and, if requested, must submit proper evidence satisfactory to the Debtors of authority to so act. Authorized signatories should submit the separate Ballot of each Record Holder of ABL Claims in Class 3, Term Loan Claims in Class 4, Subordinated Loan Claims in Class 5, and General Unsecured Claims in Class 6 for whom they are voting.

UNLESS A BALLOT, OR ANY PROVISIONAL BALLOTS AS NECESSARY, IS SUBMITTED TO THE NOTICE AND CLAIMS AGENT ON OR BEFORE THE VOTING DEADLINE, SUCH BALLOT WILL BE REJECTED AS INVALID AND WILL NOT BE COUNTED AS AN ACCEPTANCE OR REJECTION OF THE PLAN; PROVIDED, HOWEVER, THE DEBTORS RESERVE THE RIGHT, IN THEIR SOLE DISCRETION, TO ALLOW ANY SUCH BALLOTS TO BE COUNTED, ABSENT A CONTRARY ORDER FROM THE BANKRUPTCY COURT.

E. Agreements Upon Furnishing Ballots

The delivery of an accepting Ballot pursuant to one of the procedures set forth above will constitute the agreement of the holder with respect to such Ballot to accept (i) all of the terms of, and conditions to, this solicitation; and (ii) the terms of the Plan including the injunction, releases, and exculpations set forth in Article VIII therein. All parties in interest retain their right to object to confirmation of the Plan, subject to any applicable terms of the PSA.

F. Change of Vote

Except as provided in the PSA, any party who has previously submitted to the Notice and Claims Agent before the Voting Deadline a properly completed Ballot may revoke such Ballot and change its vote by submitting to the Notice and Claims Agent before the Voting Deadline a subsequent, properly completed Ballot for acceptance or rejection of the Plan. After the Voting Deadline, no Ballot may be withdrawn or modified without the prior written consent of the Debtors.

G. Waivers of Defects, Irregularities, Etc.

Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawals of Ballots will be determined by the Notice and Claims Agent or the Debtors, as applicable, in their sole discretion, which determination will be final and binding. The Debtors reserve the right to reject any and all Ballots submitted by any of their respective holders not in proper form, the acceptance of which would, in the opinion of the Debtors or their counsel, as applicable, be unlawful. The Debtors further reserve their respective rights to waive any defects or irregularities or conditions of delivery

as to any particular Ballot by any of their holders. The interpretation (including the Ballot and the respective instructions thereto) by the applicable Debtor, unless otherwise directed by the Bankruptcy Court, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtors (or the Bankruptcy Court) determines. Neither the Debtors nor any other person will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will be invalidated.

H. Miscellaneous

All Ballots must be signed by the Record Holder of the ABL Claims, Term Loan Claims, Subordinated Loan Claims, or General Unsecured Claims, as applicable, or any person who has obtained a properly completed Ballot proxy from the Record Holder of the ABL Claims, Term Loan Claims, Subordinated Loan Claims, or General Unsecured Claims as applicable, on such date. For purposes of voting to accept or reject the Plan, the Record Holders of the ABL Claim, Term Loan Claim, Subordinated Loan Claim, or General Unsecured Claim will be deemed to be the "holders" of such Claims. Unless otherwise ordered by the Bankruptcy Court, Ballots that are signed, dated, and timely received, but on which a vote to accept or reject the Plan has not been indicated, will not be counted. The Debtors, in their sole discretion, may request that the Notice and Claims Agent attempt to contact such holders to cure any such defects in the Ballots. Any Ballot marked to both accept and reject the Plan will not be counted. If a holder returns more than one Ballot voting ABL Claims, Term Loan Claims, Subordinated Loan Claims, or General Unsecured Claims, the Ballots are not voted in the same manner, and the holder does not correct this before the Voting Deadline, the last Ballot submitted will be the Ballot counted. An otherwise properly executed Ballot that attempts to partially accept and partially reject the Plan will likewise not be counted.

Under the Bankruptcy Code, for purposes of determining whether the requisite acceptances have been received, only holders of the ABL Claims, Term Loan Claims, Subordinated Loan Claims, or General Unsecured Claims, as applicable, who actually vote will be counted. The failure of a holder to deliver a duly executed Ballot to the Notice and Claims Agent will be deemed to constitute an abstention by such holder with respect to voting on the Plan and such abstentions will not be counted as votes for or against the Plan.

Except as provided below, unless a Ballot, or any provisional ballots as necessary, is timely submitted to the Notice and Claims Agent before the Voting Deadline together with any other documents required by such Ballot, the Debtors may, in their sole discretion, reject such Ballot as invalid, and therefore decline to utilize it in connection with seeking confirmation of the Plan.

THE PLAN PROVIDES THAT HOLDERS OF IMPAIRED CLAIMS WHO ARE ENTITLED TO VOTE ON THE PLAN AND VOTE TO REJECT THE PLAN BUT DO NOT OPT IN TO THE RELEASE PROVISIONS OF THE PLAN ARE NOT BE DEEMED TO HAVE GRANTED THE RELEASES THEREIN. ADDITIONALLY, THE PLAN PROVIDES THAT HOLDERS OF IMPAIRED CLAIMS WHO ARE ENTITLED TO

VOTE ON THE PLAN AND WHO VOTE TO ACCEPT THE PLAN BUT DO NOT OPT IN TO THE RELEASE PROVISIONS OF THE PLAN ARE NOT DEEMED TO HAVE GRANTED THE RELEASES CONTEMPLATED THEREIN.

ARTICLE VIII.
CONFIRMATION OF THE PLAN

A. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a confirmation hearing to confirm a chapter 11 plan upon appropriate notice to all required parties. Notice of the Confirmation Hearing will be provided to all known creditors or their representatives. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the continuation date made at the Confirmation Hearing, at any subsequent continued Confirmation Hearing, or pursuant to a notice filed on the docket for the Chapter 11 Cases.

B. Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to the confirmation of a plan. Any objection to Confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules and the Local Rules of the United States Bankruptcy Court for the District of Delaware, must set forth the name of the objector, the nature and amount of Claims or Interests held or asserted by the objector against the Debtors' estates or properties, the basis for the objection and the specific grounds therefor, and must be filed with the Bankruptcy Court, together with proof of service thereof, and served upon the following parties, including such other parties as the Bankruptcy Court may order:

Debtors at:

F21 OpCo, LLC, *et al*.
110 East 9th Street, Suite A500
Los Angeles, CA 90079
Attn: Stephen Coulombe, Co-CRO
Email: scoulombe@thinkbrg.com

Counsel to the Debtors at:

Young Conaway Stargatt & Taylor, LLP
1000 North King Street
Wilmington, Delaware 19801
Fax: (302) 571-1253
Attn: Andrew L. Magaziner
S. Alexander Faris
Email: amagaziner@ycst.com
afaris@ycst.com

Office of the U.S. Trustee at:

Office of the United States Trustee for the District of Delaware
844 North King Street, Suite 2207, Lockbox 35
Wilmington, Delaware 19801
Attn: Jane M. Leamy
Email: jane.m.leamy@usdoj.gov

Counsel to the ABL Agent at:

Otterbourg P.C.
230 Park Avenue
New York, NY 10169
Attn: Daniel F. Fiorillo
Chad B. Simon
Email: dfiorillo@otterbourg.com
csimon@otterbourg.com

Counsel to the Term Loan Agent at:

Riemer & Braunstein LLP
Seven Times Square, Suite 2506
New York, New York 10036
Attn: Steven Fox
Email: sfox@riemerlaw.com

Counsel to the Subordinated Loan Agent at:

Choate, Hall & Stewart LLP
Two International Place
Boston, MA 02110
Attn: Mark Silva
Email: msilva@choate.com

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

C. Requirements for Confirmation of the Plan

1. Requirements of Section 1129(a) of the Bankruptcy Code

a. *General Requirements*

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements specified in section 1129(a) of the Bankruptcy Code have been satisfied including, without limitation, whether:

i. the Plan complies with the applicable provisions of the Bankruptcy Code;

ii. the Debtors have complied with the applicable provisions of the Bankruptcy Code;

iii. the Plan has been proposed in good faith and not by any means forbidden by law;

iv. any payment made or promised by the Debtors or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and any such payment made before Confirmation of the Plan is reasonable, or if such payment is to be fixed after Confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable;

v. with respect to each Class of Claims or Interests, each holder of an impaired Claim or Interest has either accepted the Plan or will receive or retain under the Plan, on account of such holder's Claim or Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount such holder would receive or retain if the Debtors were liquidated on the Effective Date of the Plan under chapter 7 of the Bankruptcy Code;

vi. except to the extent the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code (as discussed further below), each Class of Claims or Interests either accepted the Plan or is not impaired under the Plan;

vii. except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Claims, other than Priority Tax Claims, will be paid in full on the Effective Date, and that Priority Tax Claims will receive either payment in full on the Effective Date or deferred cash payments over a period not exceeding five years after the Petition Date, of a value, as of the Effective Date of the Plan, equal to the allowed amount of such Priority Tax Claims;

viii. at least one Class of impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in such Class;

ix. confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan; and

x. all fees payable under section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

b. Best Interests Test

As noted above, with respect to each impaired class of claims and equity interests, confirmation of a plan requires that each such holder either (a) accept the plan or (b) receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the value such holder would receive or retain if the debtors were liquidated under chapter 7 of the Bankruptcy Code. This requirement is referred to as the "best interests" test.

This test requires the Bankruptcy Court to determine what the holders of allowed claims and allowed equity interests in each impaired class would receive from a liquidation of the debtor's assets and properties in the context of a liquidation under chapter 7 of the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the value of the distributions from the proceeds of the liquidation of the debtor's assets and properties (after subtracting the amounts attributable to the aforesaid claims) is then compared with the value offered to such classes of claims and equity interests under the plan.

The Debtors believe that under the Plan all holders of impaired Claims and Interests will receive property with a value not less than the value such holder would receive in a liquidation under chapter 7 of the Bankruptcy Code. The Debtors' belief is based primarily on (a) consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to holders of impaired Claims and Interests and (b) the Debtors' liquidation analysis (the "**Liquidation Analysis**") attached hereto as **Exhibit D** prepared solely for purposes of estimating proceeds available in a liquidation under chapter 7 of the Debtors' Estates.

The Liquidation Analysis is based on a number of estimates and assumptions that are inherently subject to significant economic, competitive and operational uncertainties and contingencies that are beyond the control of the Debtors or a trustee under chapter 7 of the Bankruptcy Code. Furthermore, the actual amounts of claims against the Debtors' estates could vary materially from the estimates set forth in the Liquidation Analysis, depending on, among other things, the claims asserted during a chapter 7 liquidation. Accordingly, while the information contained in the Liquidation Analysis is necessarily presented with numerical specificity, the Debtors cannot provide any assurances that the values assumed would be realized or the claims estimates assumed would not change if the Debtors were in fact liquidated, nor can assurances be made that the Bankruptcy Court would accept this analysis or concur with these assumptions in making its determination under section 1129(a) of the Bankruptcy Code.

As set forth in detail in the Liquidation Analysis, the Debtors believe that the Plan will produce a greater recovery for the holders of Claims and Interests than would be achieved in a chapter 7 liquidation. Consequently, the Debtors believe that the Plan, which provides for the continuation of the Debtors' business, will provide a substantially greater ultimate return to the holders of Claims and Interests than would a chapter 7 liquidation.

c. Feasibility

Pursuant to section 1129(a)(11) of the Bankruptcy Code, among other things, the Bankruptcy Court must determine that Confirmation of the Plan is not likely to be followed by the liquidation or need for further financial reorganization of the Debtors or any successors to the Debtors under the Plan, unless the plan contemplates such liquidation or reorganization. This condition is often referred to as the "feasibility" of the Plan.

The Plan provides for the distribution of the Debtors' remaining assets after the completion of going-out-of-business sales or the closing of a going-concern sale. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. The Plan also provides for appropriate reserves for payment of Allowed Other Secured Claims, Administrative Claims, Other Priority Claims and Priority Tax Claims, and mechanisms for consummation of distributions to all Holders of Allowed Claims entitled to them. Thus, the Debtors believe that, following consummation of the Plan, the Debtors will have sufficient funds to make all payments required by the Plan.

2. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each Class of Claims or Interests impaired under a plan accept the plan. Pursuant to the provisions of the Bankruptcy Code, only Holders of Allowed Claims or Interests in Classes of Claims or Interests that are impaired and that are not deemed to have rejected a proposed plan are entitled to vote to accept or reject such proposed plan. Under section 1124 of the Bankruptcy Code, a Class of Claims or Interests is deemed to be "impaired" under a plan unless (i) the plan leaves unaltered the legal, equitable, and contractual rights to which such Claim or Interest entitles the Holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such Claim or Interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such Claim or Interest as it existed before the default. Classes of Claims or Interests in which Holders of Claims or Interests are unimpaired under a chapter 11 plan are deemed to have accepted such plan and are not entitled to vote to accept or reject the plan.

Section 1126(c) of the Bankruptcy Code defines "acceptance" of a plan by a Class of Claims as acceptance by creditors in that Class that hold at least two-thirds in dollar amount and more than one-half in number of the Claims that cast Ballots for acceptance or rejection of the plan.

Section 1126(d) of the Bankruptcy Code defines "acceptance" of a plan by a Class of impaired Interests as acceptance by Holders of at least two-thirds in amount of the Allowed Interests that cast Ballots in such Class actually have voted to accept the plan.

In addition, any Class of Claims that does not have a Holder of an Allowed Claim or a Claim temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be considered vacant and deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code. If a Class contains Claims eligible to vote and no Holder of Claims eligible to vote in such Class votes to accept or reject the Plan, such Class shall be considered vacant and deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

3. Additional Requirements for Non-Consensual Confirmation

In the event that any impaired Class of Claims or Interests does not accept or is deemed to reject the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtors if, as to each impaired Class of Claims that has not accepted the Plan, the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such Classes of Claims or Interests, pursuant to section 1129(b) of the Bankruptcy Code. Both of these requirements are in addition to other requirements established by case law interpreting the statutory requirements.

a. Unfair Discrimination Test

The "unfair discrimination" test applies to Classes of Claims or Interests that are of equal priority and are receiving different treatment under the Plan. A chapter 11 plan does not discriminate unfairly, within the meaning of the Bankruptcy Code, if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are substantially similar to those of the dissenting class and if no class of claims or interests receives more than it legally is entitled to receive for its claims or interests. This test does not require that the treatment be the same or equivalent, but that such treatment be "fair."

The Debtors believe the Plan satisfies the "unfair discrimination" test. Claims of equal priority are receiving comparable treatment and such treatment is fair under the circumstances.

b. Fair and Equitable Test

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the allowed amount of the claims in such class. As to dissenting classes, the test sets different standards depending on the type of claims in such class.

The Debtors believe that the Plan satisfies the "fair and equitable" test. The Debtors submit that if the Debtors "cramdown" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. With respect to the unfair discrimination requirement, all Classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other Classes that have equal rank. With respect to the fair and equitable requirement, no Class under the Plan will receive more than 100% of the amount of Allowed Claims or Interests in that Class. The Debtors believe that the Plan and the treatment of all Classes of Claims or Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

4. The Debtors' Releases, Third-Party Release, Exculpation, and Injunction Provisions

Article VIII.B of the Plan provides for releases of certain claims and Causes of Action the Debtors may hold against the Released Parties (the "Debtor Release"). The Released Parties are each of the following in its capacity as such: (a) each Debtor; (b) each of the SPARC Parties; (c) Distribution Co. and the Plan Administrator; (d) each Company Party; (e) the Agents; (f) each Consenting Creditor; (g) all Holders of Claims that opt into the releases in Article VIII.C of the Plan; and (h) with respect to each Person or Entity listed or described in any of the foregoing (a) through (g), each such Person's or Entity's Related Parties (other than the Debtors in the case of the SPARC Parties).

Article VIII.C of the Plan provides for consensual releases of certain claims and Causes of Action that Holders of Claims may hold against the Released Parties (the "Third-Party Release"). Holders of Claims who are releasing certain claims and Causes of Action against non-Debtors under the Third-Party Release include each of the following in its capacity as such: (a) each Debtor; (b) Distribution Co. and the Plan Administrator; (c) each Company Party; (d) the Agents; (e) each Consenting Creditor; and (f) all Holders of Claims that opt into the releases in Article VIII.C of the Plan.

Article VIII.D of the Plan provides for the exculpation of each Exculpated Party for certain acts or omissions taken in connection with the Chapter 11 Cases. The released and exculpated claims are limited in those claims or Causes of Action that may have arisen in connection with, related to, or arising out of the Plan, this Disclosure Statement, or the Chapter 11 Cases. The Exculpated Parties are in each case solely in their capacity as such: (a) each Debtor, (b) the Committee and each of its members, and (c) with respect to the Entities in the foregoing clauses (a) and (b), each of their respective current and former directors, managers, officers, attorneys, financial advisors, consultants, or other professionals or advisors that served in such capacity between the Petition Date and Effective Date.

Article VIII.E of the Plan permanently enjoins all Entities who have held, hold, or may hold claims, Interests, Causes of Action, or liabilities that: (1) are subject to compromise and settlement pursuant to the terms of the Plan; (2) have been released pursuant to the Plan; (3) are subject to exculpation pursuant to the Plan; or (4) are otherwise satisfied, stayed, released, or terminated pursuant to the terms of the Plan from asserting such claims, Interests, Causes of Action, or liabilities against the Debtors, Distribution Co., the Released Parties, or Exculpated Parties.

The Plan provides that all Holders of Claims who are entitled to vote on the Plan who vote to accept the Plan and "opt in" to the release provisions of the Plan will be granting a release of any claims or rights they have or may have as against many individuals and Entities.

The Third-Party Release includes any and all claims that such Holders may have against the Released Parties, which in any way relate to the Debtors, their operations either before or after the Chapter 11 Cases began, any securities of the Debtors, whether purchased

or sold, including sales or purchases which have been rescinded, and any transaction that these Released Parties had with the Debtors, as set forth more fully in the Plan.

The Debtors are authorized to settle or release their claims in a chapter 11 plan. Section 1123(b)(3)(A) of the Bankruptcy Code allows the Debtors to release estate causes of action as consideration for concessions made by their various stakeholders pursuant to the Plan. Under applicable law, a debtor release of the Released Parties is appropriate where: (a) there is an identity of interest between the debtor and the third party, such that a suit against the released non-debtor party is, at core, a suit against the debtor or will deplete assets of the estate; (b) there is a substantial contribution by the non-debtor of assets to the reorganization; (c) the injunction is essential to the reorganization; (d) there is overwhelming creditor support for the injunction; and (e) the chapter 11 plan will pay all or substantially all of the claims affected by the injunction. *Indianapolis Downs, LLC*, 486 B.R. 286, 303 (Bankr. D. Del. 2013). Importantly, these factors are "neither exclusive nor are they a list of conjunctive requirements," but "[i]nstead, they are helpful in weighing the equities of the particular case after a fact-specific review." *Id*. Further, a chapter 11 plan may provide for a release of third party claims against non-debtors, such as the Third-Party Release, where such releases are consensual. *Id*. at 304–06. In addition, exculpation is appropriate where it applies to estate fiduciaries. *Id*. at 306. Finally, an injunction is appropriate where it is necessary to the reorganization and fair pursuant to section 105(a) of the Bankruptcy Code. *In re W.R. Grace & Co.*, 475 B.R. 34, 107 (D. Del. 2012). In addition, approval of the releases, exculpations, and injunctions for each of the Released Parties and each Exculpated Party as part of Confirmation of the Plan will be limited to the extent such releases, exculpations, and injunctions are permitted by applicable law.

The Debtors believe that the releases, exculpations, and injunctions set forth in the Plan are appropriate because, among other things, the releases are narrowly tailored to the Debtors' restructuring proceedings, and each of the Released Parties has contributed value to the Debtors and aided in the Chapter 11 process, which facilitated the Debtors' ability to propose and pursue confirmation of the Plan. The Debtors believe that each of the Released Parties has played an integral role in formulating the Plan and has expended significant time and resources analyzing and negotiating the issues presented by the Debtors' prepetition capital structure. The Debtors further believe that such releases, exculpations, and injunctions are a necessary part of the Plan. In addition, the Debtors believe the Third-Party Release is entirely consensual under recent case law in the United States Bankruptcy Court for the District of Delaware. See *In re Smallhold, Inc.*, 665 B.R. 704, 717–718 (Bankr. D. Del. 2024). The Debtors will be prepared to meet their burden to establish the basis for the releases, exculpations, and injunctions for each of the Released Parties and each Exculpated Party as part of Confirmation of the Plan.

