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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 15, 2024

JOANN Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-40204	46-1095540
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5555 Darrow Road
Hudson, Ohio 44236
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (330) 656-2600

N/A
(Former name or former address, if changed since last report)

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

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

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

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

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value $0.01 per share	JOAN	The Nasdaq Capital Market

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

Emerging growth company ☐

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

Item 1.01 Entry into a Material Definitive Agreement.

The information set forth below in Item 1.03 of this Current Report on Form 8-K (this "Current Report") under the captions "Transaction Support Agreement", "Debtor-in-Possession Credit Agreement" and "Exit Facilities Agreements" is hereby incorporated by reference in this Item 1.01.

Item 1.03 Bankruptcy or Receivership.

Transaction Support Agreement

On March 15, 2024, JOANN, Inc. (the "Company or "JOANN") and certain of its subsidiaries (collectively with the Company, the "Company Parties" or the "Debtors") entered into a Transaction Support Agreement (the "Transaction Support Agreement") with certain holders of claims arising under the Company's senior secured term loan facility (the "Consenting Term Lenders"), certain stockholders of the Company, including Green Equity Investors CF, L.P., Green Equity Investors Side CF, L.P., LGP Associates CF, LLC, and certain current or former members of the Company' board of directors (the "Consenting Stockholder Parties"), and certain third-party financing parties that executed joinders thereto. Pursuant to the Transaction Support Agreement, on March 18, 2024 (the "Petition Date"), the Company Parties commenced voluntary cases (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), providing for a court-administered reorganization pursuant to a prepackaged joint plan of reorganization (the "Plan").

The Company's material relationships with certain parties are described under "Policy Regarding Related Party Transactions" beginning on page 65 of the Company's definitive proxy statement filed with the Securities and Exchange Commission on May 15, 2023, which description is incorporated herein by reference.

In accordance with the Transaction Support Agreement, the parties have agreed to support, approve, implement and enter into definitive documents to effect the transactions contemplated by the Plan, including a restructuring of the Company's outstanding debt. If confirmed by the Bankruptcy Court, the Plan would implement a series of transactions that would result in, among other things, all issued and outstanding shares of JOANN's common stock being canceled and extinguished without consideration. Following the effective date of the Plan (the "Plan Effective Date") and consummation of the transactions contemplated thereby, the Company has agreed to terminate its reporting obligations under the Exchange Act and intends to continue as a private company.

Pursuant to the Transaction Support Agreement, the Debtors have agreed to use commercially reasonable efforts to meet several milestones, including (a) having the Bankruptcy Court enter the order confirming the Plan (the "Confirmation Order") no later than 50 calendar days following the Petition Date, and (b) having the Plan Effective Date occur no later 10 calendar days following the entry of the Confirmation Order. However, there can be no assurance that the foregoing milestones will be met on such dates, if at all.

The Transaction Support Agreement also contains certain customary representations, warranties and other agreements by the parties thereto. The transactions contemplated by the Transaction Support Agreement, including the Plan Effective Date, are subject to and conditioned upon, among other things, approval by the Bankruptcy Court.

Additionally, (x) certain holders of claims arising under the Company's senior secured asset based revolving credit facility (the "ABL Lenders") and (y) certain holders of claims arising under the Company's first-in last-out loans (the "FILO Lenders") have entered into commitment letters (the "Exit ABL Commitment Letter" and the "Exit FILO Commitment Letter", respectively), pursuant to which the ABL Lenders and the FILO Lenders have agreed (a) to the proposed treatment of their claims under the Plan, (b) to vote to accept the Plan, and (c) to execute the Exit ABL/FILO Facility Amendment (as defined below) and provide the loans thereunder.

The foregoing summary of the Transaction Support Agreement, the Exit ABL Commitment Letter and the Exit FILO Commitment Letter does not purport to be complete and is subject to, and is qualified in its entirety by, the full text of the Transaction Support Agreement, the Exit ABL Commitment Letter and the Exit FILO Commitment Letter, which are attached hereto as Exhibits 10.1, 10.2 and 10.3, respectively, and incorporated herein by reference.

Commencement of Solicitation

On March 16, 2024, in accordance with the Transaction Support Agreement, the Company commenced solicitation of the votes necessary to approve the Plan and effectuate the transactions contemplated thereby, including by distributing the Plan, a disclosure statement relating to the Plan, and other solicitation materials to certain holders of Company claims and interests that are entitled to vote on the Plan.