ARTICLE IX.
CERTAIN RISK FACTORS TO BE CONSIDERED

BEFORE VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF CLAIMS IN VOTING CLASSES SHOULD READ AND CONSIDER CAREFULLY THE RISK FACTORS SET FORTH HEREIN, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THESE RISK FACTORS ARE MANY, THESE FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH

THE DEBTORS' BUSINESS OR THE PLAN AND ITS IMPLEMENTATION. NEW FACTORS, RISKS, AND UNCERTAINTIES EMERGE FROM TIME TO TIME AND IT IS NOT POSSIBLE TO PREDICT ALL SUCH FACTORS, RISKS, AND UNCERTAINTIES.

A. Certain Bankruptcy Law Considerations

1. Effect of Chapter 11 Proceedings

While the Debtors believe that the Chapter 11 Cases will be of short duration, the Debtors cannot be certain that this will be the case. Although the Plan is designed to minimize the length of the Chapter 11 Cases, it is impossible to predict with certainty the amount of time that one or more of the Debtors may spend in bankruptcy or to assure parties in interest that the Plan will be confirmed. Even if confirmed on a timely basis, bankruptcy proceedings to confirm the Plan could have an adverse effect on or on the amount of distributable value available to holders of Allowed Claims as set forth in the Plan. The proceedings will also involve additional expenses and will divert some of the attention of the Debtors' management away from business operations.

2. Risk of Non-Confirmation of Plan under the Bankruptcy Code

Although the Debtors believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion or that modifications to the Plan will not be required for confirmation, or that such modifications would not necessitate re-solicitation of votes. Moreover, the Debtors can make no assurances that they will receive the requisite votes for acceptance to confirm the Plan. Even if all Voting Classes vote in favor of the Plan or the requirements for "cramdown" are met with respect to any Class that rejected or is deemed to reject the Plan, the Bankruptcy Court may decline to confirm the Plan, if it finds that any of the requirements for confirmation are not satisfied. If the Plan is not confirmed, it is unclear what distributions holders of Allowed Claims ultimately would receive with respect to their Allowed Claims under a subsequent chapter 11 plan or other alternatives thereto.

3. Non-Consensual Confirmation

In the event that any impaired class of Claims or Interests does not accept or is deemed not to accept the Plan, the Bankruptcy Court may nevertheless confirm such plan at the Debtors' request if at least one impaired class has voted to accept the Plan (with such acceptance being determined without including the vote of any "insider" in such class), and as to each impaired class that has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. In the event that holders of ABL Claims in Class 3, Term Loan Claims in Class 4, Subordinated Loan Claims in Class 5, or General Unsecured Claims in Class 6 vote to reject the Plan, the Debtors believe that the Plan satisfies the requirements for non-consensual confirmation for so long as one Voting Class votes to approve the Plan (without including the vote of any "insider" in such class).

4. Risk of Failing to Satisfy Vote Requirement

In the event that the Debtors are unable to obtain sufficient votes from the Voting Classes, the Debtors may seek to accomplish an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to holders of Claims as those proposed in the Plan.

5. Risk that Releases, Injunctions, and Exculpations Provisions May Not Be Approved

Article VIII of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and third-party releases that may otherwise be asserted against the Debtors, Plan Administrator, or other Released Parties, as applicable. The releases, injunctions, and exculpations provided in the Plan may not be approved. If the releases are not approved, certain Released Parties may withdraw their support for the Plan. The releases provided to the Released Parties and the exculpation provided to the Exculpated Parties are necessary to the success of the Liquidation Process contemplated by the Plan because the Released Parties and Exculpated Parties have made significant contributions to the Debtors' efforts and have agreed to make further contributions, but only if they receive the full benefit of the Plan's release and exculpation provisions. The Plan's release and exculpation provisions are an inextricable component of the PSA and the transactions embodied in the Plan.

6. Risk of Non-Occurrence of Effective Date

There can be no assurance as to the timing of the Effective Date. If the conditions precedent to the Effective Date set forth in the Plan have not occurred or have not been waived as set forth in Article IX.B of the Plan, then the Confirmation Order may be vacated, in which event no distributions would be made under the Plan, the Debtors and all holders of Claims and Interests would be restored to the status quo as of the day immediately preceding the Confirmation Date, and the Debtors' obligations with respect to Claims and Interests would remain unchanged.

7. Risk of Termination of PSA

The PSA contains provisions that give the requisite Consenting Creditors the ability to terminate their obligations to support the Wind Down Process thereunder upon the occurrence of certain events or if certain conditions are not satisfied, including the failure to achieve the Milestones. Termination of the PSA could result in protracted Chapter 11 Cases, which could significantly and detrimentally impact the recoveries available to creditors in these Chapter 11 Cases.

8. Risk That Parties in Interest May Object to the Debtors' Classification of Claims and Interests

Parties in interest may object to the Debtors' classification of Claims and Interests. Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the

Debtors created Classes of Claims and Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims and Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

9. Risk Related to Possible Objections to Plan

There is a risk that certain parties could oppose and object to the Plan in the Bankruptcy Court, either in its entirety or to specific provisions thereof. While the Debtors believe that the Plan complies with all relevant provisions of the Bankruptcy Code, there can be no guarantee that a party in interest will not file an objection to the Plan or that the Bankruptcy Court will not sustain such an objection.

10. Risk of Conversion into Chapter 7 Cases

If no chapter 11 plan can be confirmed, or if the Bankruptcy Court otherwise finds that it would be in the best interests of holders of Claims and Interests, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code. For a discussion of the effects that a chapter 7 liquidation would have on the recoveries to holders of Claims, see Article XI.C.1.i, as well as the Liquidation Analysis attached hereto as **Exhibit D**.

11. The Risk That the Plan Is Based Upon Assumptions the Debtors Developed That May Prove Incorrect

The Debtors expect that their actual financial condition and results of operations may differ, perhaps materially, from what is anticipated by the Plan. Consequently, there can be no assurance that the results or developments contemplated by any chapter 11 plan the Debtors may implement, including, without limitation, the Plan, will occur or, even if they do occur, that they will have the anticipated effects on the Debtors and their respective subsidiaries or their business or operations. The failure of any such results or developments to materialize as anticipated could materially adversely affect the successful consummation of the Plan and materially and adversely affect the recoveries available to creditors in these Chapter 11 Cases.

12. Contingencies May Affect Distributions to Holders of Allowed Claims

The distributions available to holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies could affect distributions under the Plan and/or parties' support for the Plan.

13. The Risk That the Debtors May Seek to Amend, Waive, Modify, or Withdraw the Plan at Any Time before Confirmation

Subject to and in accordance with the terms of the PSA, the Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan (with respect to any Debtor or all of the Debtors) before the entry of the Confirmation Order or waive any conditions precedent thereto if and to the extent such amendments or waivers are

necessary or desirable to consummate the Plan. The potential impact of any such amendment or waiver on the holders of Claims and Interests cannot presently be foreseen but may include a change in the economic impact of the Plan on some or all of the proposed Classes or a change in the relative rights of such Classes, which may, in each case, be material and adverse. All holders of Claims and Interests will receive notice of such amendments or waivers solely to the extent required by applicable law or the Bankruptcy Court. If, the Debtors seek to modify the Plan after receiving sufficient acceptances but before the Bankruptcy Court's confirmation of the Plan, the previously solicited acceptances will be valid only if (i) all classes of adversely affected holders accept the modification in writing, or (ii) the Bankruptcy Court determines, after notice to designated parties, that such modification was *de minimis* or purely technical or otherwise did not adversely change the treatment of holders of accepting Claims, or is otherwise permitted by the Bankruptcy Code.

14. Risk That Other Parties in Interest Might Be Permitted to Propose Alternative Chapter 11 Plans That May Be Less Favorable to Certain of the Debtors' Constituencies Than the Plan

Other parties in interest could seek authority from the Bankruptcy Court to propose an alternative chapter 11 plan to the Plan. Under the Bankruptcy Code, a debtor in possession initially has the exclusive right to propose and solicit acceptances of a chapter 11 plan for a period of 120 days from the petition date. Such exclusivity period can be reduced or terminated upon order of the Bankruptcy Court. If such an order were to be entered, other parties in interest would then have the opportunity to propose alternative chapter 11 plans.

If another party in interest were to propose an alternative chapter 11 plan following expiration or termination of the Debtors' exclusivity period, such a plan may be less favorable to existing holders of Allowed Claims than the treatment afforded to such holders under the Plan. If there were competing plans, the Chapter 11 Cases likely would become longer, more complicated, and much more expensive, with the effect that recoveries available to holders of Allowed Claims would be materially and adversely affected.

B. Additional Factors that May Affect Recoveries Available to Holders of Allowed Claims Under the Plan

1. Claims Could Be More than Projected

The projected distributions set forth in this Disclosure Statement are based upon the Debtors' good-faith estimate of, among other things, the amount of administrative expenses that will be incurred and the total amount of Claims that are ultimately Allowed. The actual amount of administrative claims could be greater than expected for a variety of reasons, including greater-than-anticipated administrative and litigation costs associated with resolving Disputed Claims. Additionally, the actual amount of Allowed Claims in any Class could be greater than anticipated, which will impact the distributions to be made to Holders of Allowed Claims. The Debtors reserve the right to object to the amount or classification of any Claim not previously Allowed by order of the Bankruptcy Court. Thus, the estimates set forth in this Disclosure Statement cannot be relied upon by any creditor whose Claim is subject to a successful objection. Any such creditor may not receive the estimated distributions set forth in the Plan.

2. Forward-Looking Statements Are Not Assured, and Actual Results May Vary

Certain information contained in this Disclosure Statement is, by nature, forward-looking, and contains estimates and assumptions that might ultimately prove to be incorrect, contains projections that may be materially different from actual future results. Many of the assumptions underlying the projections are subject to significant uncertainties that are beyond the control of the Debtors, including the timing, confirmation, and consummation of the Plan, inflation, and other unanticipated market and economic conditions. There are uncertainties associated with any estimates, and they should not be considered assurances or guarantees of the amount of funds or the amount of Claims in the various Classes that might be Allowed. Some assumptions may not materialize, and unanticipated events and circumstances may affect the actual results.

3. The Debtors May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases

As a result of the Chapter 11 Cases, the Debtors may become party to certain legal proceedings, which may adversely affect the Debtors. In general, litigation can be expensive and time-consuming to bring or defend against. Such litigation could result in settlements or judgments that could significantly affect the Debtors' financial performance. It is also possible that certain parties will commence litigation with respect to the treatment of their Claims under the Plan. It is not possible to predict the potential litigation that the Debtors may become party to, nor the final resolution of such litigation. The impact of any such litigation on the Debtors' ability to make payments under the Plan, however, could be material and adverse.

4. The Debtors Cannot Guarantee the Timing of Distributions

The timing of actual distributions to Holders of Allowed Claims may be affected by many factors that cannot be predicted. Therefore, the Debtors cannot guarantee the timing of any recovery on an Allowed Claim.

C. Risks Related to the Debtors' Financial Condition

1. The Debtors Are Operating Under Significant Liquidity Constraints

The Debtors face uncertainty regarding the adequacy of their liquidity and capital resources. The Debtors have incurred and expect to continue to incur significant professional fees and other costs in connection with these Chapter 11 Cases. The Debtors cannot guarantee that cash on hand will be sufficient to satisfy ongoing obligations related to these Chapter 11 Cases.

2. Use of Cash Collateral

The use of Cash Collateral is intended to provide liquidity to the Debtors during the pendency of the Chapter 11 Cases to fund administrative and operating expenses. If the Chapter 11 Cases take longer than expected to conclude or unexpected liquidity needs arise, the Debtors may exhaust or lose access to their Cash Collateral. The Debtors cannot guarantee that the Cash Collateral will be sufficient to satisfy ongoing obligations related to these Chapter 11 Cases, and there is no assurance that the Debtors will be able to obtain additional financing from the Debtors' existing lenders or otherwise.

The Debtors' ability to access their cash collateral depends on, among other things, whether the Debtors can continue receiving approval of future budgets from the applicable creditors under the Cash Collateral Order and whether the Debtors are able to comply with the certain variance testing under the Cash Collateral Order or any subsequent order authorizing the Debtors to use cash collateral, as applicable. There can be no assurance that the Debtors will be able to continue using their cash collateral prior to the Effective Date

D. Additional Factors

1. The Debtors Could Withdraw Plan

Subject to the terms of, and without prejudice to, the rights of the Consenting Creditors under the PSA, the Debtors could revoke or withdraw the Plan (with respect to any Debtor or all Debtors) before the Confirmation Date.

2. The Debtors Have No Duty to Update This Disclosure Statement

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless otherwise ordered by the Bankruptcy Court.

3. No Representations Outside This Disclosure Statement Are Authorized

No representations concerning or related to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than those contained in, or included with, this Disclosure Statement should not be relied upon in making the decision to accept or reject the Plan.

4. No Legal or Tax Advice Is Provided by this Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each holder should consult its own legal counsel and accountant as to legal, tax, and other matters concerning its Claim. This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

5. No Representation Made

Nothing contained herein or in the Plan shall constitute a representation of the tax or other legal effects of the Plan on the Debtors or holders of Claims.

6. Certain Tax Consequences

For a discussion of certain tax considerations to the Debtors and certain holders of Claims in connection with the implementation of the Plan, see Article X hereof.

ARTICLE X.
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Introduction

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to the Debtors and to certain holders (which solely for purposes of this discussion means the beneficial owners for U.S. federal income tax purposes) of Allowed ABL Claims and Allowed General Unsecured Claims. The following summary does not address the U.S. federal income tax consequences to holders of Claims or Interests (i) not entitled to vote to accept or reject the Plan or (ii) for whom the consummation of the Plan has no U.S. federal income tax consequences. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**IRC**"), the U.S. Treasury regulations promulgated thereunder ("**Treasury Regulations**"), judicial authorities, published administrative positions of the U.S. Internal Revenue Service (the "**IRS**"), and other applicable authorities, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. Any such change could significantly affect the U.S. federal income tax consequences described below. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been sought or obtained and the Debtors do not intend to seek a ruling from the IRS as to any of the tax consequences of the Plan discussed below. The discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtors or to holders of Claims or Interests in light of their individual circumstances, nor does it address tax issues with respect to such holders that are subject to special treatment under the U.S. federal income tax laws (including, for example, banks, governmental authorities or agencies, partnerships or other pass-through entities, subchapter S corporations, trusts, dealers and traders in securities, insurance companies, financial institutions, tax-exempt organizations, small business investment companies, persons who are related to the Debtors within the meaning of the IRC, persons using a mark-to-market method of accounting, holders of Claims who are themselves in bankruptcy, real estate investment trusts, expatriates or former long-term residents of the United States, holders who received their Claims as compensation, holders of Claims that prepare an "applicable financial statement (as defined in section 451 of the IRC) and regulated investment companies and those holding, or who will hold, Claims as part of a hedge, straddle, conversion, or other integrated transaction). This discussion does not address any U.S. federal non-income (including estate or gift), state, local, or non-U.S. tax considerations, the Medicare tax imposed on certain net investment income or considerations under any applicable tax treaty. Furthermore, this discussion assumes that a holder of a Claim holds only Claims in a single Class and holds Claims (other than Allowed General Unsecured Claims) as "capital assets" within the meaning of section 1221 of the IRC (generally, property held for investment). Moreover, this discussion does not address special considerations that may apply to persons who are both holders of Claims and holders of Interests (directly or indirectly). This summary also assumes that the various debt instruments and other arrangements to which the Debtors are a party

will be respected for U.S. federal income tax purposes in accordance with their form and that none of the ABL Loans or any obligations underlying Allowed General Unsecured Claims are "contingent payment debt instruments" within the meaning of Treasury Regulation section 1.1275-4. Moreover, except to the extent specifically addressed herein, this discussion assumes that the "installment sale method" of reporting any gain that may be recognized by holders in respect of the transactions described herein does not apply and this discussion does not address the U.S. federal income tax consequences attributable to the installment sale method or open transaction reporting except to the extent specifically addressed herein.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of a Claim that is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other entity validly treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons (within the meaning of section 7701(a)(30) of the IRC) has authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person (within the meaning of section 7701(a)(30) of the IRC). For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of a Claim that is not a U.S. Holder other than any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a beneficial owner of a Claim, the tax treatment of a partner (or other owner) generally will depend upon the status of the partner (or other owner) and the activities of the partner (or other owner) and the partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes). Partners of any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) that is a beneficial owner of a Claim are urged to consult their respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

The following discussion assumes that the Debtors will undertake the transactions currently contemplated by the Plan in accordance with the Plan and as further described herein and in the Plan. Holders of Claims are urged to consult their tax advisors regarding the tax consequences of the transactions contemplated in the Plan.

THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR INTEREST. ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR TAX ADVISORS FOR THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

B. Certain U.S. Federal Income Tax Consequences to the Debtors

Each of the Debtors are treated as entities disregarded as separate from Copper Retail JV LLC ("**Copper**") for U.S. federal income tax purposes.

As disregarded entities, the Debtors generally are not subject to U.S. federal income taxation. Instead, each existing equity holder of Copper is required to report on its U.S. federal income tax return, and is subject to tax in respect of, its distributive share of each item of income, gain, loss, deduction, and credit of Copper, which will include the items of income, gain, loss, deduction and credit of the Debtors. Accordingly, the U.S. federal income tax consequences of the transactions under the Plan (including any cancelation of indebtedness income realized by Copper as a result of the Plan) generally will not be borne by the Debtors, and instead will be borne by the existing equity holders of Copper.

C. Certain U.S. Federal Income Tax Consequences to Certain U.S. Holders of Allowed ABL Claims and Allowed General Unsecured Claims

1. U.S. Holders of Allowed ABL Claims

Pursuant to the Plan, except to the extent that a holder of an Allowed ABL Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed ABL Claim, each holder of an Allowed ABL Claim will receive its pro rata share (based on such holder's proportionate share of all Allowed ABL Claims) of (i) 94% of the Net Proceeds if the holders of General Unsecured Claims vote to accept the Plan or 97% of the Net Proceeds if the holders of General Unsecured Claims vote to reject the Plan and (ii) 100% of the Excess Amounts (if any).

A U.S. Holder of an Allowed ABL Claim will generally be treated as having exchanged a portion of its ABL Loan for any cash received in an exchange governed by Section 1001 of the IRC on which taxable gain or loss is realized in an amount equal to the difference between (a) the sum of the cash received (other than amounts received in respect of accrued but unpaid interest which will be taxed as set forth below) and (b) such U.S. Holder's adjusted basis in such portion of its ABL Loan. A U.S. Holder's adjusted basis in such portion of its ABL Loan will generally equal the cost of such portion of its ABL Loan, increased by any market discount and original issue discount (if any) previously included in income with respect to such portion of its ABL Loan, and decreased (but not below zero) by premium amortized with respect to such portion of its ABL Loan. If a U.S. Holder receives distributions of cash on multiple dates, such U.S. Holder should consult with its own tax advisors as to the tax consequences of such exchanges, including the application of the installment sale rules.

The character of gain or loss arising from such exchange as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the U.S. Holder, whether such portion of its ABL Loan was purchased at a discount, and whether and to what extent the U.S. Holder previously has claimed a bad debt deduction with respect to such portion of its ABL Loan. If recognized gain is capital gain, it generally would be long-term capital gain if the U.S. Holder held its Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations as discussed below. To the extent that

a portion of the consideration received by a U.S. Holder in exchange for such portion of its ABL Loan is allocable to accrued but untaxed interest, a U.S. Holder may recognize ordinary income. See the discussions of "Accrued Interest," "Market Discount" and "Limitations on Use of Capital Losses" below.

2. U.S. Holders of Allowed General Unsecured Claims

Pursuant to the Plan, except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed General Unsecured Claims, each holder of an Allowed General Unsecured Claim will receive its pro rata share (based on such holder's proportionate share of all Allowed General Unsecured Claims) of (i) interests in (and proceeds of) the remaining unencumbered property of the Debtors (if any) and (ii) 6% of the Net Proceeds if the holders of General Unsecured Claims vote to accept the Plan or 3% of the Net Proceeds if the holders of General Unsecured Claims vote to reject the Plan.