This Current Report is not an offer or a solicitation with respect to any securities or a solicitation of acceptances of a chapter 11 plan within the meaning of Section 1125 or Section 1126 of the Bankruptcy Code. Any such offer or solicitation will comply with all applicable securities laws and/or provisions of the Bankruptcy Code.

Voluntary Petitions for Bankruptcy

On March 18, 2024, the Debtors commenced the Chapter 11 Cases in the Bankruptcy Court in accordance with the terms of the Transaction Support Agreement. The Debtors have requested that the Chapter 11 Cases be jointly administered under the caption In re JOANN Inc., et al. The Debtors continue to operate their business as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. The Debtors are seeking approval of a variety of "first day" motions containing customary relief intended to facilitate the Debtors' ability to continue their ordinary course operations.

On March 18, 2024, the Debtors also filed the Plan, which contemplates that all allowed general unsecured claims will be paid in full or will otherwise be unimpaired. As a result, the Debtors expect to continue operating as normal, with all stores remaining open during the Chapter 11 Cases, and customers vendors, landlords, and other trade creditors will not see any disruption in services.

Additional information about the Chapter 11 Cases, including access to Bankruptcy Court documents, is available online at https://cases.ra.kroll.com/JOANN, a website administered by Kroll Restructuring Administration LLC, a third-party bankruptcy claims and noticing agent. The information on this website is not incorporated by reference into, and does not constitute part of, this Current Report.

Debtor-in-Possession Credit Agreement

Subject to the approval of the Bankruptcy Court, the Debtors expect to enter into a Senior Secured Super-Priority Debtor-in-Possession Term Loan Credit Agreement (the "DIP Credit Agreement") with the lenders named therein (the "DIP Lenders"), substantially in the form attached hereto as Exhibit 10.4.

If the DIP Credit Agreement is approved by the Bankruptcy Court as proposed, the DIP Lenders would provide a super-priority senior secured debtor-in-possession term loan credit facility in an aggregate principal amount of up to $142.0 million (the "DIP Facility"), consisting of (i) $107.0 million in "new money" term loans, (ii) $25.0 million of outstanding trade payables exchanged into term loans, and (iii) an uncommitted accordion facility of up to $10.0 million of term loans (the "Accordion Facility") (collectively, the "DIP Term Loans"). Borrowings under the DIP Facility would be senior secured obligations of the Debtors, secured by a super-priority lien on the collateral under the DIP Facility, which includes substantially all of the Debtors' assets, but subject to the collateral priorities set forth in the DIP Credit Agreement and other applicable documents. The DIP Credit Agreement contains various customary representations, warranties and covenants of the Debtors.

All holders of claims arising under the Company's senior secured term loan facility have been (or will be) offered the opportunity to participate and fund their pro rata share of the DIP Facility. To the extent any eligible holders do not elect to participate and fund their pro rata share, certain of the Consenting Term Lenders (the "DIP Backstop Parties") and other parties to the Transaction Support Agreement have agreed to backstop and provide the DIP Term Loans.

The DIP Facility matures on the earliest of (i) 60 days after the Petition Date, (ii) acceleration as a result of an event of default under the DIP Credit Agreement that has occurred and is continuing, (iii) the date the Bankruptcy Court orders a conversion of the Chapter 11 Cases to a chapter 7 liquidation or the dismissal of the chapter 11 case of any Debtor, (iv) the Plan Effective Date, and (v) the closing of a sale of all or substantially all of the assets of the Debtors.

The DIP Term Loans will accrue interest at a rate of SOFR plus 9.50% per annum, payable in cash.

The DIP Credit Agreement contains various customary events of default. During the continuance of an event of default, all overdue amounts of principal and interest under the DIP Facility will bear interest at the applicable rate, plus and an additional 2.0% per annum.

Fees and expenses under the DIP Facility include (i) a backstop fee equal to 20.0% of DIP Term Loans payable in kind in exchange for their agreement to backstop their respective agreements to fund the DIP Term Loans (the "Backstop Fee"), and (ii) a participation fee equal to (a) if the Plan is confirmed, 85.0% of the common equity interests of the Company following the consummation of the transactions contemplated by the Transaction Support Agreement and the Plan (subject to dilution by the Management Incentive Plan (as defined below)) or (b) if the Plan is not confirmed, $28 million DIP Term Loans payable in kind, payable pro rata to all DIP Lenders on the Plan Effective Date (the "Participation Fee"). Additional parties providing DIP Term Loans will also receive, subject to confirmation of the Plan and the occurrence of the Plan Effective Date, approximately 12.5% of the common equity interests of the Company following consummation of the transactions contemplated by the Transaction Support Agreement and the Plan. Accordingly, parties providing the DIP Facility are expected to receive, subject to confirmation of the Plan and the occurrence of the Plan Effective Date, 97.5% in the aggregate of the common equity interests of the reorganized Company. All of the foregoing percentages are subject to dilution on account of a management incentive plan (the "Management Incentive Plan") to be adopted by the new board of directors or managers of the reorganized Company following the Plan Effective Date.

The foregoing summary of the DIP Credit Agreement does not purport to be complete and is subject to, and is qualified in its entirety by, the full text of the DIP Credit Agreement, which is attached hereto as Exhibit 10.4 and incorporated herein by reference.

Exit Facilities Agreements

Subject to the approval of the Bankruptcy Court, the Debtors have also agreed to enter into an exit term loan credit agreement with the DIP Lenders (the "Exit Term Loan Credit Agreement") on the Plan Effective Date, which shall provide for: $153.4 million (or up to $165.4 million to the extent the full $10 million Accordion Facility is committed and funded) aggregate principal amount of first-out exit term loans (plus accrued interest and fees payable in kind, if any) comprised of converted DIP Term Loans in the same aggregate principal amount (plus accrued interest and fees payable in kind, if any) based on amounts outstanding under the DIP Facility on the Plan Effective Date (the "Exit First-Out Term Loans").

In connection with the Exit Term Loan Credit Agreement, the Debtors, the Consenting ABL Lenders and the Consenting FILO Lenders have also agreed to certain amendments relating to the Company's existing senior secured asset based revolving credit facility and existing senior secured asset based first-in last-out credit facility as contemplated in the Plan, the Transaction Support Agreement, the Exit ABL Commitment Letter, and the Exit FILO Commitment Letter (the "Exit ABL/FILO Facility Amendment").

Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

The filing of the Chapter 11 Cases constitutes an event of default that accelerated obligations under the following material debt instruments and agreements (the "Debt Documents"):

- approximately $658.1 million of borrowings (plus any accrued but unpaid interest in respect thereof) under that certain Credit Agreement, dated as of October 21, 2016, as amended by that certain Incremental Amendment No. 1 on July 21, 2017 and that certain Amendment No. 2 on July 7, 2021 (the "Term Loan Credit Agreement"); and
- approximately $402.1 million of borrowings (plus any accrued but unpaid interest and fees in respect thereof) under that certain Amended and Restated Credit Agreement, dated as of October 21, 2016, as amended by that certain First Amendment on November 25, 2020, that certain Second Amendment on December 22, 2021, and that certain Third Amendment, dated as of March 10, 2023 (the "ABL Credit Agreement").

The Debt Documents provide that, as a result of the Chapter 11 Cases, the principal and interest due thereunder shall be immediately due and payable. Any efforts to enforce such payment obligations under the Debt Documents are automatically stayed as a result of the Chapter 11 Cases and the creditors' rights of enforcement in respect of the Debt Documents are subject to the applicable provisions of the Bankruptcy Code.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Director Resignation

Effective following the Company's entry into the Transaction Support Agreement, Jonathan Sokoloff resigned from the board of directors of JOANN (the "Board"). Mr. Sokoloff's resignation did not result from any disagreement with the Company or any matter relating to the Company's operations, policies or practices.

Retention Bonuses

On March 15, 2024, the Board approved one-time cash bonus payments (the "Retention Bonuses") to certain of the Company's executive officers, including (i) $535,740 to Christopher DiTullio, the Company's Executive Vice President, Chief Customer Officer and member of the Interim Office of the Chief Executive Officer, (ii) $135,740 to Scott Sekella, the Company's Executive Vice President, Chief Financial Officer and member of the Interim Office of the Chief Executive Officer, and (iii) $371,250 to Robert Will, the Company's Executive Vice President, Chief Merchandising Officer. The Retention Bonuses are payable in or around September 2024.