A U.S. Holder of an Allowed General Unsecured Claim will generally be treated as having exchanged its Allowed General Unsecured Claim for any cash received in an exchange governed by Section 1001 of the IRC on which taxable gain or loss is realized in an amount equal to the difference between (a) the sum of the cash received (other than amounts received in respect of accrued but unpaid interest which will be taxed as set forth below) and (b) such U.S. Holder's adjusted basis in its Allowed General Unsecured Claim. U.S. Holders of Allowed General Unsecured Claims are urged to consult their own tax advisors regarding the determination of such U.S. Holder's adjusted tax basis in its Allowed General Unsecured Claim. If a U.S. Holder receives distributions of cash on multiple dates, such U.S. Holder should consult with its own tax advisors as to the tax consequences of such exchanges, including the application of the installment sale rules.

The character of gain or loss arising from such exchange as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including whether the Claim is a capital asset in the hands of such U.S. Holder, the tax status of the U.S. Holder, whether the Claim was purchased at a discount, and whether and to what extent the U.S. Holder previously has claimed a bad debt deduction with respect to its Claim. If recognized gain is capital gain, it generally would be long-term capital gain if the U.S. Holder held its Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations as discussed below. To the extent that a portion of the consideration received by a U.S. Holder in exchange for its Claim is allocable to accrued but untaxed interest, a U.S. Holder may recognize ordinary income. See the discussions of "Accrued Interest," "Market Discount" and "Limitations on Use of Capital Losses" below.

3. Accrued Interest

To the extent that any amount received by a U.S. Holder of a Claim under the Plan is attributable to accrued but unpaid interest (or original issue discount) on the debt instruments (or applicable portion thereof) constituting the surrendered Claim, the receipt of such amount should be taxable to the U.S. Holder as ordinary interest income to the extent such accrued interest (or original issue discount) has not already been taken into income by the U.S. Holder. Conversely,

a U.S. Holder of a Claim may be able to recognize a deductible loss to the extent that any accrued interest (or original issue discount) on the debt instruments (or applicable portion thereof) constituting such Claim was previously included in the U.S. Holder's gross income but was not paid in full by the Debtors.

If the fair market value of the consideration is not sufficient to fully satisfy all principal and interest on Allowed General Unsecured Claims, the extent to which such consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to holders of Allowed General Unsecured Claims will be allocated first to the principal amount of such Allowed General Unsecured Claims, with any excess allocated to unpaid interest that accrued on such Allowed General Unsecured Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, and certain case law generally indicates that a final payment on a distressed debt instrument that is insufficient to repay outstanding principal and interest will be allocated to principal, rather than interest. Certain Treasury Regulations treat payments as allocated first to any accrued but unpaid interest. The IRS could take the position that the consideration received by the holder should be allocated in some way other than as provided in the Plan. U.S. Holders of Claims are urged to consult their tax advisors regarding the proper allocation of the consideration received by them under the Plan, as well as well as the deductibility of accrued but unpaid interest and the character of any loss claimed with respect to accrued but unpaid interest previously included in gross income for U.S. federal income tax purposes.

4. Market Discount

Under the "market discount" provisions of the IRC, some or all of any gain realized by a U.S. Holder of a Claim who exchanges the Claim pursuant to the Plan may be treated as ordinary income (instead of capital gain), to the extent of the amount of "accrued market discount" on the debt instruments (or applicable portion thereof) constituting the Claim. In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if its holder's adjusted tax basis in the debt instrument is less than (i) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest" or (ii) in the case of a debt instrument issued with original issue discount, its adjusted issue price, by at least a de minimis amount (equal to 0.25% of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

Any gain recognized by a U.S. Holder on the taxable disposition of an Allowed Claim pursuant to the Plan (determined as described above) that was acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Claim was considered to be held by the U.S. Holder (unless the U.S. Holder elected to include market discount in income as it accrued). U.S. Holders of Allowed Claims that were acquired with market discount are urged to consult with their own tax advisors as to the appropriate treatment of any such market discount and the timing of the recognition thereof.

5. Limitations on Use of Capital Losses

A U.S. Holder of an Allowed Claim who recognizes capital losses as a result of the distributions under the Plan will be subject to limits on its use of capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset any capital gains (without regard to holding periods) plus ordinary income to the extent of the lesser of (i) $3,000 ($1,500 for married individuals filing separate returns) or (ii) the excess of the capital losses over the capital gains. A non-corporate U.S. Holder may carry over unused capital losses and apply them to capital gains and a portion of their ordinary income for an unlimited number of years. For corporate U.S. Holders, losses from the sale or exchange of capital assets may only be used to offset capital gains. A corporate U.S. Holder who has more capital losses than can be used in a tax year may be allowed to carry over the excess capital losses for use in succeeding tax years. Corporate U.S. Holders may only carry over unused capital losses for the five years following the capital loss year, but are allowed to carry back unused capital losses to the three years preceding the capital loss year.

D. Certain U.S. Federal Income Tax Consequences to Certain Non-U.S. Holders of Allowed Claims

The following discussion assumes that the Debtors will undertake the transactions currently contemplated by the Plan and includes only certain U.S. federal income tax consequences of the Plan to Non-U.S. Holders. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Each Non-U.S. Holder is urged to consult its tax advisor regarding the U.S. federal, state, local, non-U.S., and non-income tax consequences of the consummation of the Plan to such Non-U.S. Holder.

1. Gain Recognition

Any gain realized by a Non-U.S. Holder on the exchange of its Claim generally will not be subject to U.S. federal income taxation unless (i) the Non-U.S. Holder is an individual who was present in the U.S. for 183 days or more during the taxable year in which the gain is realized and certain other conditions are met or (ii) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the U.S. (and, if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the U.S.).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange.

If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange if such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the U.S. in the same manner as a U.S. Holder.

In order to claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch

profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

2. Accrued Interest

Subject to the discussion of backup withholding and FATCA (as defined below), any amount received by a Non-U.S. Holder of a Claim under the Plan that is attributable to accrued but unpaid interest (or original issue discount) on the debt instruments (or applicable portion thereof) constituting the surrendered Claim that is not effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder will qualify for the so-called "portfolio interest exemption" and, therefore, will not be subject to U.S. federal income tax or withholding, provided that:

- the Non-U.S. Holder does not own, actually or constructively, a 10% or greater interest in the entity treated as the borrower of the debt instrument constituting the Claim for applicable U.S. federal income tax purposes within the meaning of Section 871(h)(3) of the IRC and Treasury Regulations thereunder;

- the Non-U.S. Holder is not a controlled foreign corporation related to the entity treated as the borrower of the debt instrument constituting the Claim for applicable U.S. federal income tax purposes, actually or constructively through the ownership rules under Section 864(d)(4) of the IRC;

- the Non-U.S. Holder is not a bank that is receiving the interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and

- the beneficial owner gives the applicable withholding agent an appropriate IRS Form W-8 (or suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed establishing its status as a Non-U.S. Holder.

If not all of these conditions are met, any amount received by a U.S. Holder of a Claim under the Plan that is attributable to accrued but unpaid interest (or original issue discount) that is not effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder will generally be subject to U.S. federal income tax and withholding at a 30% rate, unless an applicable income tax treaty reduces or eliminates such withholding and the Non-U.S. Holder claims the benefit of that treaty by providing an appropriate IRS Form W-8 (or a suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed.

If any amount received by a Non-U.S. Holder of a Claim under the Plan that is attributable to accrued but unpaid interest (or original issue discount) is effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder ("**ECI**"), the Non-U.S. Holder will be required to pay U.S. federal income tax on that interest on a net income basis generally in the same manner as a U.S. Holder (and the 30% withholding tax described above will not apply, provided the appropriate IRS Form W-8 is provided to the applicable withholding agent) unless an applicable

income tax treaty provides otherwise. To claim an exemption from withholding, such non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or suitable substitute or successor form or such other form as the IRS may prescribe). If a Non-U.S. Holder is eligible for the benefits of any income tax treaty between the United States and its country of residence, any interest income (or original issue discount) that is ECI will be subject to U.S. federal income tax in the manner specified by the treaty if the Non-U.S. Holder claims the benefit of the treaty by providing an appropriate IRS Form W-8 (or a suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed. In addition, a corporate Non-U.S. Holder may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate, or, if applicable, a lower treaty rate, on its effectively connected earnings and profits attributable to such interest (subject to adjustments).

The certifications described above must be provided to the applicable withholding agent prior to the payment of any amount that is attributable to accrued but unpaid interest (or original issue discount). Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders are urged to consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

3. FATCA

Under legislation commonly referred to as the Foreign Account Tax Compliance Act ("**FATCA**"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30% on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S. source payments of fixed or determinable, annual or periodical income, and, subject to the paragraph immediately below, also include gross proceeds from the sale of any property of a type which can produce U.S. source interest or dividends. FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding.

FATCA withholding rules that would have applied to payments of gross proceeds from the sale or other disposition of property of a type that can produce U.S. source interest or dividends have effectively been suspended under proposed Treasury Regulations that may be relied on until final regulations become effective. Nonetheless, there can be no assurance that a similar rule will not go into effect in the future. Each Non-U.S. Holder is urged to consult its tax advisor regarding the possible impact of FATCA withholding rules on such Non-U.S. Holder.

E. Information Reporting and Backup Withholding

The Debtors and applicable withholding agents will withhold all amounts required by law to be withheld from payments made in connection with distributions under the Plan or in connection with payments made on account of consideration received pursuant to the Plan, and will comply with all applicable information reporting requirements. The IRS may make the information returns reporting such payments and withholding available to the tax authorities in the country in which a Non-U.S. Holder is resident. Additionally, under the backup withholding rules,

a holder may be subject to backup withholding (currently at a rate of 24%) with respect to distributions or payments made pursuant to the Plan unless that holder: (1) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact or (2) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9 for a U.S. Holder, and, for a Non-U.S. Holder, in the form of a properly executed applicable IRS Form W-8) or otherwise establishes such Non-U.S. Holder's eligibility for an exemption. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided that the required information is timely provided to the IRS.

In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders subject to the Plan are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holders' tax returns.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR NON-U.S. TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

[Remainder of page intentionally left blank.]

ARTICLE XI.
CONCLUSION AND RECOMMENDATION

For all of the reasons set forth in this Disclosure Statement, the Debtors believe the Plan is in the best interests of all stakeholders and urge the holders of Claims in Voting Classes to vote in favor thereof. In the opinion of the Debtors, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for a larger distribution to the Holders of Allowed Claims than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than confirmation of the Plan could result in extensive delays and increased administrative expenses, ultimately resulting in smaller distributions to the holders of Allowed Claims than those set forth in the Plan.

Dated: March 28, 2025

F21 OpCo, LLC

F21 Puerto Rico, LLC

F21 GiftCo Management, LLC

By: /s/ *Stephen Coulombe*
Name: Stephen Coulombe
Title: Co-Chief Restructuring Officer

Exhibit A

Joint Chapter 11 Plan of Liquidation

Exhibit B

Plan Support Agreement

THIS PLAN SUPPORT AGREEMENT IS NOT AN OFFER OR ACCEPTANCE WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS PLAN SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED HEREIN, DEEMED BINDING ON ANY OF THE PARTIES HERETO.

PLAN SUPPORT AGREEMENT

This PLAN SUPPORT AGREEMENT (including all exhibits, annexes, and schedules attached hereto in accordance with Section 15.02, and as may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time, this "**Plan Support Agreement**" or this "**Agreement**") is made and entered into as of March 16, 2025 (the "**Execution Date**"), by and among the following parties (each, a "**Party**," and collectively, the "**Parties**"):[1]

(i) F21 OpCo, LLC, a Delaware limited liability company ("**OpCo**"), F21 Puerto Rico, LLC, a Delaware limited liability company, and F21 Giftco Management, LLC, a Tennessee limited liability company (each, a "**Debtor**" and collectively, the "**Debtors**"); and

(ii) the undersigned holders of, or investment advisors, sub-advisors, or managers of holders of, (a) ABL Claims (collectively, the "**Consenting ABL Lenders**"),(b) Term Loan Claims (collectively, the "**Consenting Term Loan Lenders**"), and (c) Subordinated Loan Claims (collectively, the "**Consenting Subordinated Loan Lenders**" and, together with the Consenting ABL Lenders and the Consenting Term Loan Lenders, the "**Consenting Creditors**"), in each case that have executed and delivered counterpart signature pages to this Agreement or a Joinder to counsel to the Debtors and to counsel to the Consenting Creditors.

RECITALS

WHEREAS, the Debtors and the Consenting Creditors have in good faith and at arms' length negotiated certain transactions with respect to the Debtors on the terms set forth in this Agreement and as specified in the term sheet attached as **Exhibit A** hereto (including all exhibits, annexes, and schedules thereto, the "**Plan Term Sheet**," and such transactions as described in this Agreement and the Plan Term Sheet, the "**Transactions**");

WHEREAS, the Debtors intend to implement the Transactions through the commencement by the Debtors of Chapter 11 Cases, to consummate a chapter 11 plan consistent

[1] Capitalized terms used but not defined in the preamble and recitals to this Agreement have the meanings ascribed to them in Section 1.

with the terms of this Agreement and otherwise reasonably acceptable to the Debtors and the Required Consenting Creditors (such chapter 11 plan, the "**Plan**"); and

WHEREAS, the Parties have agreed to take certain actions in support of the Transactions on the terms and conditions set forth in this Agreement and the Plan Term Sheet.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

AGREEMENT

Section 1. ***Definitions and Interpretation***. Definitions. Capitalized terms used but not defined in this Agreement have the meanings given to such terms in the Plan Term Sheet. The following terms shall have the following definitions:

"**ABL Advisors**" has the meaning set forth in the Plan Term Sheet.

"**ABL Agent**" has the meaning set forth in the Plan Term Sheet.

"**ABL Claims**" has the meaning set forth in the Plan Term Sheet.

"**ABL Credit Agreement**" has the meaning set forth in the Plan Term Sheet.

"**ABL Loans**" has the meaning set forth in the Plan Term Sheet.

"**ABL-Term Loan Intercreditor Agreement**" has the meaning set forth in the Plan Term Sheet.

"**Affiliate**" means, with respect to any Person, any other Person controlled by, controlling or under common control with such Person; provided, however, no Consenting Creditor shall be considered an Affiliate of the Debtors. As used in this definition, "control" (including, with its correlative meanings, "controlling," "controlled by," and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies of a Person (whether through ownership of securities, by contract, or otherwise).

"**Agents**" means, collectively, the ABL Agent, the Term Loan Agent, and the Subordinated Loan Agent.

"**Agreement**" has the meaning set forth in the preamble to this Agreement and, for the avoidance of doubt, includes all the exhibits, annexes, and schedules attached hereto in accordance with Section 15.02 (including the Plan Term Sheet, which is expressly incorporated herein and made a part of this Agreement).

"**Agreement Effective Date**" means the date on which all of the conditions set forth in Section 2.01 have been met.

"**Agreement Effective Period**" means, with respect to a Party, the period from the Agreement Effective Date (or, in the case of any Consenting Creditor that becomes a party hereto after the Agreement Effective Date, the date as of which such Consenting Creditor executes and delivers a Joinder to counsel to the Debtors) to the Termination Date applicable to such Party.

"**Alternative Transaction**" means (a) any sale, disposition, new-money investment, restructuring, reorganization, merger, amalgamation, acquisition, consolidation, dissolution, debt investment, equity investment, financing (including any debtor-in-possession financing or exit financing), use of cash collateral, liquidation, tender offer, asset sale, share issuance, recapitalization, plan of reorganization or liquidation, share exchange, business combination, joint venture, partnership, or similar transaction involving any one or more Debtors or the debt, equity, or other interests in any one or more Debtors, other than as contemplated by this Agreement, including the Plan Term Sheet, or (b) any other transaction involving one or more Debtors that is an alternative to and/or materially inconsistent with the Transactions.

"**Alternative Transaction Proposal**" means any inquiry, proposal, offer, bid, term sheet, discussion, or agreement with respect to an Alternative Transaction.

"**Bankruptcy Code**" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended.

"**Bankruptcy Court**" means the United States Bankruptcy Court for the District of Delaware presiding over the Chapter 11 Cases or, in the event of any withdrawal of reference under 28 U.S.C. § 157, the United States District Court for the District of Delaware.

"**Bankruptcy Rules**" means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as applicable to the Chapter 11 Cases and the general, local, and chambers rules of the Bankruptcy Court.

"**Business Day**" means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the State of New York.

"**Cash Collateral Order**" means, individually or collectively (as the context may require) any order or orders entered in the Chapter 11 Cases authorizing the use of cash collateral (whether interim or final) that has been consented to and approved by the Consenting ABL Lenders.

"**Causes of Action**" means any claims, interests, damages, remedies, causes of action, demands, rights, actions, controversies, proceedings, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, Liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, asserted or assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, whether arising before, on, or after the Petition Date, in contract, tort, law, equity, or otherwise. Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law or in equity; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to section 362 or chapter 5 of the

Bankruptcy Code; (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any avoidance actions arising under chapter 5 of the Bankruptcy Code or under similar local, state, federal, or foreign statutes and common law, including fraudulent transfer laws.

"**Chapter 11 Cases**" means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court; and (b) when used with reference to all the Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

"**Claim**" has the meaning ascribed to it in section 101(5) of the Bankruptcy Code.

"**Confirmation Date**" means the date on which the Bankruptcy Court enters the Confirmation Order on the docket in the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

"**Confirmation Order**" means the order entered by the Bankruptcy Court confirming the Plan.

"**Consenting ABL Lenders**" has the meaning set forth in the preamble to this Agreement.

"**Consenting Creditor Advisors**" means, collectively, the ABL Advisors and the Term Loan Advisors.

"**Consenting Creditor Termination Event**" has the meaning set forth in Section 13.01 of this Agreement.

"**Consenting Creditors**" has the meaning set forth in the preamble to this Agreement.

"**Consenting Subordinated Loan Lenders**" has the meaning set forth in the preamble to this Agreement.

"**Consenting Term Loan Lenders**" has the meaning set forth in the preamble to this Agreement.

"**Credit Agreements**" means, collectively, the ABL Credit Agreement, the Term Loan Credit Agreement, and the Subordinated Loan Credit Agreement.

"**Debtor Claims**" means any Claim against a Debtor, including the ABL Claims, the Term Loan Claims, and the Subordinated Loan Claims.

"**Debtor Termination Event**" has the meaning set forth in Section 13.02 of this Agreement.

"**Debtors**" has the meaning set forth in the recitals to this Agreement.

"**Definitive Documents**" means the documents listed in Section 3.01.

"**Disclosure Statement**" means the disclosure statement with respect to the Plan, including all exhibits, annexes, schedules, and supplements thereto, each as may be amended, supplemented, or modified from time to time.

"**Disclosure Statement Order**" means the order of the Bankruptcy Court approving the Disclosure Statement as a disclosure statement meeting the applicable requirements of the Bankruptcy Code and, to the extent necessary, approving the related Solicitation Materials, which order may be the Confirmation Order.

"**Entity**" shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

"**Exchange Act**" means the Securities and Exchange Act of 1934, as amended.

"**Execution Date**" has the meaning set forth in the preamble to this Agreement.

"**Governmental Entity**" means any applicable federal, state, local, or foreign government or any agency, bureau, board, commission, court, or arbitral body, department, political subdivision, regulatory or administrative authority, tribunal or other instrumentality thereof, or any self-regulatory organization. For the avoidance of doubt, the term Governmental Entity includes any Governmental Unit (as such term is defined in section 101(27) of the Bankruptcy Code).

"**Joinder**" means a joinder to this Agreement substantially in the form attached hereto as **Exhibit B**.

"**Law(s)**" means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a Governmental Entity of competent jurisdiction (including the Bankruptcy Court).

"**Lien**" has the meaning ascribed to it in section 101(37) of the Bankruptcy Code.

"**Milestones**" means the dates and deadlines set forth in Section 5.01 of this Agreement.

"**OpCo**" has the meaning set forth in the recitals to this Agreement.

"**Organizational Documents**" means, with respect to any Person other than a natural person, the documents by which such Person was organized or formed (such as a certificate of incorporation, certificate of formation, certificate of limited partnership, or articles of organization) or which relate to the internal governance of such Person (such as by-laws or a partnership agreement, or an operating, limited liability company, or members agreement).

"**Outside Date**" has the meaning set forth in Section 5.01(g) of this Agreement.

"**Parties**" has the meaning set forth in the preamble to this Agreement.

"**Permitted Transferee**" means each transferee of any Claims against a Debtor who meets the requirements of Section 10.01.

"**Person**" means an individual, a partnership, a limited partnership, a joint venture, a limited liability company, a corporation, a trust, an unincorporated organization, a group, a Governmental Entity, or any legal entity or association.

"**Petition Date**" means the date on which the Debtors file chapter 11 petitions with the Bankruptcy Court.

"**Plan**" has the meaning set forth in the recitals to this Agreement.

"**Plan Administration Agreement**" has the meaning set forth in the Plan Term Sheet.

"**Plan Effective Date**" means the date that is the first Business Day after the Confirmation Date on which all Conditions Precedent to the Plan Effective Date (as defined in the Plan Term Sheet) have been satisfied or waived in accordance with the Plan.

"**Plan Supplement**" means the compilation of (a) documents and forms and/or term sheets of documents, agreements, schedules, and exhibits to the Plan and (b) to the extent known, information required to be disclosed in accordance with section 1129(a)(5) of the Bankruptcy Code that shall be filed by the Debtors with the Bankruptcy Court.

"**Plan Term Sheet**" has the meaning set forth in the recitals to this Agreement.

"**Qualified Marketmaker**" means an entity that (a) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers Debtor Claims (or enter with customers into long and short positions in Debtor Claims), in its capacity as a dealer or market maker in Debtor Claims and (b) is, in fact, regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

"**Required Consenting ABL Lenders**" means, as of the relevant date, Consenting ABL Lenders who own or control more than 50% in aggregate principal amount of the outstanding ABL Claims owned or controlled by all Consenting ABL Lenders in the aggregate as of such date.

"**Required Consenting Creditors**" means, collectively, the Required Consenting ABL Lenders, the Required Consenting Subordinated Loan Lenders, and the Required Consenting Term Loan Lenders.

"**Required Consenting Subordinated Loan Lenders**" means, as of the relevant date, Consenting Subordinated Loan Lenders who own or control more than 50% in aggregate principal amount of the outstanding Subordinated Loan Claims owned or controlled by all Consenting Subordinated Loan Lenders in the aggregate as of such date.

"**Required Consenting Term Loan Lenders**" means, as of the relevant date, Consenting Term Loan Lenders who own or control more than 50% in aggregate principal amount of the outstanding Term Loan Claims owned or controlled by all Consenting Term Loan Lenders in the aggregate as of such date.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Solicitation Materials**" means all materials provided in connection with the solicitation of votes on the Plan pursuant to sections 1125 and 1126 of the Bankruptcy Code.

"**Subordinated Loan Agent**" has the meaning set forth in the Plan Term Sheet.

"**Subordinated Loan Claims**" has the meaning set forth in the Plan Term Sheet.

"**Subordinated Loan Credit Agreement**" has the meaning set forth in the Plan Term Sheet.

"**Subordinated Loans**" has the meaning set forth in the Plan Term Sheet.

"**Term Loan Advisors**" has the meaning set forth in the Plan Term Sheet.

"**Term Loan Agent**" has the meaning set forth in the Plan Term Sheet.

"**Term Loan Claims**" has the meaning set forth in the Plan Term Sheet.

"**Term Loan Credit Agreement**" has the meaning set forth in the Plan Term Sheet.

"**Term Loans**" has the meaning set forth in the Plan Term Sheet.

"**Termination Date**" means the date on which termination of this Agreement as to a Party is effective in accordance with Section 13.

"**Termination Event**" has the meaning set forth in Section 13.02 of this Agreement.

"**Transactions**" has the meaning set forth in the recitals to this Agreement.

"**Transfer**" means to sell, resell, reallocate, use, pledge, assign, transfer, loan, grant, hypothecate, participate, donate, or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales, or other transactions).

1.02. Interpretation. For purposes of this Agreement:

(a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender;

(b) capitalized terms defined only in the plural or singular form shall nonetheless have their defined meanings when used in the opposite form;

(c) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit shall mean such document, schedule, or exhibit, as it may have been or may be amended, restated, amended and restated, supplemented, or otherwise modified or replaced from time to time; provided that any capitalized terms herein which are defined with reference to another agreement are defined with reference to such other agreement as of the Execution Date, without giving effect to any termination of such other agreement or amendments to such capitalized terms in any such other agreement following the Execution Date;

(d) unless otherwise specified, all references herein to "Sections" are references to Sections of this Agreement;

(e) the words "herein," "hereof," and "hereto" refer to this Agreement in its entirety rather than to any particular portion of this Agreement;

(f) captions and headings to Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Agreement;

(g) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable limited liability company Laws;

(h) unless otherwise specified, "dollars" or "$" shall mean lawful money of the United States of America;

(i) unless otherwise specified, references to "days" shall mean calendar days;

(j) the use of "include" or "including" is without limitation, whether stated or not; and

(k) the phrase "counsel to the Debtors" refers in this Agreement to each counsel specified in Section 15.10(a), the phrase "counsel to the Consenting ABL Lenders" refers in this Agreement to counsel specified in Section 15.10(b), the phrase "counsel to the Consenting Term Loan Lenders" refers in this Agreement to counsel specified in Section 15.10(c), and the phrase "counsel to the Consenting Subordinated Loan Lenders" refers in this Agreement to counsel specified in Section 15.10(d).

Section 2. ***Effectiveness of this Agreement.***

2.01. This Agreement shall become effective and binding upon each of the parties that has executed and delivered counterpart signature pages to this Agreement on the date on which all of the following conditions have been satisfied or waived by the applicable Party or Parties in accordance with this Agreement:

(a) each of the Debtors shall have executed and delivered counterpart signature pages of this Agreement to counsel to the Consenting Creditors;

(b) holders of at least 66.67% of the aggregate outstanding principal amount of ABL Loans shall have executed and delivered counterpart signature pages of this Agreement to counsel to the Debtors;

(c) holders of at least 66.67% of the aggregate outstanding principal amount of Term Loans shall have executed and delivered counterpart signature pages of this Agreement to counsel to the Debtors;

(d) holders of at least 100% of the aggregate outstanding principal amount of Subordinated Loans shall have executed and delivered counterpart signature pages of this Agreement to counsel to the Debtors; and

(e) counsel to the Debtors shall have given notice to counsel to the Consenting Creditors in the manner set forth in Section 15.10 hereof (by electronic mail or otherwise) that the other conditions to the Agreement Effective Date set forth in this Section 2.01 have occurred.

Section 3. ***Definitive Documents.*** The Definitive Documents governing the Transactions shall include this Agreement and all other material agreements, instruments, pleadings, orders, forms, questionnaires, and other documents (including all exhibits, schedules, supplements, appendices, annexes, instructions, and attachments thereto) that are utilized to implement or effectuate the Transactions, including each of the following: (a) any Cash Collateral Order and any motion seeking entry by the Bankruptcy Court of the Cash Collateral Order (or any amendments thereto); (b) the Disclosure Statement and any Solicitation Materials; (c) the Disclosure Statement Order and any motion seeking entry by the Bankruptcy Court of the Disclosure Statement Order; (d) the Plan; (e) the Confirmation Order and any motion seeking entry by the Bankruptcy Court of the Confirmation Order; (f) the Plan Supplement and any other documents, schedules, and exhibits to the Plan Supplement; (g) the Plan Administration Agreement; (h) such other definitive documentation as is necessary or desirable to consummate the Transactions; and (i) any other material exhibits, schedules, amendments, modifications, supplements, appendices, or other documents, motions, pleadings and/or agreements relating to any of the foregoing.

3.02. The Definitive Documents not executed or in a form attached to this Agreement as of the Execution Date remain subject to negotiation and completion, as applicable. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter, or instrument related to the Transactions shall (unless otherwise expressly provided for in this Agreement) contain terms, conditions, representations, warranties, and covenants consistent with the terms of this Agreement (including the applicable terms of the Plan Term Sheet) and otherwise reasonably acceptable to the (a) Debtors and (b) the Required Consenting Creditors.

Section 4. ***Plan Term Sheet.***

4.01. The Plan Term Sheet is expressly incorporated herein by reference and made a part of this Agreement as if fully set forth herein. The terms and conditions of the Transactions are set forth in the Plan Term Sheet; provided that the Plan Term Sheet is supplemented by the terms and conditions of this Agreement and the applicable Definitive Documents implementing the Transactions. In the event of any inconsistencies between the terms of this Agreement and the Plan Term Sheet, the Plan Term Sheet shall govern.

Section 5. ***Milestones.***

5.01. Milestones. On and after the Agreement Effective Date, the Debtors shall implement the Transactions in accordance with the following milestones (as any such milestone may be extended in writing by the Required Consenting Creditors), unless waived in writing by the Required Consenting Creditors (which extension or waiver may be via electronic mail of counsel to the applicable Consenting Creditors to counsel to the Debtors):

(a) not later than March 16, 2025, the Petition Date shall have occurred;

(b) not later than 11:59 p.m., prevailing Eastern Time, on March 19, 2025, the Bankruptcy Court shall have entered (i) the Cash Collateral Order on an interim basis and (ii) an interim order authorizing the Debtors conduct store closing sales;

(c) not later than 11:59 p.m., prevailing Eastern Time, on March 26, 2025, the Debtors shall have filed with the Bankruptcy Court the Plan, the Disclosure Statement, and the Solicitation Materials;

(d) not later than 11:59 p.m., prevailing Eastern Time, on April 20, 2025, the Bankruptcy Court shall have entered (i) the Cash Collateral Order on a final basis and (ii) a final order authorizing the Debtors to assume its prepetition store closing liquidation agreement and conduct store closing sales;

(e) not later than 11:59 p.m., prevailing Eastern Time, on May 5, 2025, the Bankruptcy Court shall have entered the Disclosure Statement Order;

(f) not later than 11:59 p.m. prevailing Eastern Time on June 14, 2025, the Bankruptcy Court shall have entered the Confirmation Order; and

(g) no later than June 19, 2025 (the "**Outside Date**"), the Plan Effective Date shall have occurred.

Section 6. ***Commitments of the Consenting Creditors***.

6.01. General Commitments.

(a) During the Agreement Effective Period, each Consenting Creditor, on a several and not joint basis, agrees, in respect of all of its Debtor Claims, to:

(i) use commercially reasonable efforts and timely take all commercially reasonable actions to the extent necessary to support, implement, and consummate the Transactions, including (A) supporting the debtor and third-party releases, injunctions, indemnities, and exculpation provisions incorporated into the Plan and (B) voting (as applicable and to the extent solicited) all Debtor Claims owned or held by such Consenting Creditor and exercising any powers or rights available to it (including in any creditors' meeting or in any process requiring voting or approval to which they are legally entitled to participate), in each case in favor of any matter requiring approval to the extent necessary to implement the Transactions or reasonably requested by the Debtors to implement the Transactions; provided that no Consenting Creditor shall be obligated to waive (to the extent waivable by such Consenting Creditor) any condition to the consummation of any part of the Transactions set forth in any Definitive Document;

(ii) negotiate in good faith, execute, and use commercially reasonable efforts to implement the Definitive Documents;

(iii) support the Transactions within the timeframes outlined herein and in the Definitive Documents;

(iv) use commercially reasonable efforts to cooperate with the Debtors in connection with Debtors' obtaining additional support for the Transactions from the Debtors' other stakeholders;

(v) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Transactions, take all steps commercially reasonably necessary, to the extent reasonably requested by the Debtors, to address any such impediment, and to negotiate in good faith with the Debtors and other Consenting Creditors regarding reasonable and appropriate additional or alternative provisions to address any such impediment;

(vi) cooperate in good faith to structure the Transactions in a manner that is tax-efficient for each of the Parties; and

(vii) give any notice, order, instruction, or direction to the Agents necessary to give effect to the Transactions.

(b) During the Agreement Effective Period, each Consenting Creditor, on a several and not joint basis, agrees, in respect of all of its Debtor Claims, that it shall not directly or indirectly:

(i) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Transactions, including through instructions to the Agents;

(ii) directly or indirectly seek, solicit, encourage, propose, file, support, consent to, or vote for, or enter into or participate in any discussions, agreements, understandings, or other arrangements with any Person regarding, or pursue or consummate, any Alternative Transaction;

(iii) file any motion, pleading, agreement, instrument, order, form, or other document with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is not consistent with this Agreement;

(iv) exercise, or direct any other person to exercise, any right or remedy for the enforcement, collection, or recovery of any Debtor Claims including rights or remedies arising from or asserting or bringing any Debtor Claims under or with respect to the Credit Agreements that are inconsistent with this Agreement, except as permitted by the Cash Collateral Order or other Definitive Document;

(v) initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to the Chapter 11 Cases, this Agreement, or the Transactions against the Debtors or the other Parties to this Agreement other than to enforce this Agreement, the Cash Collateral Order, or any other Definitive Document or as otherwise permitted under this Agreement; and

(vi) object to, delay, impede, or take any other action to interfere with the Debtors' ownership and possession of their assets, wherever located, or interfere with the automatic stay arising under section 362 of the Bankruptcy Code, except to the extent permitted under the Cash Collateral Order or any other Definitive Document.

(c) Notwithstanding anything to the contrary contained in **Section 6** of this Agreement or otherwise, nothing herein shall or shall be construed to limit, impair, modify, or prejudice the rights, claims, and remedies available to the Consenting ABL Lenders and Consenting Term Loan Lenders, subject to the ABL-Term Loan Intercreditor Agreement, under the Cash Collateral Order.

6.02. Commitments with Respect to Chapter 11 Cases. In addition to the affirmative and negative commitments set forth in Section 6.01, during the Agreement Effective Period, each Consenting Creditor agrees in respect of all of its Debtor Claims, severally, and not jointly, that it will:

(a) (i) vote each of its Debtor Claims to accept the Plan by delivering its duly executed and completed ballot accepting the Plan on a timely basis following the commencement of the solicitation of the Plan and its actual receipt of the Solicitation Materials, and not change, withdraw, amend, or revoke (or cause or direct to be changed, withdrawn, amended, or revoked) any such vote during the Agreement Effective Period, and (ii) agree to provide or opt into, and to not opt out of or object to, releases set forth in the Plan consistent with the terms set forth in this Agreement (including the Plan Term Sheet), and not change, withdraw, amend, or revoke (or cause or direct to be changed, withdrawn, amended, or revoked) any such release, in each case as applicable and to the extent solicited during the Agreement Effective Period;

(b) not directly or indirectly, through any person, seek, solicit, propose, support, assist, engage in negotiations in connection with, or participate in the formulation, preparation, filing, or prosecution of any Alternative Transaction or object to or take any other action that would reasonably be expected to prevent, interfere with, delay, or impede the solicitation of votes on the Plan, approval of the Disclosure Statement, the confirmation and consummation of the Plan and the Transactions, or the entry of orders regarding the Definitive Documents, except to the extent such objection or action is taken in accordance with the Cash Collateral Order or any other Definitive Document;

(c) support, and will not directly or indirectly object to, delay, impede, or take any other action to interfere with any motion or other pleading or document filed by a Debtor in the Bankruptcy Court that is consistent with this Agreement except to the extent such objection or action is taken in accordance with the Cash Collateral Order or any other Definitive Document; and

(d) use commercially reasonable efforts to support and take all actions reasonably requested by the Debtors to facilitate the solicitation, approval of the Disclosure Statement, and confirmation and consummation of the Plan within the timeframes contemplated by this Agreement.

Section 7. ***Additional Provisions Regarding the Consenting Creditors' Commitments***. Notwithstanding anything contained in this Agreement, nothing in this Agreement shall: (a) affect the ability of any Consenting Creditor to consult with any other Consenting Creditor, the Debtors, or any other party in interest in the Chapter 11 Cases (including any official committee and the United States Trustee); (b) impair or waive the rights of any Consenting Creditor to assert or raise any objection permitted under this Agreement or under the Cash Collateral Order in connection with the Transactions or under the Definitive Documents; (c) prevent any Consenting Creditor

from enforcing any of its rights and remedies under this Agreement, the Cash Collateral Order, or any other Definitive Document or asserting or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement, the Cash Collateral Order or any other Definitive Document; (d) limit the rights of a Consenting Creditor under the Chapter 11 Cases, including appearing as a party in interest in any matter to be adjudicated in order to be heard concerning any matter arising in the Chapter 11 Cases, in each case, so long as the exercise of any such right is not inconsistent with such Consenting Creditor's obligations under Section 6 of this Agreement, the Cash Collateral Order, or any other Definitive Document; (e) limit the ability of a Consenting Creditor to purchase, sell, or enter into any transactions regarding the Debtor Claims, subject to the terms hereof; (f) constitute a waiver or amendment of any term or provision of the Credit Agreements or any of the other Loan Documents (as defined in the Credit Agreements); (g) constitute a termination or release of any liens on, or security interests in, any of the assets or properties of the Debtors that secure the obligations under the Credit Agreements or any of the other Loan Documents (as defined in the Credit Agreements); (h) require any Consenting Creditor to incur, assume, become liable in respect of, or suffer to exist any expenses, liabilities, or other obligations, or agree to or become bound by any commitments, undertakings, concessions, indemnities, or other arrangements that could result in expenses, liabilities, or other obligations to such Consenting Creditor; (i) prevent a Consenting Creditor from taking any action that is required to comply with applicable Law; provided that if any Consenting Creditor proposes to take any action that is otherwise inconsistent with this Agreement or the Transactions to comply with applicable Law, such Consenting Creditor shall provide, to the extent commercially reasonable without violating applicable Law, at least five Business Days' advance, written notice to the Parties; or (j) prohibit any Consenting Creditor from taking any action that is not in contravention of this Agreement or the Transactions.

Section 8. ***Commitments, Representations, and Warranties of the Debtors***.

8.01. Affirmative Commitments. Except as set forth in Section 9, or unless otherwise consented to or waived by the Required Consenting Creditors, during the Agreement Effective Period, the Debtors agree to:

(a) use commercially reasonable efforts to (i) pursue, consummate, and implement the Transactions on the terms and in accordance with the Milestones set forth in this Agreement, including by negotiating the Definitive Documents in good faith, and (ii) cooperate, as necessary, with the Consenting Creditors to obtain necessary Bankruptcy Court approvals of the Definitive Documents to consummate the Transactions;

(b) support and take all actions reasonably necessary or reasonably requested by the Consenting Creditors to facilitate the solicitation, confirmation, approval, and consummation of the Transactions, as applicable, to the extent consistent with the terms and conditions in this Agreement;

(c) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Transactions, take all steps reasonably necessary to address any such impediment, and to negotiate in good faith with the Consenting Creditors and Consenting Creditor Advisors regarding reasonable and appropriate additional or alternative provisions to address any such impediment;

(d) negotiate in good faith, execute, and deliver, and use commercially reasonable efforts to perform their obligations under, and consummate the transactions contemplated by, the Definitive Documents and any other required agreements to effectuate and consummate the Transactions as contemplated by this Agreement;

(e) timely oppose any objections filed with respect to the Bankruptcy Court's approval of any of the Definitive Documents;

(f) seek additional support for the Transactions from their other material stakeholders to the extent reasonably prudent;

(g) (i) provide drafts of the Disclosure Statement, the Plan, any other Solicitation Materials, and each other Definitive Document to, and afford a reasonable opportunity for comment and review of such documents by, the Consenting Creditor Advisors, (ii) consult in good faith with the Consulting Creditor Advisors regarding the form and substance of the Disclosure Statement and other Solicitation Materials, the Plan, and each other Definitive Document, sufficiently in advance of the filing, execution, distribution, or use (as applicable) thereof and not file, execute, distribute, or use (as applicable) the Disclosure Statement, other Solicitation Materials, the Plan, and each other Definitive Document unless such document is consistent with this Agreement and otherwise in form and substance reasonably acceptable in accordance with Section 3.02 of this Agreement, and (iii) negotiate in good faith, execute, perform their obligations under, and consummate the transactions contemplated by, the Definitive Documents to which the respective Debtors are (or will be) a party or are otherwise bound by the provisions thereof;

(h) promptly notify the Consenting Creditor Advisors in writing (electronic mail being sufficient) of any breach by any of the Debtors in any respect of any of their obligations, representations, warranties, or covenants set forth in this Agreement or the Definitive Documents and/or the occurrence of a Termination Event;

(i) inform counsel to the Consenting Creditors reasonably promptly after becoming aware of any matter or circumstance which it knows, or believes is likely, to be a material impediment to the implementation or consummation of the Transactions;

(j) to otherwise comply with all obligations to the Consenting Creditors and the Consenting Creditor Advisors, including reporting and notice requirements, set forth in the Cash Collateral Order;

(k) timely object to any motion filed with the Bankruptcy Court by any person (i) seeking the entry of an order terminating the Debtors' exclusive right to file and/or solicit acceptances of a chapter 11 plan or (ii) seeking the entry of an order terminating, annulling, or modifying the automatic stay (as set forth in section 362 of the Bankruptcy Code) with regard to any material asset that, to the extent such relief was granted, would have a material adverse effect on or delay the consummation of the Transactions;

(l) timely object to, and not file, any pleading before the Bankruptcy Court seeking entry of an order (i) directing the appointment of an examiner or a trustee, (ii) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, (iii) dismissing the Chapter 11 Cases, or (iv) for relief that (x) is inconsistent with this Agreement in any material

respect and (y) would reasonably be expected to frustrate the purposes of this Agreement, including by preventing or delaying the consummation of the Transactions;

(m) timely object to any pleading filed with the Bankruptcy Court or any other court of competent jurisdiction seeking to challenge the validity, enforceability, perfection or priority of, or any action seeking avoidance, claw-back, recharacterization or subordination of, any portion of the Debtor Claims or any liens or collateral securing such Debtor Claims; and

(n) in accordance with the Cash Collateral Order, pay and reimburse in full in cash in immediately available funds, subject to any applicable orders of the Bankruptcy Court but without the need to file fee or retention applications, (i) all reasonable fees and expenses of the Consenting Creditor Advisors incurred prior to (to the extent not previously paid), on, and after the Petition Date, and (ii) on the Plan Effective Date, all reasonable fees and expenses of the Consenting Creditor Advisors incurred and outstanding in connection with the Transaction (including any estimated fees and expenses estimated to be incurred through the Plan Effective Date).