The Retention Bonuses are, among other things, subject to repayment by each recipient in the case such individual voluntarily terminates his employment, or if the recipient's employment is terminated for cause, on or before January 16, 2025, as forth in each recipient's retention bonus agreement (the "Retention Bonus Agreement").

The foregoing summary of the Retention Bonuses does not purport to be complete and is subject to, and is qualified in its entirety by, the full text of the Retention Bonus Agreement, a form of which is attached hereto as Exhibit 10.5 and incorporated herein by reference.

Termination of Employee Stock Purchase Plan

On March 15, 2024, the Board terminated the 2021 Employee Stock Purchase Plan (the "ESPP"), effective immediately prior to the commencement of the Chapter 11 Cases, and resolved to refund the contributions of participants thereunder in accordance with the terms of the ESPP.

Item 7.01 Regulation FD Disclosure.

Press Release

On March 18, 2024, the Company issued a press release announcing the Chapter 11 Cases and other matters, a copy of which is attached as Exhibit 99.1 hereto and incorporated herein by reference.

Cleansing Material

In connection with the foregoing transactions, the Company engaged in confidential discussions and negotiations under Confidentiality Agreements (the "NDAs") with certain parties, including parties to the Transaction Support Agreement (and/or investment advisors or managers of discretionary funds, accounts or other entities for such parties). As part of such discussions and negotiations, the Company provided such parties with the information in the presentation attached hereto as Exhibit 99.2 (the "Presentation").

Pursuant to the NDAs, the Company agreed, among other things, to publicly disclose certain information, including the information in the Presentation (the "Cleansing Material"), upon the occurrence of certain events set forth in the NDAs. The Cleansing Material was prepared solely to facilitate a discussion with the parties to the NDAs and was not prepared with a view toward public disclosure and should not be relied upon to make an investment decision with respect to the Company. The Cleansing Material should not be regarded as an indication that the Company or any third party considers the Cleansing Material to be a reliable prediction of future events, and the Cleansing Material should not be relied upon as such. Neither the Company nor any third party has made or makes any representation to any person regarding the accuracy of any Cleansing Material or undertakes any obligation to publicly update the Cleansing Material to reflect circumstances existing after the date when the Cleansing Material was prepared or conveyed or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the Cleansing Material are shown to be in error. In the event any transaction occurs in the future, the terms of any such transaction may be materially different than the terms set forth in the Cleansing Material. However, no assurance can be given that any such transaction will occur at all.

The information contained in this Item 7.01, including Exhibits 99.1 and 99.2, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

Cautionary Note Regarding the Company's Securities

The Company cautions that trading in its securities (including its common stock) during the pendency of the Chapter 11 Cases is highly speculative and poses substantial risks. Trading prices for the Company's securities may bear little or no relationship to the actual recovery, if any, by holders of the Company's securities in the Chapter 11 Cases. The Company expects that holders of shares of the Company's common stock could experience a significant or complete loss on their investment, depending on the outcome of the Chapter 11 Cases.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	Transaction Support Agreement, dated March 15, 2024, by and among JOANN, Inc. and the other parties thereto.
10.2	Exit ABL Commitment Letter, dated March 15, 2024, by and among Jo-Ann Stores, LLC and the other parties thereto.
10.3	Exit FILO Commitment Letter, dated March 15, 2024, by and among Jo-Ann Stores, LLC and the other parties thereto.
10.4	Form of Debtor-in-Possession Credit Agreement.
10.5	Form of Retention Bonus Agreement.
99.1	Press Release.
99.2	Presentation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Forward-Looking Statements

This Current Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act. Readers can generally identify forward-looking statements by the use of forward-looking terminology such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “seek,” “vision,” “should,” or the negative thereof or other variations thereon or comparable terminology. Forward-looking statements include those we make regarding the Company’s ability to continue operating its business and implement the restructuring pursuant to the Chapter 11 Cases and the Plan, including the timetable of completing such transactions, if at all.

The preceding list is not intended to be an exhaustive list of all of the Company’s forward-looking statements. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company’s control. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included elsewhere in this Current Report are not guarantees. Any forward-looking statement that the Company makes in this Current Report speaks only as of the date of such statement. Except as required by law, the Company does not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise after the date of this Current Report.