8.02. Negative Commitments. Except as set forth in Section 9 or unless otherwise consented to or waived by the Required Consenting Creditors, during the Agreement Effective Period (or beyond such period to the extent provided for under the Cash Collateral Order), each of the Debtors agrees that it shall not:

(a) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Transactions;

(b) take any action that is inconsistent in any material respect with, or is intended to frustrate or impede approval, implementation, and consummation of the Transactions;

(c) execute, deliver, and/or file with the Bankruptcy Court any agreement, instrument, motion, pleading, order, form, or other document that is to be utilized to implement or effectuate, or that otherwise relates to, this Agreement, the Plan, and/or the Transactions that, in whole or in part, is not consistent with this Agreement;

(d) except for the Cash Collateral Order, enter into any contract with respect to debtor-in-possession financing, cash collateral usage, and/or other financing arrangements without the prior written consent of the Required Consenting Creditors;

(e) file or otherwise support, encourage, seek, solicit, pursue, initiate, assist, join or participate in any challenge to the validity, enforceability, perfection or priority of, or any action seeking avoidance, claw-back, recharacterization or subordination of, any portion of the ABL Claims, Term Loan Claims, or Subordinated Loan Claims (or the liens or collateral in respect thereof) of the Consenting Creditors;

(f) except to the extent permitted by Section 9.02 hereof, seek, solicit, support, encourage, propose, assist, consent to, vote for, enter into, or participate in any discussions, agreements, understandings, or other arrangements with any Person regarding, pursue, or consummate, any Alternative Transaction; or

(g) consummate the Transactions unless each of the applicable conditions to the consummation of such transactions set forth in this Agreement (including the Plan Term Sheet) and the other applicable Definitive Documents has been satisfied (or waived by the applicable party or parties, including the Required Consenting Creditors).

Section 9. ***Additional Provisions Regarding Debtors' Commitments***.

9.01. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall require a Debtor or the board of directors, board of managers, or similar governing body of a Debtor to take any action or to refrain from taking any action with respect to the Transactions to the extent that it determines in good faith, after consulting with outside counsel, that taking or failing to take such action would be inconsistent with its fiduciary obligations under applicable Law; provided that any such action or failure to take such action results in a breach of this Agreement, it shall constitute a Consenting Creditor Termination Event in accordance with Section 13.01 hereof. If a Debtor, in compliance with this Section 9.01, determines to take or refrain from taking any action, it shall promptly (but, in any event, within two Business Days after such determination) provide written notice to the Required Consenting Creditors of such determination.

9.02. Notwithstanding anything to the contrary in this Agreement, each Debtor and its respective directors, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives shall have the rights to: (a) provide access to non-public information concerning any Debtor to any Entity that provides an unsolicited proposal for an Alternative Transaction and executes and delivers a reasonable and customary confidentiality or nondisclosure agreement with the Debtors; (b) receive, respond to, and maintain and continue discussions or negotiations with respect to such unsolicited proposal for an Alternative Transaction if the board of directors, board of managers, or similar governing body of such Debtor determines in good faith, upon advice of outside counsel, that failure to take such action would be inconsistent with the fiduciary duties of the members of such board or governing body under applicable Law; and (c) enter into or continue discussions or negotiations with any Consenting Creditor, any official committee, other parties in interest, and/or the United States Trustee regarding the Transactions or any unsolicited Alternative Transaction Proposal. The Debtors shall (a) provide to counsel to the Consenting Creditors, on a professional eyes only basis, a copy of any written Alternative Transaction Proposal (and notice and a description of any oral Alternative Transaction Proposal), (b) promptly provide such information to counsel to the Consenting Creditors regarding such discussions or any actions or inaction pursuant to this Section 9.02 (including copies of any materials provided to, or provided by, the Debtors with respect to the applicable Alternative Transaction) as necessary to keep counsel to the Consenting Creditors reasonably contemporaneously informed as to the status and substance of the foregoing; and (c) not enter into any confidentiality agreement with a party interested in an Alternative Transaction unless such party consents to the Debtors providing to counsel to the Consenting Creditors, on a professional eyes' only basis, the foregoing information.

9.03. Nothing in this Agreement shall: (a) impair or waive the rights of any Debtor to assert or raise any objection permitted under this Agreement in connection with the Transactions; or (b) prevent any Debtor from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement.

Section 10. ***Transfer of Debtor Claims; Joinder.***

10.01. During the Agreement Effective Period, except pursuant to the consummation of the Transactions, no Consenting Creditor shall Transfer any ownership in any Debtor Claims to any affiliated or unaffiliated party, including any party in which it may hold a direct or indirect beneficial interest, unless:

(a) the authorized transferee is a Consenting Creditor and the transferor provides notice of such Transfer (including the amount and type of Debtor Claims Transferred and the identity of the transferee) to counsel to the Debtors and to counsel to the Consenting Creditors at, before, or within two Business Days of the time of the proposed Transfer; or

(b) the transferee executes and delivers to counsel to the Debtors and to counsel to the Consenting Creditors, at or before the time of the proposed Transfer, an executed Joinder.

10.02. Upon compliance with the requirements of Section 10.01, the transferee shall be deemed a "Consenting Creditor" and a "Party", and the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement to the extent of the rights and obligations in respect of such transferred Debtor Claims.

10.03. This Agreement shall in no way be construed to preclude the Consenting Creditors from acquiring additional Debtor Claims; provided that (a) such additional Debtor Claims shall automatically and immediately upon acquisition by a Consenting Creditor be deemed subject to the terms of this Agreement (regardless of when or whether notice of such acquisition is given to counsel to the Debtors or to counsel to the Consenting Creditors); and (b) such Consenting Creditor must provide notice of such acquisition (including the amount and type of Debtor Claim acquired) to counsel to the Debtors and to counsel to the Consenting Creditors within five Business Days of such acquisition.

10.04. This Section 10 shall not impose any obligation on any Debtor to issue any "cleansing letter" or otherwise publicly disclose information for the purpose of enabling a Consenting Creditor to Transfer any of its Debtor Claims.

10.05. Notwithstanding Section 10.01, a Qualified Marketmaker that acquires any Debtor Claims with the purpose and intent of acting as a Qualified Marketmaker for such Debtor Claims shall not be required to execute and deliver a Joinder in respect of such Debtor Claims if: (a) such Qualified Marketmaker subsequently transfers such Debtor Claims (by purchase, sale, assignment, participation, or otherwise) within 10 Business Days of its acquisition to a transferee that is an entity that is not an affiliate, affiliated fund, or affiliated entity with a common investment advisor; (b) the transferee otherwise is a Permitted Transferee; and (c) the Transfer otherwise is a permitted Transfer under Section 10.01. Notwithstanding Section 10.03, to the extent that a Consenting Creditor is acting in its capacity as a Qualified Marketmaker, (x) it may acquire Debtor Claims (i) without such Debtor Claims being automatically deemed subject to this Agreement, and (ii) without being required to provide notice of such acquisition to counsel to the Debtors and to counsel to the Consenting Creditors, and (y) it may Transfer (by purchase, sale, assignment, participation, or otherwise) any right, title, or interests in Debtor Claims that the Qualified Marketmaker acquires from a holder of the Debtor Claims who is not a Consenting Creditor

without the requirement that the transferee be a Permitted Transferee. For the avoidance of doubt, if a Qualified Marketmaker acquires any Debtor Claims from a Consenting Creditor and is unable to transfer such Debtor Claims within the 10 Business Day-period referred to above, the Qualified Marketmaker shall execute and deliver a Joinder in respect of such Debtor Claims.

10.06. Notwithstanding anything to the contrary in this Section 10, the restrictions on Transfer set forth in this Section 10 shall not apply to the grant of any liens or encumbrances on any Debtor Claims in favor of a bank or broker-dealer holding custody of such Debtor Claims in the ordinary course of business and which lien or encumbrance is released upon the Transfer of such Debtor Claims.

10.07. Any Transfer of Debtor Claims in violation of Section 10.01 or Section 10.03, as applicable, shall be void *ab initio*.

10.08. In addition, a Person that owns or controls Debtor Claims may become a party hereto as a Consenting Creditor by executing and delivering to counsel to the Debtors and to counsel to the Consenting Creditors, a Joinder, in which event such Person shall be deemed to be a Consenting Creditor hereunder to the extent of the Debtor Claims owned and controlled by such Person.

Section 11. ***Representations and Warranties of Consenting Creditors***. Each Consenting Creditor severally, and not jointly, represents and warrants that the following statements are true and correct as of the date such Consenting Creditor executes and delivers this Agreement or a Joinder, as applicable, except as expressly set forth on its signature page to this Agreement or a Joinder, as applicable:

(a) it (i) is the beneficial or record owner of the face amount of the Debtor Claims or is the nominee, investment manager, or advisor for beneficial holders of the Debtor Claims reflected in Schedules I, II, and III to this Agreement, such Consenting Creditor's signature page to this Agreement, or a Joinder, as applicable, (ii) has not Transferred, or agreed to Transfer (other than in accordance with Section 10 of this Agreement), in whole or in part, any Claim or Cause of Action with respect to its Debtor Claims that is subject to the releases contemplated by the Transactions, and (iii) having made reasonable inquiry, is not the beneficial or record owner of any ABL Claims, Term Loan Claims, or Subordinated Loan Claims other than those reflected in Schedules I, II, and III to this Agreement, such Consenting Creditor's signature page to this Agreement, or a Joinder, as applicable;

(b) it has the full power and authority to act on behalf of, vote, and consent to matters concerning, such Debtor Claims as contemplated by this Agreement;

(c) it has the full power and authority to act on behalf of, vote, and consent to matters concerning, such Debtor Claims and such Debtor Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would adversely affect in any way such Consenting Creditor's ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed; and

(d) it has the full power to vote, approve changes to, and transfer all of its Debtor Claims as contemplated by this Agreement subject to the applicable Credit Agreement and applicable Law.

Section 12. ***Mutual Representations, Warranties, and Covenants***. Each of the Parties, on a several and not joint basis, represents, warrants, and covenants to each other Party, as of the date such Party executes and delivers this Agreement or a Joinder, as applicable:

(a) it is validly existing and in good standing under the Laws of the jurisdiction of its organization, and this Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable Laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability;

(b) except as expressly provided in this Agreement, the Plan, and the Bankruptcy Code, no consent or approval is required by any other Person for it to effectuate the Transactions contemplated by, and perform its respective obligations under, this Agreement;

(c) the entry into and performance by it of, and the transactions contemplated by, this Agreement do not, and will not, conflict in any material respect with any Law or regulation applicable to it or with any of its Organizational Documents;

(d) except as expressly provided in this Agreement, it has (or will have, at the relevant time) all requisite corporate or other power and authority to enter into, execute, and deliver this Agreement and to effectuate the Transactions contemplated by, and perform its respective obligations under, this Agreement;

(e) it has sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, and has been afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement and otherwise investigated this matter to its full satisfaction;

(f) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part; and

(g) except as expressly provided by this Agreement, it is not party to any restructuring or similar agreements or arrangements with any of the other Parties or any other Person that have not been disclosed to all Parties.

Section 13. ***Termination Events***.

13.01. Required Consenting Creditors Termination Events. This Agreement may be terminated (a) as to all Parties by the Required Consenting Creditors, (b) as to the Consenting ABL Lenders by the Required Consenting ABL Lenders, (c) as to the Consenting Term Loan Lenders by the Required Consenting Term Loan Lenders, and (d) as to the Consenting Subordinated Loan Lenders by the Required Consenting Subordinated Loan Lenders, in each case, upon the delivery

to counsel to the Debtors and to counsel to the Consenting Creditors of a written notice in accordance with Section 15.10 upon the occurrence of any of the following events (each, a "**Consenting Creditor Termination Event**"):

(a) the breach in any material respect (without giving effect to any "materiality" qualifiers set forth therein) by a Debtor of any of the representations, warranties, covenants, or other obligations or agreements of the Debtors set forth in this Agreement that remains uncured (if susceptible to cure) for five Business Days after such terminating Consenting Creditors deliver a written notice in accordance with Section 15.10 detailing any such breach; provided that this Agreement may not be terminated by the Required Consenting Creditors pursuant to this Section 13.01(a) unless such breach adversely impacts the rights of the holders of ABL Claims, Term Loan Claims, or Subordinated Loan Claims, as applicable;

(b) any of the Milestones (as may have been extended in accordance with Section 5.01) is not achieved, except where such Milestone has been waived by the Required Consenting Creditors; provided that the right to terminate this Agreement under this Section 13.01(b) shall not be available to the Required Consenting Creditors if the failure of such Milestone to be achieved is caused by, or results from, the material breach by any terminating Consenting Creditor(s) of its covenants, agreements, or other obligations under this Agreement;

(e) the issuance by any Governmental Entity, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) enjoins the consummation of a material portion of the Transactions, and (ii) remains in effect for thirty days after such terminating Consenting Creditors deliver a written notice in accordance with Section 15.10 hereof detailing any such issuance; provided that this termination right may not be exercised by any Consenting Creditor that sought or requested such ruling or order;

(f) any Debtor (i) publicly announces, or announces in writing, to any of the Consenting Creditors or other holders of Debtor Claims, its intention not to support or pursue the Transactions; (ii) takes any action in furtherance of its intention not to support or pursue the Transactions; (iii) exercises any right pursuant to Section 9.01; or (iv) breaches any of the covenants, agreements or other obligations set forth in Section 8.02(c);

(g) the Bankruptcy Court grants relief that (i) is inconsistent with this Agreement or the Plan Term Sheet in any material respect, or (ii) would, or would reasonably be expected to, frustrate the purposes of this Agreement, including by entering an order denying confirmation of the Plan or disallowing a material provision thereof (without the consent of the Required Consenting Creditors), unless the order granting such relief has been stayed, modified, or reversed within 14 days after such terminating Consenting Creditor(s) delivers a written notice in accordance with Section 15.10 hereof;

(h) the Bankruptcy Court enters an order terminating any Debtor's exclusive right to file and/or solicit acceptances of a chapter 11 plan;

(i) the Bankruptcy Court grants relief terminating, annulling, or modifying the automatic stay (as set forth in section 362 of the Bankruptcy Code) with regard to any material

asset of the Debtors and such order materially and adversely affects any Debtor's ability to operate its business in the ordinary course or to consummate the Transactions;

(j) termination of the Debtors' right to use cash collateral under the Cash Collateral Order or upon any authorization of the Debtors to use cash collateral without the prior consent and approval of the Required Consenting Creditors;

(k) the entry of an order by the Bankruptcy Court, or the filing of a motion or application by any Debtor seeking an order (without the prior written consent of the Required Consenting Creditors): (i) converting one or more of the Chapter 11 Cases of a Debtor to a case under chapter 7 of the Bankruptcy Code; (ii) appointing an examiner with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code or a trustee in one or more of the Chapter 11 Cases of a Debtor; (iii) dismissing any of the Chapter 11 Cases; (iv) approving an Alternative Transaction; or (v) rejecting this Agreement; or

(l) after entry by the Bankruptcy Court of the Confirmation Order or the Cash Collateral Order, either of the Confirmation Order or the Cash Collateral Order is (i) reversed, dismissed, or vacated without the prior written consent of the Required Consenting Creditors, or (ii) modified or amended in a manner that is inconsistent with this Agreement without the prior written consent of the Required Consenting Creditors, and such modification or amendment remains unchanged for a period of 10 calendar days after the terminating Consenting Creditor(s) deliver a written notice in accordance with Section 15.10 hereof detailing any such modification or amendment.

13.02. Debtor Termination Events. Any Debtor may terminate this Agreement as to all Parties upon the delivery to counsel to the Consenting Creditors of a written notice in accordance with Section 15.10 upon the occurrence of any of the following events (unless waived in writing by the Debtors) (each, a "**Debtor Termination Event**" and together with each Consenting Creditor Termination Event, each, a "**Termination Event**"):

(a) the breach in any material respect by the Consenting Creditors of any of the representations, warranties, covenants, or other obligations or agreements of the Consenting Creditors set forth in this Agreement that remains uncured (if susceptible to cure) for five Business Days after such Debtor delivers a written notice in accordance with Section 15.10 detailing any such breach;

(b) the board of directors, board of managers, or such similar governing body of any Debtor determines, after consulting with outside counsel, (i) that proceeding with any of the Transactions would be inconsistent with the exercise of its fiduciary duties or applicable Law, or (ii) in the exercise of its fiduciary duties, to pursue an Alternative Transaction;

(c) the Consenting Creditors entitled to vote on the Plan will have failed to timely vote their Debtor Claims in favor of the Plan or at any time change their votes to constitute rejections to the Plan, in either case in a manner inconsistent with this Agreement; provided that this Debtor Termination Event will not apply if sufficient holders of Claims have timely voted (and not withdrawn) their Debtor Claims to accept the Plan in amounts necessary for each applicable

impaired class under the Plan to "accept" the Plan consistent with Section 1126 of the Bankruptcy Code; or

(d) the issuance by any Governmental Entity, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that (i) enjoins the consummation of a material portion of the Transactions and (ii) remains in effect for 30 calendar days after such terminating Debtor delivers a written notice in accordance with Section 15.10 detailing any such issuance; provided that this termination right shall not apply to or be exercised by any Debtor that sought or requested such ruling or order.

13.03. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement between the Debtors and the Required Consenting Creditors.

13.04. Automatic Termination. This Agreement shall automatically terminate (i) with respect to all Parties automatically without any further required action or notice immediately after the occurrence of the Plan Effective Date; or (ii) as to any Consenting Creditor upon its transfer of all (but not less than all) of its Claims in accordance with Section 10 as of the date that the Debtors receive a notice required under Section 10.01(b).

13.05. Effect of Termination. Subject to the provisions of Section 15.12 and Section 15.21 hereof, upon the occurrence of the Termination Date as to any Party, this Agreement shall be of no further force and effect with respect to such Party and such Party shall be released from its commitments, undertakings, obligations, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had, had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement, including with respect to any and all Claims or Causes of Action; provided, however, that in no event shall any such termination relieve any Party from (i) liability for its breach or non-performance of its obligations under this Agreement prior to the applicable Termination Date or (ii) obligations under this Agreement which by their terms expressly survive termination of this Agreement. No Party may terminate this Agreement on account of a Termination Event if the occurrence of such Termination Event was primarily caused by, or primarily resulted from, such Party's own action (or failure to act) in breach of the terms of this Agreement. Nothing in this Section 13.05 shall restrict any Debtor's right to terminate this Agreement in accordance with Section 13.02(b).

13.06. Automatic Stay. The Debtors acknowledge that the giving of notice of termination by any Party pursuant to this Agreement shall not be a violation of the automatic stay under section 362 of the Bankruptcy Code, and the Debtors hereby waive, to the fullest extent permitted by Law, the applicability of the automatic stay as it relates to any such notice being provided.

Section 14. ***Amendments and Waivers***.

14.01. Amendments and Waivers.

(a) This Agreement may not be modified, amended, or supplemented, and no condition or requirement of this Agreement may be waived, in any manner except in accordance with this Section 14.

(b) This Agreement may be modified, amended, or supplemented, or a condition or requirement of this Agreement may be waived, in a writing (electronic mail being sufficient) signed (i) in the case of a waiver, a waiver by the Party against whom the waiver is to be effective, and (ii) in the case of a modification, amendment, or supplement, by the (A) Debtors and (B) the Required Consenting Creditors; provided that if the proposed modification, amendment, or supplement will result in a material change from the terms provided in this Agreement, including the Plan Term Sheet, that has a disproportionate and adverse effect on the economic recoveries or treatment of (excluding effects that are in proportion to the amount of the Debtor Claims held by the applicable Consenting Creditor) (1) a Consenting ABL Lender, relative to all of the other Consenting ABL Lenders (in each case in respect of the ABL Claims), (2) a Consenting Term Loan Lender, relative to all of the other Consenting Term Loan Lenders (in each case in respect of the Term Loan Claims), or (3) a Consenting Subordinated Loan Lender, relative to all of the other Consenting Subordinated Loan Lenders (in each case in respect of the Subordinated Loan Claims), then the consent of such affected Consenting Creditor (solely in its affected capacity) shall also be required to effectuate such modification, amendment, or supplement.

(c) In determining whether any consent or approval has been given by the applicable Required Consenting Creditors, any Debtor Claims held by any then-existing Consenting Creditor that (i) is in material breach of its covenants, obligations, or representations under this Agreement, (ii) has been notified in writing of such material breach by the Debtors or the Required Consenting Creditors at least five calendar days prior to the earlier of the record date for determining Parties that can provide such consent or approval and the effective date of such consent or approval, and (iii) has not cured such material breach shall be excluded from such determination, and the Debtor Claims held by such Consenting Creditor shall be treated as if they were not outstanding.

(d) Any proposed modification, amendment, waiver or supplement that does not comply with this Section 14 shall be ineffective and void *ab initio*.

(e) The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power, or remedy under this Agreement shall operate as a waiver of any such right, power, or remedy or any provision of this Agreement, nor shall any single or partial exercise of such right, power, or remedy by such Party preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power, or remedy. All remedies under this Agreement are cumulative and are not exclusive of any other remedies provided by Law.

Section 15. ***Miscellaneous***

15.01. Acknowledgement. Notwithstanding any other provision herein, this Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a chapter 11 plan for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities Laws, provisions of the Bankruptcy Code, and/or other applicable Law.

15.02. Exhibits Incorporated by Reference; Conflicts. Each of the exhibits, annexes, signatures pages, and schedules attached hereto is expressly incorporated herein and made a part

of this Agreement, and all references to this Agreement shall include such exhibits, annexes, and schedules

15.03. Further Assurances. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, or as may be required by order of the Bankruptcy Court, from time to time, to effectuate the Transactions, as applicable.

15.04. Complete Agreement. Except as otherwise explicitly provided herein, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, among the Parties with respect thereto.

15.05. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each Party agrees that it shall bring any action or other proceeding in respect of any claim arising out of or related to this Agreement, to the extent possible, in the Bankruptcy Court, and solely in connection with claims arising under this Agreement: (i) irrevocably submits to the exclusive jurisdiction of the Bankruptcy Court; (ii) waives any objection to laying venue in any such action or proceeding in the Bankruptcy Court; and (iii) waives any objection that the Bankruptcy Court is an inconvenient forum or does not have jurisdiction over any Party hereto.

15.06. TRIAL BY JURY WAIVER. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

15.07. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery, each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

15.08. Rules of Construction. This Agreement is the product of negotiations among the Parties, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof. Each of the Parties was represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel.

15.09. Successors and Assigns; Third Parties. Subject to Section 10 hereof, neither this Agreement nor any of the rights or obligations hereunder may be assigned by any Party hereto without the prior written consent of the other Parties hereto, and then only to a Person who has agreed to be bound by the provisions of this Agreement. This Agreement is intended to (and does)

bind and inure to the benefit of the Parties and their respective successors and permitted assigns, as applicable. Unless as otherwise expressly stated or referred to herein, there are no third party beneficiaries under this Agreement. The rights or obligations of any Party under this Agreement may not be assigned, delegated, or transferred to any other Entity except as expressly permitted in this Agreement.

15.10. Notices. All notices hereunder shall be deemed given if in writing and delivered, by electronic mail, courier, or registered or certified mail (return receipt requested), to the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to a Debtor, to:

F21 OpCo, LLC
110 E. 9th Street, Suite A500
Los Angeles, CA 90079
Attention: Brad Sell and Scott Hampton
E-mail address: brad.s@forever21.com; scott.hampton@forever21.com

with copies to:

Young Conaway Stargatt & Taylor, LLP
Rodney Square
1000 North King Street
Wilmington, DE 19801
Attention: Andrew L. Magaziner and S. Alexander Faris
E-mail address: amagaziner@ycst.com; afaris@ycst.com

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: Brian S. Hermann, John T. Weber, and Joseph M. Graham
E-mail address: bhermann@paulweiss.com; jweber@paulweiss.com; jgraham@paulweiss.com

(b) if to a Consenting ABL Lender, to the notice address provided on such Consenting ABL Lender's signature page

with copies to:

Otterbourg P.C.
230 Park Avenue
New York, NY 10169
Attention: Daniel F. Fiorillo and Chad B. Simon
E-mail address: dfiorillo@otterbourg.com; csimon@otterbourg.com

(c) if to a Consenting Term Loan Lender, to the notice address provided on such Consenting Term Loan Lender's signature page

with copies to:

Riemer & Braunstein LLP
Seven Times Square, Suite 2506
New York, NY 10036
Attention: Steven Fox
E-mail address: sfox@riemerlaw.com

(d) if to a Consenting Subordinated Loan Lender, to the notice address provided on such Consenting Subordinated Loan Lender's signature page

with copies to:

Choate, Hall & Stewart LLP
Two International Place
Boston, MA 02110
Attention: Mark Silva
E-mail address: msilva@choate.com

Any notice given by delivery, mail, or courier shall be effective when received, and any notice delivered or given by electronic mail shall be effective when sent.

15.11. Independent Due Diligence and Decision Making. Each Consenting Creditor hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, and financial and other conditions, and prospects of the Debtors.

15.12. Waiver/Settlement Discussions. If the Transactions are not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights. Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict the ability of each of the Parties to protect and preserve its rights, remedies, and interests, including its claims against any of the other Parties (or their respective affiliates or subsidiaries) or its full participation in the Chapter 11 Cases, or any subsequent case, litigation, or other dispute. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties. Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408, any applicable state rules of evidence, and any other applicable Law, foreign or domestic, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than to prove the existence of this Agreement or in a proceeding to enforce the terms of this Agreement. This Agreement shall in no event be construed as or be deemed to be evidence of an admission or concession on the part of any Party of any claim or fault or liability or damages whatsoever. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert.

15.13. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party, and each non-breaching Party shall be entitled to seek specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any

such breach, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

15.14. Several, Not Joint, Claims. Except where otherwise specified, the agreements, representations, warranties, and obligations of the Parties under this Agreement are, in all respects, several and not joint.

15.15. Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect if essential terms and conditions of this Agreement for each Party remain valid, binding, and enforceable.

15.16. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at Law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

15.17. Capacities of Consenting Creditors. Each Consenting Creditor has entered into this Agreement on account of all Debtor Claims that it holds (directly or through discretionary accounts that it manages or advises), except as expressly set forth on its signature page to this Agreement or Joinder, as applicable, and, except where otherwise specified in this Agreement, shall take or refrain from taking all actions that it is obligated to take or refrain from taking under this Agreement with respect to all such Debtor Claims.

15.18. E-Mail Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, including a written approval by the Debtors or any applicable Consenting Creditor, such written consent, acceptance, approval, or waiver shall be deemed to have occurred if, by agreement between counsel to the Parties submitting and receiving such consent, acceptance, approval, or waiver, it is conveyed in writing (including electronic mail) between each such counsel without representations or warranties of any kind on behalf of such counsel.

15.19. Survival. Notwithstanding (i) any Transfer of any ABL Claims in accordance with this Agreement or (ii) the termination of this Agreement in accordance with its terms, the terms, provisions, agreements and obligations set forth in Section 1.02, Section 13.05, and Section 15 (other than Section 15.03 in the event of a termination of this Agreement other than pursuant to Section 13.04), and any defined terms used in any of the forgoing Sections or proviso (solely to the extent used therein), shall survive such termination and shall continue in full force and effect with respect to all Parties in accordance with the terms hereof.

15.20. Publicity. Except as required by Law, no Party or its advisors shall (a) other than as necessary during live court proceedings and in filings in connection with the Chapter 11 Cases, use the name of any Consenting Creditor in any public manner (including in any press release) with respect to this Agreement, the Transactions, or any of the Definitive Documents, or (b) disclose to any Person (including, for the avoidance of doubt, any other Consenting Creditor), other than advisors to the Debtors, the principal amount or percentage of any Debtor Claims held by any Consenting Creditor, or any notice of a Transfer of ownership in any Debtor Claims by or

to a Consenting Creditor pursuant to Section 10, without such Consenting Creditor's prior written consent (it being understood and agreed that each Consenting Creditor's signature page to this Agreement and Schedules I, II, and III to this Agreement shall be redacted to remove the name of such Consenting Creditor and the amount and/or percentage of Debtor Claims held by such Consenting Creditor); provided, however, that (i) if such disclosure is required by Law, the disclosing Party shall afford the relevant Consenting Creditor a reasonable opportunity to review and comment in advance of such disclosure and shall take all reasonable measures to limit such disclosure and (ii) the foregoing shall not prohibit the disclosure of the aggregate percentage or aggregate principal amount of Debtor Claims held by the Consenting Creditors of the same class, collectively. Notwithstanding the provisions in this Section 15.21, (x) any Party may disclose the identities of the other Parties in any action to enforce this Agreement or in any action for damages as a result of any breaches hereof, and (y) any Party may disclose, to the extent expressly consented to in writing by a Consenting Creditor, such Consenting Creditor's identity and individual holdings.

15.21. Computation of Time. Bankruptcy Rule 9006(a) applies in computing any period of time prescribed or allowed herein.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

[*Signature Pages Follow*]

Debtors' Signature Page to
the Plan Support Agreement

F21 OpCo, LLC

By: DocuSigned by: Michael Brown C3AEE02395964E5...

Name: Michael Brown
Title: Authorized Signatory

F21 Puerto Rico, LLC

By: DocuSigned by: Michael Brown C3AEE02395964E5...

Name: Michael Brown
Title: Authorized Signatory

F21 Giftco Management, LLC

By: DocuSigned by: Michael Brown C3AEE02395964E5...

Name: Michael Brown
Title: Authorized Signatory

Consenting Creditor Signature Pages to the Plan Support Agreement

[On file with the Debtors]

Schedule I

[On file with the Debtors]

Schedule II

[On file with the Debtors]

Schedule III

[On file with the Debtors]

Exhibit A

Plan Term Sheet

Execution Version

F21 OPCO, LLC, ET AL.

PLAN TERM SHEET

MARCH 16, 2025

THIS PLAN TERM SHEET (TOGETHER WITH ALL ANNEXES, SCHEDULES, AND EXHIBITS HERETO, THIS "PLAN TERM SHEET") DESCRIBES THE PRINCIPAL TERMS AND CONDITIONS OF A TRANSACTION FOR F21 OPCO, LLC AND ITS DIRECT AND INDIRECT SUBSIDIARIES THAT WILL BE EFFECTUATED THROUGH VOLUNTARY CHAPTER 11 CASES.

THIS PLAN TERM SHEET IS NOT AN OFFER OR A SOLICITATION WITH RESPECT TO ANY SECURITIES OF THE COMPANY PARTIES OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY CHAPTER 11 PLAN, IT BEING UNDERSTOOD THAT SUCH A SOLICITATION, IF ANY, SHALL COMPLY WITH ALL APPLICABLE PROVISIONS OF SECURITIES, BANKRUPTCY, AND/OR OTHER APPLICABLE LAWS.

CAPITALIZED TERMS USED BUT NOT INITIALLY DEFINED IN THIS PLAN TERM SHEET SHALL HAVE THE MEANINGS HEREINAFTER ASCRIBED TO SUCH TERMS.

THIS PLAN TERM SHEET DOES NOT PURPORT TO SUMMARIZE ALL OF THE TERMS, CONDITIONS, AND OTHER PROVISIONS WITH RESPECT TO THE TRANSACTIONS DESCRIBED HEREIN, WHICH TRANSACTIONS WILL BE SUBJECT TO THE COMPLETION OF DEFINITIVE DOCUMENTS INCORPORATING THE TERMS SET FORTH HEREIN, AND THE CLOSING OF ANY TRANSACTION SHALL BE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN SUCH DEFINITIVE DOCUMENTS.

THIS PLAN TERM SHEET IS PROTECTED BY RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND ANY OTHER APPLICABLE STATUTES OR DOCTRINES PROTECTING THE USE OR DISCLOSURE OF CONFIDENTIAL SETTLEMENT DISCUSSIONS. NOTHING CONTAINED IN THIS PLAN TERM SHEET SHALL BE AN ADMISSION OF FACT OR LIABILITY OR DEEMED BINDING ON ANY OF THE PARTIES.

GENERAL PROVISIONS	
Implementation	The Debtors shall execute the Plan Support Agreement with the Consenting Creditors pursuant to which the parties thereto shall agree to support the Plan and the Transactions. After the Plan Support Agreement is effective, the Debtors shall commence the Chapter 11 Cases in the Bankruptcy Court on or before March 16, 2025, and the Transactions shall be effectuated and implemented pursuant to the Plan. The Plan will constitute a separate chapter 11 plan for each Debtor and will provide for, among other things, a settlement with the holders of ABL Claims, Term Loan Claims, and Subordinated Loan Claims against the Debtors on the terms set forth herein. On the Plan Effective Date, each holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described in this Plan Term Sheet in full and final satisfaction, settlement, and release of and in exchange for such holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to among the Debtors or the Plan Administrator, as applicable, and the holder of such Allowed Claim or Allowed Interest.
Transaction Overview	The Debtors will (a) commence the Chapter 11 Cases to either (i) implement either a going-concern sale of substantially all of their assets or the equity of OpCo while continuing to conduct "going out of business" sales at all or a portion of the Debtors' store locations or (ii) continue conducting going out of business sales with respect to all of their store locations to implement an orderly liquidation of the Debtors' assets and, in each case, as applicable (collectively, the "Wind Down Process") and (b) otherwise be wound down in accordance with applicable law. Following the Wind Down Process, on the Plan Effective Date, and subject to the terms of this Plan Term Sheet: 1. any Interests in the Debtors held indirectly by Copper Parent, including Interests in OpCo held by Holdings, will be canceled and extinguished for no recovery; 2. Distribution Co. will be authorized to, among other things, effectuate the distributions under the Plan, administer the Claims resolution process, and/or liquidate or otherwise monetize the Debtors' remaining assets (if not otherwise monetized prior the Plan Effective Date during the Wind Down

	Process) and wind down the other Company Parties (such services to be done in accordance with the Plan Administration Agreement, collectively, the "Liquidation Process"); 3. each holder of an ABL Claim against the Debtors will receive its *pro rata* share of (A) 100% of the Excess Amounts (if any) and (B) either (i) if Class 6 (General Unsecured Claims) votes to reject the Plan, 97% of the Net Proceeds or (ii) if Class 6 (General Unsecured Claims) votes to accept the Plan, 94% of the Net Proceeds (it being expressly understood and agreed that any and all ABL Claims shall be reserved and preserved as against all persons or entities other than the Debtors, and each holders of ABL Claims that are Consenting Creditors shall be a "Released Party" for purposes of the Debtor Release and the Third-Party Release); 4. as of the Plan Effective Date, Term Loan Claims and Subordinated Loan Claims shall be released and extinguished solely as against the Debtors (it being expressly understood and agreed that any and all Term Loan Claims arising under the Term Loan Credit Agreement and Subordinated Loan Claims arising under the Subordinated Loan Credit Agreement, respectively, shall be reserved and preserved as against all other Loan Parties (as defined in the Term Loan Credit Agreement and Subordinated Loan Credit Agreement, respectively) other than the Debtors, and holders of Term Loan Claims and Subordinated Loan Claims that are Consenting Creditors shall be a "Released Party" for purposes of the Debtor Release and the Third-Party Release); and 5. each holder of a General Unsecured Claim against the Debtors shall receive its *pro rata* share of (A) interests in (and proceeds of) the remaining unencumbered property of the Debtors (if any) and (B) either (i) if Class 6 (General Unsecured Claims) votes to reject the Plan, 3% of the Net Proceeds or (ii) if Class 6 (General Unsecured Claims) votes to accept the Plan, 6% of the Net Proceeds.
Cash Collateral	The requisite ABL Lenders shall consent to the use of cash collateral, on terms and conditions acceptable to each of the requisite ABL Lenders and Term Loan Lenders in their Permitted Discretion (as defined below), and set forth in the Cash Collateral Order, which shall be consistent with the terms of this Plan Term Sheet, the Plan Support Agreement, and the Intercreditor Agreements. Any Cash Collateral Order shall provide for, among other customary provisions, such as bankruptcy waivers, releases, stipulations, and acknowledgment of claims and liens, adequate protection of the Secured Loan Claims, including in the form of adequate protection liens, adequate protection

	superpriority claims, reporting requirements, adequate protection payments for permanent application against the outstanding amount of obligations owing to the ABL Lenders under the applicable underlying credit agreements in amounts and frequency to be agreed to among the parties, reasonable fees and expenses of the counsel and financial advisors to be paid by the Debtors as set forth in the Cash Collateral Order. Additionally, the Secured Lenders shall continue to receive interest payments in the ordinary course from Penney Holdings LLC consistent with the terms of the underlying Credit Agreements. For the avoidance of doubt, nothing in any Cash Collateral Order or any other document executed, approved, or delivered in connection with the Chapter 11 Cases shall alter, modify, waive, or otherwise affect the terms, conditions, and provisions of the underlying Credit Agreement among the Secured Lenders, Penney Holdings LLC, and its non-Debtor affiliates party thereto. Any Cash Collateral Order shall be in form and substance acceptable to the ABL Lenders as set forth in the Plan Support Agreement in the ABL Lenders' Permitted Discretion. "Permitted Discretion" as used herein shall mean acting reasonably from the standpoint of a secured creditor. Pursuant to the Intercreditor Agreements, upon the Debtors receiving the requisite consent of the ABL Lenders to the use of cash collateral in the Chapter 11 Cases, the Term Loan Lenders and Subordinated Loan Lenders will be deemed to consent to such use of cash collateral, subject to the terms and conditions of the Intercreditor Agreements.
Existing Capital Structure	ABL Loans: (a) $925,633,778.08 million in aggregate principal amount of outstanding Revolving Loans and (b) $160,000,000.00 in aggregate principal amount of outstanding FILO Loans, plus unpaid interest, fees, premiums, and all other obligations, amounts, and expenses arising under or in connection with the ABL Credit Agreement held by the ABL Lenders (the "ABL Claims").[1] The ABL Loans are secured by first-priority Liens on the Collateral (as defined in the ABL-Term Loan Intercreditor Agreement). Term Loan: $320,875,000.00 million in aggregate principal amount of outstanding Term Loans, plus unpaid interest, fees, premiums, and all other obligations, amounts, and expenses arising under or in connection with the Term Loan Credit Agreement held by the Term Loan Lenders (the "Term Loan Claims"). The Term Loans are secured by (a) first-priority Liens on the Term Loan Exclusive Collateral (as defined in the ABL-Term Loan Intercreditor Agreement) and (b) junior Liens on the Collateral (as defined in the ABL-Term Loan Intercreditor Agreement).

[1] The ABL Claims also include letters of credit in the aggregate undrawn face amount of $178,273,737.26.

	Subordinated Loan: $176,147,053.95 million in aggregate principal amount of outstanding Subordinated Loans, plus unpaid interest, fees, premiums, and all other obligations, amounts, and expenses arising under or in connection with the Subordinated Loan Credit Agreement held by the Subordinated Loan Lenders (the "Subordinated Loan Claims"). The Subordinated Loans are secured by Liens on the Subordinated Collateral (as defined in the Senior-Subordinated Intercreditor Agreement) that are subordinate to the Liens of the ABL Lenders and the Term Loan Lenders.
Distribution Co. and Plan Administrator	On the Plan Effective Date, Distribution Co. and the Plan Administrator shall be authorized to commence the Liquidation Process of all Company Parties and shall perform any other post-Plan Effective Date work as outlined in a Plan Administration Agreement, including claims reconciliation and distributions on account of Allowed Claims against the Debtors under the Plan, and the wind down and dissolution of the non-Debtor Company Parties.
Distribution Co. Funding	On the Plan Effective Date, Distribution Co. will retain or otherwise be funded with the Plan Administration Amount.
Tax Structure	The Transactions will be structured and implemented in a tax-efficient manner.

TREATMENT OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS			
Class No.	**Type of Claim**	**Treatment**	**Impairment/ Voting**
Unclassified Non-Voting Claims			
N/A	**Administrative Claims**	On the Plan Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Administrative Claim shall be paid in full in Cash or otherwise receive treatment in a manner consistent with section 1129(a)(9)(A) of the Bankruptcy Code.	N/A
N/A	**Priority Tax Claims**	On the Plan Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Priority Tax Claim shall be paid in full in Cash or otherwise receive treatment in a manner consistent with section 1129(a)(9)(C) of the Bankruptcy Code.	N/A
Classified Claims and Interests of the Debtors			
Class 1	**Other Secured Claims**	On the Plan Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Secured Claim shall receive, at the Debtors' option, in full and final satisfaction of such Allowed Other Secured Claim, either (a) payment in full in Cash, (b) delivery of the collateral securing its Allowed Other Secured Claim, or (c) such other treatment rendering its Allowed Other Secured Claim unimpaired in accordance with section 1124 of the Bankruptcy Code.	Unimpaired; Deemed to Accept
Class 2	**Other Priority Claims**	On the Plan Effective Date or as soon as reasonably practicable thereafter, Each holder of an Allowed Other Priority Claim shall be paid in full in Cash or otherwise receive treatment in a manner consistent with section 1129(a)(9) of the Bankruptcy Code.	Unimpaired; Deemed to Accept

Class 3	**ABL Claims**	On the Plan Effective Date, each ABL Claim shall be deemed Allowed and will be released and extinguished against the Debtors following receipt by ABL Lenders of all Net Proceeds to be paid under the Plan for application against the ABL Claims subject to the terms and conditions of the ABL Credit Agreement, and each holder of an Allowed ABL Claim shall receive, in full and final satisfaction of such Allowed ABL Claim against the Debtors, its *pro rata* share (based on such holder's proportionate share of all Allowed ABL Claims) of: • (A) if Class 6 (General Unsecured Claims) votes to accept the Plan, 94% of the Net Proceeds or (B) if Class 6 (General Unsecured Claims) votes to reject the Plan, 97% of the Net Proceeds; and • following the Liquidation Process, 100% of the Excess Amounts (if any). It is expressly understood and agreed that any and all ABL Claims shall be reserved and preserved as against all persons or entities other than the Debtors, and holders of ABL Claims that are Consenting Creditors shall be a "Released Party" for purposes of the Debtor Release and the Third-Party Release.	Impaired; Entitled to Vote

Class 4	**Term Loan Claims**	On the Plan Effective Date, each Term Loan Claim shall be deemed Allowed and will be released and extinguished against the Debtors, and each holder of an Allowed Term Loan Claim shall be deemed to waive any such Term Loan Claims against the Debtors and will not receive any distribution on account of such Claims; provided that it is expressly understood and agreed that any and all Term Loan Claims arising under the Term Loan Credit Agreement shall be reserved and preserved as against all other Loan Parties (as defined in the Term Loan Credit Agreement) other than the Debtors). Holders of Term Loan Claims that are Consenting Creditors shall be a "Released Party" for purposes of the Debtor Release and the Third-Party Release.	Impaired; Entitled to Vote
Class 5	**Subordinated Loan Claims**	On the Plan Effective Date, each Subordinated Loan Claim shall be deemed Allowed and will be released and extinguished against the Debtors, and each holder of an Allowed Subordinated Loan Claim shall be deemed to waive any such Subordinated Loan Claims against the Debtors and will not receive any distribution on account of such Claims; provided that it is expressly understood and agreed that any and all Subordinated Loan Claims arising under the Subordinated Loan Credit Agreement shall be reserved and preserved as against all other Loan Parties (as defined in the Subordinated Loan Credit Agreement) other than the Debtors). Holders of Subordinated Loan Claims that are Consenting Creditors shall be a "Released Party" for purposes of the Debtor Release and the Third-Party Release.	Impaired; Entitled to Vote

Class 6	**General Unsecured Claims**	On the Plan Effective Date, each holder of a General Unsecured Claim shall receive its *pro rata* share (based on such holder's proportionate share of the aggregate amount of all Allowed Unsecured Claims) of: • interests in (and proceeds of) the remaining unencumbered property of the Debtors (if any); and • (A) if Class 6 (General Unsecured Claims) votes to accept the Plan, 6% of the Net Proceeds or (B) if Class 6 (General Unsecured Claims) votes to reject the Plan, 3% of the Net Proceeds.	Impaired; Entitled to Vote
Class 7	**Intercompany Claims**	On the Plan Effective Date, Intercompany Claims may be Reinstated as of the Plan Effective Date solely for the purpose of facilitating the Liquidation Process or, at the Debtors' option, be canceled, released, and extinguished without any distribution on account of such Claims.	Unimpaired; Deemed to Accept / Impaired; Deemed to Reject
Class 8	**Intercompany Interests**	On the Plan Effective Date, Intercompany Interests may be Reinstated as of the Plan Effective Date solely for the purpose of facilitating the Liquidation Process or, at the Debtors' option, be canceled, and no distribution shall be made on account of such Interests.	Unimpaired; Deemed to Accept / Impaired; Deemed to Reject
Class 9	**Existing Equity Interests**	On the Plan Effective Date, all Existing Equity Interests will be canceled, released, and extinguished and will be of no further force and effect. No holders of Existing Equity Interests will receive a distribution under the Plan on account of such Existing Equity Interests.	Impaired; Deemed to Reject

GENERAL PROVISIONS REGARDING THE PLAN	
Other Executory Contracts	On the Plan Effective Date, all executory contracts and unexpired leases of the Debtors not assumed under the Plan or the subject of a motion to assume shall be deemed rejected.
Survival of Indemnification Provisions and D&O Insurance	All indemnification provisions of the Debtors (whether in the by-laws, certificates of incorporation or formation, limited liability company agreements, limited partnership agreements, other organizational documents, board resolutions, indemnification agreements, employment contracts, or otherwise) that are in place as of the Petition Date and consistent with applicable law for the directors, officers, managers, employees, attorneys, accountants, investment bankers, and other professionals of, or acting on behalf of, the Debtors, as applicable, shall be assumed by Distribution Co. and remain intact, irrevocable, and shall survive the Plan Effective Date on terms no less favorable to such directors, officers, managers, employees, attorneys, accountants, investment bankers, and other professionals of, or acting on behalf of, the Debtors, as applicable, than the indemnification provisions in place as of the date hereof. In addition, after the Plan Effective Date, Distribution Co. will not terminate or otherwise reduce the existing coverage under any directors' and officers' insurance policies (including any "tail policy") in effect on the Plan Effective Date relating to the period prior to the Plan Effective Date, and (i) all members, managers, directors, and officers of the Company Parties who served in such capacity at any time prior to the Plan Effective Date and (ii) any other individuals, in each case of (i) and (ii), covered by such existing insurance policies, will be entitled to the full benefits of any such policy, to the extent set forth therein, for the full term of such policy regardless of whether such members, managers, directors, officers, or other individuals remain in such positions after the Plan Effective Date.
Retained Causes of Action	The Debtors' rights to commence and pursue any Causes of Action, other than any Causes of Action released by the Debtors pursuant to the release and exculpation provisions outlined in this Plan Term Sheet shall be retained by, or transferred to, Distribution Co. on the Plan Effective Date.
Free and Clear of Claims and Interests	In accordance with section 1141(d)(3) of the Bankruptcy Code, the Plan shall not discharge the Debtors. Section 1141(c) nevertheless provides, among other things, that the property dealt with by the Plan is free and clear of all Claims and Interests against the Debtors. As such, no Entity holding a Claim or Interest may receive any payment from, or seek recourse against, any assets that are to be distributed under the Plan other than assets required to be distributed to that Entity

	under the Plan. All parties are precluded from asserting against any property to be distributed under the Plan any Claims, rights, Causes of Action, liabilities, or Interests based upon any act, omission, transaction, or other activity that occurred before the Plan Effective Date except as expressly provided in the Plan or the Confirmation Order.
Releases by the Debtors (the "Debtor Release")[2]	Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, on and after the Plan Effective Date, each Released Party is, and is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims and Causes of Action, including any derivative claims, asserted or assertable on behalf of the Debtors or their Estates, as applicable, whether known or unknown, foreseen or unforeseen, matured or unmatured, liquidated or unliquidated, fixed or contingent, existing or hereafter arising, in law, equity, contract, tort, or otherwise, that the Debtors or their Estates would have been entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a Debtor, their Estates, or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the Debtors' capital structure, management, ownership, or operation thereof), the purchase, sale, or rescission of any security of the Debtors, any investment in any Debtor by any Released Party, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between or among any Debtor and any Released Party, the ownership and/or operation of the Debtors by any Released Party or the distribution of any Cash or other property of the Debtors to any Released Party, any other benefit provided by any Debtor to any Released Party, cash management arrangements, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or Affiliate of a Debtor, the Chapter 11 Cases, the Wind Down Process, the formulation, preparation, dissemination, negotiation, or Filing of the Disclosure Statement, the Plan (including, for the

[2] The Debtor Release included herein with respect to the Debtors' affiliates is subject to the satisfactory completion of any investigation by the Debtors' independent board of managers into any potential Claims and Causes of Action subject to the Debtor Release. The Debtors reserve all rights with respect to such potential Claims and Causes of Action and any modifications to the Plan with respect thereto.

	avoidance of doubt, the Plan Supplement), any other Definitive Document, or any Transaction, or any contract, instrument, release, or other agreement or document (including any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) relating to any of the foregoing, created or entered into in connection with the Wind Down Process, Disclosure Statement, the Plan, the Plan Supplement, before or during the Chapter 11 Cases, any preference, fraudulent transfer, or other avoidance claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law (but excluding avoidance actions brought as counterclaims or defenses to Claims asserted against the Debtors by Released Parties), the Filing of the Chapter 11 Cases, the Wind Down Process, the solicitation of votes on the Plan, the pursuit of confirmation of the Plan, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence related or relating to any of the foregoing taking place on or before the Plan Effective Date, other than claims or liabilities primarily arising out of any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any post Plan Effective Date obligations of any party or Entity under each of the Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan, or any Claim or obligation arising under the Plan.
Releases by Holders of Claims and Interests (the "<u>Third-Party Release</u>")	Except as otherwise expressly set forth in the Plan or the Confirmation Order, on and after the Plan Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is, and is deemed to be, hereby conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged by each Releasing Party (other than the Debtors and their Estates) from any and all Claims and Causes of Action, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all Entities who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims and Causes of Action, including any derivative claims, asserted or assertable on behalf of any of the foregoing Entities, whether known or unknown,

	foreseen or unforeseen, matured or unmatured, liquidated or unliquidated, fixed or contingent, existing or hereafter arising, in law, equity, contract, tort, or otherwise, including any derivative claims asserted or assertable on behalf of the Debtors or their Estates, that such Entity would have been entitled to assert (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a Debtor or their Estates or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the capital structure, management, ownership, or operation thereof), the purchase, sale, or rescission of any security of the Debtors, any investment in any Debtor by any Released Party, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between or among any Debtor and any Released Party, the ownership and/or operation of the Debtors by any Released Party or the distribution of any Cash or other property of the Debtors to any Released Party, any benefit provided to any Released Party, cash management arrangements, the assertion or enforcement of rights or remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, any avoidance actions (but excluding avoidance actions brought as counterclaims or defenses to Claims asserted against the Debtors), intercompany transactions between or among a Debtor or an Affiliate of a Debtor and another Debtor or Affiliate of a Debtor, the Chapter 11 Cases, the Wind Down Process, the formulation, preparation, dissemination, negotiation, or Filing of the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement), any other Definitive Document, or any Transaction, or any contract, instrument, release, or other agreement or document (including any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) relating to any of the foregoing, created or entered into in connection with the Wind Down Process, Disclosure Statement, the Plan, the Plan Supplement, before or during the Chapter 11 Cases, any preference, fraudulent transfer, or other avoidance claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the Wind Down Process, the Filing of the Chapter 11 Cases, the solicitation of votes on the Plan, the pursuit of confirmation of the Plan, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of debt and/or securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence related or relating to any of the foregoing taking place on or before the Plan Effective Date, other than claims or liabilities

	primarily arising out of any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any post Plan Effective Date obligations of any party or Entity under each of the Plan, the Confirmation Order, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan, or any Claim or obligation arising under the Plan, (b) any non-Debtor Loan Parties (as defined in the ABL Credit Agreement) from claims, causes of action, obligations, rights, or remedies arising under, or in connection with, the ABL Credit Agreement and related loan documents, (c) any non-Debtor Loan Parties (as defined in the Term Loan Credit Agreement) from claims, causes of action, obligations, rights, or remedies arising under, or in connection with, the Term Loan Credit Agreement and related loan documents, or (d) any non-Debtor Loan Parties (as defined in the Subordinated Loan Credit Agreement) from claims, causes of action, obligations, rights, or remedies arising under, or in connection with, the Subordinated Loan Credit Agreement and related loan documents.
Exculpation	Notwithstanding anything contained in the Plan to the contrary, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or Third-Party Release, effective as of the Plan Effective Date, no Exculpated Party shall have or incur liability or obligation for, and each Exculpated Party is hereby released and exculpated from any Cause of Action for any claim related to any act or omission in connection with, relating to, or arising out of, in whole or in part, the Debtors (including the management, ownership, or operation thereof), the purchase, sale, or rescission of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Exculpated Party, cash management arrangements, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Chapter 11 Cases, the Wind Down Process, the formulation, preparation, dissemination, negotiation, Filing, or termination of the Disclosure Statement, the Plan, the Plan Supplement, or any Transaction, any contract, instrument, release, or other agreement or document (including any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) relating to any of the foregoing, created or entered into in connection with the Wind Down Process, Disclosure Statement, the Plan, the Plan Supplement, before or during

	the Chapter 11 Cases, any preference, fraudulent transfer, or other avoidance claim arising pursuant to chapter 5 of the Bankruptcy Code or other applicable law, the Filing of the Chapter 11 Cases, the Wind Down Process, the pursuit of confirmation of the Plan, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Plan Effective Date, except for Claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.
Conditions Precedent to the Plan Effective Date	The following shall be conditions to the Plan Effective Date (the "Conditions Precedent to the Plan Effective Date"): 1. the Plan Support Agreement shall not have terminated and shall continue to be in full force and effect; 2. each document or agreement constituting definitive documents contemplated in the Plan Support Agreement shall (a) be in form and substance consistent with this Plan Term Sheet, (b) have been duly executed, delivered, acknowledged, filed, and/or effectuated, as applicable, and (c) be in full force and effect, and any conditions precedent related thereto or contained therein shall have been satisfied prior to or contemporaneously with the occurrence of the Plan Effective Date or otherwise waived; 3. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan, and all applicable regulatory or government-imposed waiting periods shall have expired or been terminated; 4. all professional fees and expenses of retained professionals required to be approved by the Bankruptcy Court shall have been paid in full or amounts sufficient to pay such fees and expenses in full after the Plan Effective Date shall have been transferred to the Professional Fee Escrow Account; 5. all accrued and unpaid Transaction Expenses shall have been paid in full in Cash; 6. the Bankruptcy Court shall have entered the Confirmation Order in form and substance consistent with the Plan Term

	Sheet and reasonably acceptable to the Debtors and the Required Consenting Creditors under the Plan Support Agreement; 7. to the extent not otherwise addressed herein, all actions, documents, and agreements necessary to implement and consummate the Transactions shall have been effected and executed, and shall be in form and substance consistent with this Plan Term Sheet; and 8. the Debtors shall have funded with Cash the Plan Administration Amount.
Waiver of Conditions Precedent to the Plan Effective Date	The Conditions Precedent to the Plan Effective Date may not be waived without the express prior written consent (which may be via email of counsel) of (a) the Debtors, and (b) the Required Consenting Creditors, which waiver shall be effective without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

TERM	**DEFINITION**
ABL Advisors	Means (a) Otterbourg P.C., as counsel to the ABL Lenders, (b) M3 Partners, (c) such other professionals as may be retained by or on behalf of the ABL Lenders, with the consent of the Debtors (such consent not to be unreasonable withheld, delayed or conditioned).
ABL Agent	Wells Fargo Bank, N.A., in its capacity as administrative agent, and Wells Fargo Bank, N.A. and PNC Bank, N.A., as co-collateral agents under the ABL Credit Agreement.
ABL Claims	As defined in this Plan Term Sheet.
ABL Credit Agreement	That certain Credit Agreement, originally dated as of December 7, 2020 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the Petition Date, including pursuant to that certain Joinder and Third Amendment to Credit Agreement, dated as of December 6, 2024), by and among (a) Penney Holdings LLC, as lead administrative borrower, and the other Loan Parties (as defined in the ABL Credit Agreement) party thereto, (b) the ABL Agent, and (c) the lenders from time to time party thereto.

TERM	DEFINITION
ABL Lenders	The lenders with respect to the ABL Loans, party to the ABL Credit Agreement from time to time.
ABL Loans	Collectively, the Revolving Loans and the FILO Loans.
ABL-Term Loan Intercreditor Agreement	That certain Amended and Restated Intercreditor Agreement, dated as of December 16, 2021 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the Petition Date), by and among (a) the ABL Agent and (b) the Term Loan Agent.
Administrative Claim	A Claim against a Debtor for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date until and including the Plan Effective Date of preserving the Estates and operating the Debtors' business; (b) Allowed Professional Fee Claims; and (c) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of title 28 of the United States Code.
Affiliate	With respect to any Person, any other Person controlled by, controlling or under common control with such Person. As used in this definition, "control" (including, with its correlative meanings, "controlling," "controlled by," and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies of a Person (whether through ownership of securities, by contract, or otherwise).
Agents	Collectively, the ABL Agent, the Term Loan Agent, and the Subordinated Loan Agent.
Allowed	As to a Claim or an Interest, a Claim against a Debtor or an Interest in a Debtor allowed under the Plan, under the Bankruptcy Code, or by a Final Order, as applicable. For the avoidance of doubt, (a) there is no requirement to File a Proof of Claim (or move the Bankruptcy Court for allowance) to be an Allowed Claim under the Plan, and (b) the Debtors may affirmatively determine to deem unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable nonbankruptcy law. "Allow," "Allowing," and "Allowance" shall have correlative meanings.
Bankruptcy Code	Title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended.

TERM	DEFINITION
Bankruptcy Court	The United States Bankruptcy Court for the District of Delaware presiding over the Chapter 11 Cases or, in the event of any withdrawal of reference under 28 U.S.C. § 157, the United States District Court for the District of Delaware.
Bankruptcy Rules	The Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as applicable to the Chapter 11 Cases and the general, local, and chambers rules of the Bankruptcy Court.
Business Day	Any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the State of New York.
Cash	The legal tender of the United States of America and equivalents thereof, including bank deposits and checks.
Cash Collateral Order	As defined in the Plan Support Agreement.
Causes of Action	As defined in the Plan Support Agreement.
Chapter 11 Cases	(a) When used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court; and (b) when used with reference to all the Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.
Claim	Has the meaning ascribed to it in section 101(5) of the Bankruptcy Code.
Company Parties	F21 OpCo and each of its direct and indirect subsidiaries.
Conditions Precedent to the Plan Effective Date	As defined in this Plan Term Sheet.
Confirmation Date	The date on which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.
Confirmation Order	The order entered by the Bankruptcy Court confirming the Plan.
Consenting Creditors	As defined in the Plan Support Agreement.
Consummation	The occurrence of the Plan Effective Date.

TERM	DEFINITION
Copper Parent	Copper Retail JV LLC
Credit Agreements	Collectively, the ABL Credit Agreement, the Term Loan Credit Agreement, and the Subordinated Loan Credit Agreement.
Debtors	F21 OpCo LLC, F21 Puerto Rico, LLC, and F21 Giftco Management, LLC, in their capacity as debtors-in-possession under the Bankruptcy Code after the commencement by these Entities of the Chapter 11 Cases.
Definitive Documents	As defined in the Plan Support Agreement.
Disclosure Statement	The disclosure statement with respect to the Plan, including all exhibits, annexes, schedules, and supplements thereto, each as may be amended, supplemented, or modified from time to time.
Distribution Co.	One or more Entities to be identified in the Plan Supplement to which the Distribution Co. Assets will be retained, or distributed to, on the Plan Effective Date, to be administered by the Plan Administrator for the purposes of effectuating the Liquidation Process.
Distribution Co. Assets	All of the assets of the Debtors not sold or otherwise transferred prior to the Plan Effective Date, including, without limitation, (a) the Plan Administration Amount and (b) any Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan.
Entity	Shall have the meaning set forth in section 101(15) of the Bankruptcy Code.
Estate	The estate of any Debtor created under sections 301 and 541 of the Bankruptcy Code upon the commencement of the applicable Debtor's Chapter 11 Case.
Excess Amounts	All Cash, if any, held by Distribution Co. after the completion of the Liquidation Process.
Exculpated Parties	Collectively, and in each case solely in its capacity as such: (a) each Debtor; and (b) each director or manager of any Debtor.
Existing Equity Interest	Any Interest in OpCo.
File, Filed, or Filing	File, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

TERM	DEFINITION
FILO Loans	The first-in, last-out loans outstanding under the ABL Credit Agreement.
Final Order	An order or judgment of the Bankruptcy Court, or court of competent jurisdiction with respect to the subject matter that has not been reversed, stayed, modified, or amended, as entered on the docket in any Chapter 11 Case or the docket of any court of competent jurisdiction, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing will have been denied, resulted in no stay pending appeal of such order, or has otherwise been dismissed with prejudice; *provided* that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be Filed with respect to such order will not preclude such order from being a Final Order.
General Unsecured Claim	Any unsecured claim against a Debtor that is not (i) an Administrative Claim, (ii) a Priority Tax Claim, (iii) an Other Secured Claim, (iv) an Other Priority Claim, (v) an ABL Claim, (vi) a Term Loan Claim, (vii) a Subordinated Loan Claim, or (vi) an Intercompany Claim.
Governmental Unit	As defined in section 101(27) of the Bankruptcy Code.
Holdings	SPARC Group Holdings LLC.
Intercompany Claim	Any Claim against a Debtor held by another Debtor.
Intercompany Interest	Any Interest in a Debtor held by another Debtor.
Intercreditor Agreements	Collectively, the ABL-Term Loan Intercreditor Agreement and the Senior-Subordinated Intercreditor Agreement.
Interest	Collectively, the shares (or any class thereof), common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profits interests of any Company Party, and options, warrants, rights, or other securities or agreements to acquire or subscribe for, or which are convertible into, or which are exercisable or exchangeable for, the shares (or any class thereof),

TERM	DEFINITION
	common stock, preferred stock, limited liability company interests, or other equity, ownership, or profits interests of any Company Party (in each case whether or not arising under or in connection with any employment agreement).
Lien	As defined in section 101(37) of the Bankruptcy Code.
Liquidation Process	As defined in this Plan Term Sheet.
Net Proceeds	All Cash held by the Estates as of the Plan Effective Date, minus (i) the Plan Administration Amount, including, among other things, cash in an amount sufficient to satisfy Administrative Claims, Priority Tax Claims, Other Secured Claims, Other Priority Claims, and Transaction Expenses and (ii) the funding of the Professional Fee Escrow Account.
OpCo	F21 OpCo, LLC
Other Priority Claim	Any Claim against a Debtor other than an Administrative Claim or a Priority Tax Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.
Other Secured Claim	Any secured claim against a Debtor that is not an ABL Claim, Term Loan Claim, or Subordinated Loan Claim.
Permitted Discretion	As defined in this Plan Term Sheet.
Person	An individual, a partnership, a limited partnership, a joint venture, a limited liability company, a corporation, a trust, an unincorporated organization, a group, a Governmental Unit, or any legal entity or association.
Petition Date	The date on which the Debtors file chapter 11 petitions with the Bankruptcy Court.
Plan	A chapter 11 plan consistent with the terms of this Plan Term Sheet and otherwise reasonably acceptable to the Debtors and the Required Consenting Creditors under the Plan Support Agreement.
Plan Administration Agreement	The agreement among the Plan Administrator, the Company Parties, and Distribution Co. regarding the administration of the Liquidation Process. The Plan Administration Agreement shall be subject to the consent rights set forth in the Plan Support Agreement.

TERM	DEFINITION
Plan Administration Amount	Cash in an amount sufficient to, among other things, (a) fund obligations under the Plan, including payment in full in Cash or such other treatment as to render Unimpaired all Allowed Administrative Expense Claims, Priority Tax Claims, Other Secured Claims, and Other Priority Claims, (b) conduct the Liquidation Process, and (c) fund any reasonable reserves with respect to disputed Administrative Claims, Priority Tax Claims, Other Secured, and Other Priority Claims.
Plan Administrator	That person or Entity selected by the Debtors to administer the Liquidation Process. To the extent known, the identity and role of the Plan Administrator shall be set forth in Plan Administration Agreement or otherwise set forth in the Plan Supplement.
Plan Effective Date	The date that is the first Business Day after the Confirmation Date on which all Conditions Precedent to the Plan Effective Date (as defined in this Plan Term Sheet) have been satisfied or waived in accordance with the Plan.
Plan Supplement	As defined in the Plan Support Agreement.
Plan Support Agreement	The Plan Support Agreement by and among the Debtors and the Consenting Creditors, pursuant to which the parties thereto agree to support the Transactions and the Plan.
Priority Tax Claims	Any Claim of a Governmental Unit against a Debtor of the kind specified in section 507(a)(8) of the Bankruptcy Code.
Professional	Any Entity (a) employed pursuant to an Order of the Bankruptcy Court in connection with these Chapter 11 Cases pursuant to sections 327, 328, or 1103 of the Bankruptcy Code and to be compensated for services pursuant to sections 327, 328, 329, 330, 331, or 363 of the Bankruptcy Code or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.
Professional Fee Claim	A Claim against a Debtor by a Professional seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Plan Effective Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code to the extent such fees and expenses have not been previously paid.

TERM	DEFINITION
Professional Fee Escrow Account	An account, which may be interest-bearing, funded by the Debtors with Cash prior to the Plan Effective Date in an amount equal to the Professional Fee Amount.
Professional Fee Amount	The aggregate amount of Professional Fee Claims and other unpaid fees and expenses that Professionals estimate in good faith they have incurred or will incur in rendering services to the Debtors prior to and as of the Plan Effective Date.
Proof of Claim	A proof of claim Filed against any of the Debtors in the Chapter 11 Cases by the applicable bar date as established by the Bankruptcy Court.
Released Party	Collectively, each of, and in each case solely in its capacity as such: (a) each Debtor; (b) Distribution Co. and the Plan Administrator; (c) each Company Party; (d) the Agents; (e) each Consenting Creditor; (f) all holders of Claims or Interests; and (g) with respect to each Person or Entity listed or described in any of the foregoing (a) through (f), each such Person's or Entity's current and former Affiliates, and each such Person's or Entity's and their current and former Affiliates' current and former members, directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, participants, affiliated investment funds or investment vehicles, managed accounts or funds, and each of their respective current and former members, equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, investment fund advisors or managers, investment managers, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such; *provided* that in each case, a Person or Entity shall not be a Released Party if it: (x) opts out of the releases contained in the Plan; or (y) timely Files with the Bankruptcy Court on the docket of the Chapter 11 Cases an objection to the releases contained in the Plan that is not resolved before entry of the Confirmation Order.
Releasing Party	Collectively, each of, and in each case in its capacity as such: (a) each Debtor; (b) Distribution Co. and the Plan Administrator; (c) each Company Party; (d) the Agents; (e) each Consenting Creditor; (f) all holders of Claims that vote to accept the Plan but do not opt out of the releases in the Plan; and (g) all holders of Claims that vote to reject the Plan but do not opt out of the releases in the Plan.

TERM	DEFINITION
Required Consenting ABL Lenders	As defined in the Plan Support Agreement.
Required Consenting Creditors	As defined in the Plan Support Agreement.
Required Consenting Subordinated Loan Lenders	As defined in the Plan Support Agreement.
Required Consenting Term Loan Lenders	As defined in the Plan Support Agreement.
Revolving Loans	The revolving loans outstanding under the ABL Credit Agreement.
Secured Lenders	Collectively, the ABL Lenders, the Term Loan Lenders, and the Subordinated Loan Lenders.
Secured Loan Claims	Collectively, the ABL Claims, the Term Loan Claims, and the Subordinated Loan Claims.
Senior-Subordinated Intercreditor Agreement	That certain Intercreditor Agreement, dated as of December 19, 2024 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the Petition Date), by and among (a) the ABL Agent, (b) the Term Loan Agent, (c) the Subordinated Loan Agent, and (d) the Loan Parties (as defined in the Senior-Subordinated Intercreditor Agreement) party thereto.
Subordinated Loan Agent	Simon Blackjack Consolidated Holdings, LLC, in its capacity as the administrative agent and collateral agent under the Subordinated Loan Credit Agreement.
Subordinated Loan Claims	As defined in this Plan Term Sheet.
Subordinated Loan Credit Agreement	That certain Amended and Restated Credit Agreement, dated as of December 19, 2024 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the Petition Date), by and among (a) Penney Holdings LLC, as lead administrative borrower, and the other Loan Parties (as defined in the Subordinated Loan Credit Agreement) party thereto, (b) the Subordinated Loan Agent, as administrative and collateral agent, and (c) the lenders from time to time party thereto

TERM	DEFINITION
Subordinated Loan Lenders	The lenders with respect to the Subordinated Loans, party to the Subordinated Loan Credit Agreement from time to time.
Subordinated Loans	The loans outstanding under the Subordinated Loan Credit Agreement
Term Loan Advisors	Riemer & Braunstein LLP and Ashby & Geddes, P.A., each in their capacity as counsel to the Term Loan Agent.
Term Loan Agent	Pathlight Capital LP, in its capacity as administrative agent and collateral agent under the Term Loan Credit Agreement.
Term Loan Claims	As defined in this Plan Term Sheet.
Term Loan Credit Agreement	That certain Credit Agreement, originally dated as of December 7, 2020 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the Petition Date, including pursuant to that certain Joinder and Third Amendment to Credit Agreement, dated as of December 6, 2024), by and among (a) Penney Holdings LLC, as lead administrative borrower, and the other Loan Parties (as defined in the Term Loan Credit Agreement) party thereto, (b) the Term Loan Agent, as administrative and collateral agent, and (c) the lenders from time to time party thereto
Term Loan Lenders	The lenders with respect to the Term Loans, party to the Term Loan Credit Agreement from time to time.
Term Loans	The loans outstanding under the Term Loan Credit Agreement
Third-Party Release	As defined in this Plan Term Sheet.
Transactions	Collectively, the transactions described in this Plan Term Sheet, as will be more fully set forth in the Plan.
Transaction Expenses	All reasonable and documented fees, costs, and expenses (and retainers) of each of the ABL Advisors and Term Loan Advisors in connection with the Chapter 11 Cases, negotiation, formulation, preparation, execution, delivery, implementation, consummation, and/or enforcement (including, for the avoidance of doubt, enforcement through appellate litigation) of this Plan Term Sheet and/or any definitive documents, and/or the transactions contemplated hereby or thereby, including any amendments, waivers, consents, supplements, or other modifications to any of the foregoing, and, to the extent applicable, consistent with any

TERM	DEFINITION
	engagement letters or fee reimbursement letters entered into between the applicable Company Parties, on the one hand, and each ABL Advisor and each Term Loan Advisor, on the other hand, with respect to the fees, costs, and expenses of such ABL Advisor or such Term Loan Advisor, in any such case as supplemented or modified by this Plan Term Sheet.
Wind Down Process	As defined in this Plan Term Sheet.

Exhibit B

[Form of] Joinder

The undersigned ("**Joinder Party**") hereby acknowledges that it has read and understands the Plan Support Agreement, dated as of March 16, 2025 (as amended, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof, the "**Agreement**"), by and among the Debtors and the Consenting Creditors party thereto. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Agreement.

1. Agreement to be Bound. The Joinder Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached hereto as Annex I (as the same has been or may hereafter be amended, supplemented, amended and restated, or otherwise modified from time to time in accordance with the provisions hereof). The Joinder Party shall hereafter be deemed to be a "Consenting Creditor" and a "Party" for all purposes under the Agreement and with respect to all Debtor Claims held such Joinder Party.

2. Representations and Warranties. The Joinder Party hereby makes the representations and warranties of the Parties and Consenting Creditors set forth in the Agreement to each other Party.

3. Notice. The Joinder Party shall deliver an executed copy of this joinder agreement (the "**Joinder**") to the Parties identified in Section 15.10 of the Agreement. Any notices to the Joinder Party shall be provided in accordance with Section 15.10 of the Agreement to the following address: [_____].

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Date Executed: _____

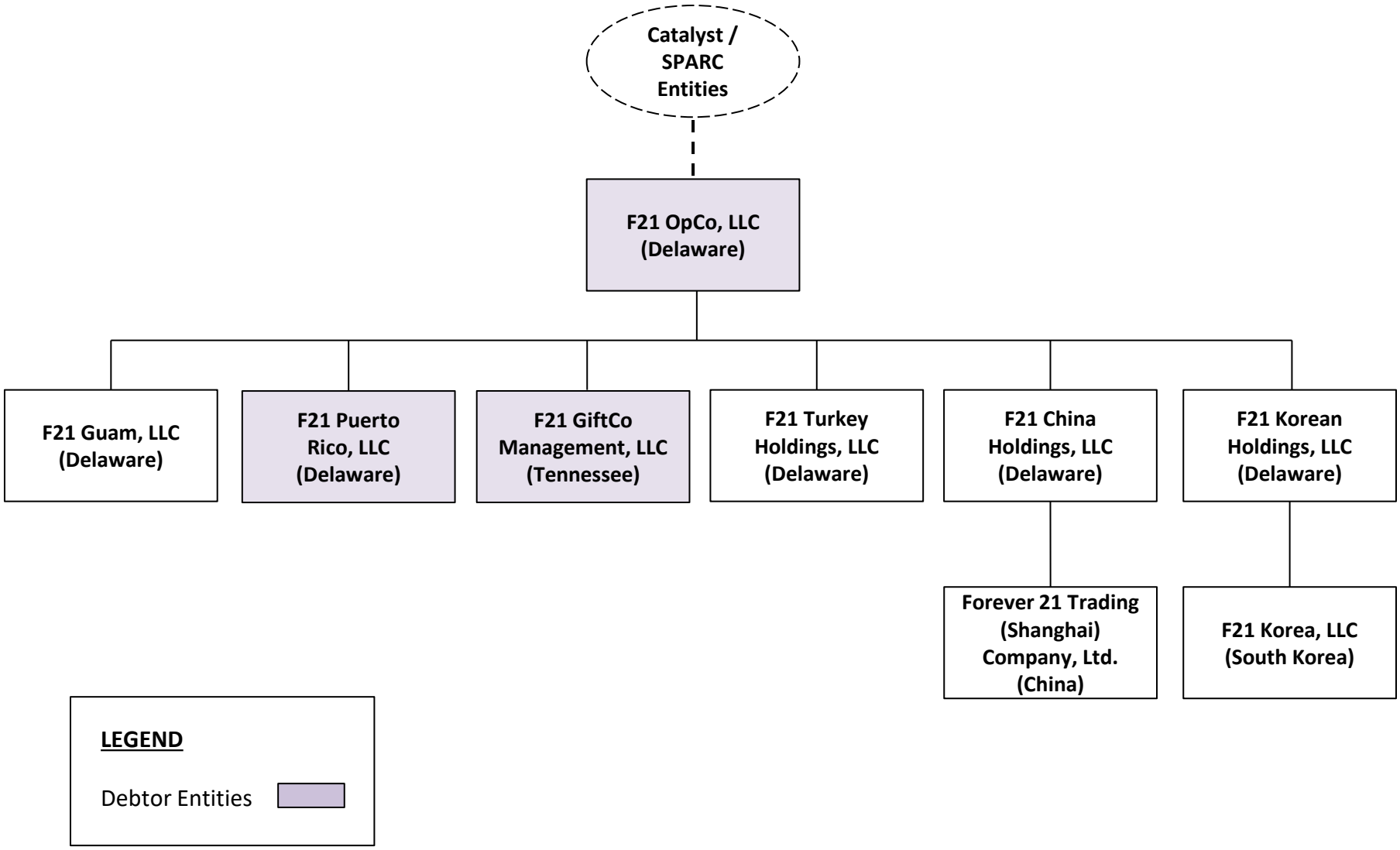
_____
Name:
Title:
Address:
E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
ABL Loans	
Term Loans	
Subordinated Loans	
Other Debtor Claim(s)	

Exhibit C

Corporate Structure Charts

Corporate Organization Chart



SPARC Organization Chart

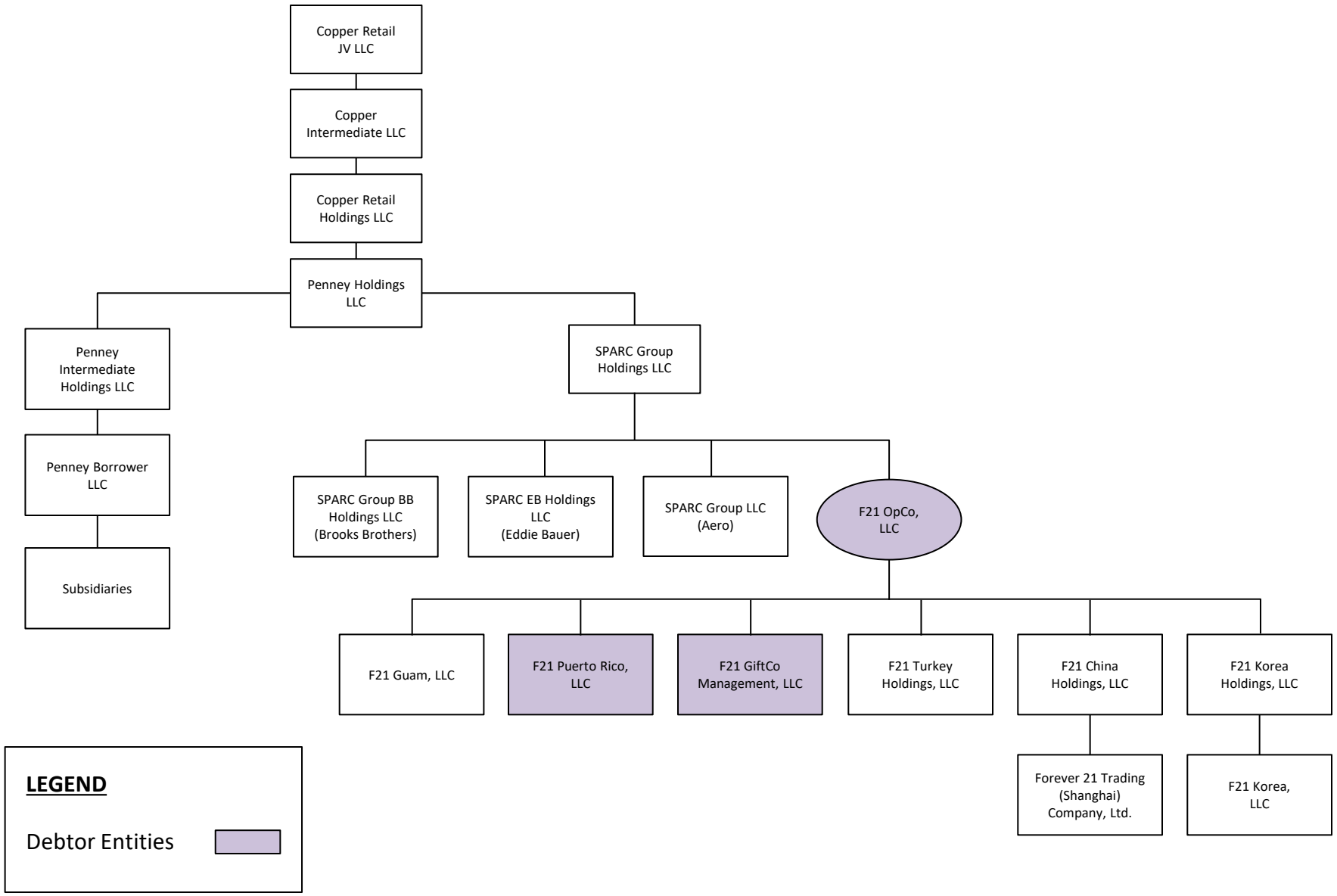


Exhibit D

Liquidation Analysis

[*To be filed.*]