SIGNATURES

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

JOANN INC.

Dated: March 18, 2024

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Executive Vice President, Chief Financial Officer and Member, Interim Office of the Chief Executive Officer

JOANN INC., ET AL.

TRANSACTION SUPPORT AGREEMENT

March 15, 2024

THIS TRANSACTION SUPPORT AGREEMENT AND THE DOCUMENTS ATTACHED TO THIS TRANSACTION SUPPORT AGREEMENT COLLECTIVELY DESCRIBE A PROPOSED RESTRUCTURING AND RECAPITALIZATION OF JOANN INC., A DELAWARE CORPORATION, AND CERTAIN OF ITS SUBSIDIARIES ON THE TERMS AND CONDITIONS SET FORTH ON EXHIBIT B ATTACHED TO THIS AGREEMENT.

THIS TRANSACTION SUPPORT AGREEMENT IS NOT AN OFFER OR A SOLICITATION WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OR SECTION 1126 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

THIS TRANSACTION SUPPORT AGREEMENT IS A SETTLEMENT PROPOSAL TO CERTAIN HOLDERS OF COMPANY CLAIMS/INTERESTS IN FURTHERANCE OF SETTLEMENT DISCUSSIONS. ACCORDINGLY, THIS TRANSACTION SUPPORT AGREEMENT 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 TRANSACTION SUPPORT AGREEMENT SHALL CONSTITUTE OR BE CONSTRUED TO BE AN ADMISSION OF FACT OR LIABILITY.

THIS TRANSACTION SUPPORT AGREEMENT DOES NOT PURPORT TO SUMMARIZE ALL OF THE TERMS, CONDITIONS, REPRESENTATIONS, WARRANTIES, AND OTHER PROVISIONS WITH RESPECT TO THE TRANSACTIONS DESCRIBED IN THIS TRANSACTION SUPPORT AGREEMENT, WHICH TRANSACTIONS WILL BE SUBJECT TO THE COMPLETION OF DEFINITIVE DOCUMENTS INCORPORATING THE TERMS AND CONDITIONS SET FORTH IN THIS TRANSACTION SUPPORT AGREEMENT AND THE CLOSING OF ANY TRANSACTION SHALL BE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN SUCH DEFINITIVE DOCUMENTS.

UNTIL THE TSA EFFECTIVE DATE, THIS TRANSACTION SUPPORT AGREEMENT SHALL REMAIN CONFIDENTIAL AND SUBJECT IN ALL RESPECTS TO THE CONFIDENTIALITY AGREEMENTS ENTERED INTO AND BY THE COMPANY PARTIES AND THE CONSENTING STAKEHOLDERS (INCLUDING BUT NOT LIMITED TO ANY OBLIGATION TO INCLUDE THIS TRANSACTION SUPPORT AGREEMENT IN ANY CLEANSING MATERIALS), AND MAY NOT BE SHARED WITH ANY THIRD PARTY OTHER THAN AS SET FORTH IN THE CONFIDENTIALITY AGREEMENTS.

This TRANSACTION SUPPORT AGREEMENT (including all exhibits, annexes, and schedules to this Agreement in accordance with Section 17.02 of this Agreement, this "**Agreement**") is made and entered into as of March 15, 2024 (the "**Execution Date**"), by and among the following parties, each in the respective capacity set forth on its signature page to this Agreement (each of the following described in sub-clauses (i) through (iii) of this preamble, a "**Party**" and, collectively, the "**Parties**"):[1]

i. JOANN Inc., a Delaware corporation ("**JOANN**" or the "**Company**"), and each of the Company's subsidiaries listed on Exhibit A to this Agreement that have executed and delivered, or, in the future, executes and delivers, counterpart signature pages to this Agreement (collectively with the Company, the "**Company Parties**");

ii. the undersigned holders (or beneficial holders) of, or nominees, investment managers, investment advisors, or subadvisors to funds and/or accounts that hold, or trustees of trusts that hold, outstanding Term Loan Claims that have executed and delivered counterpart signature pages to this Agreement, or signature pages to a Joinder or Transfer Agreement (as applicable), to counsel to the Company Parties (collectively, the "**Consenting Term Lenders**"); and

iii. the undersigned holders (or beneficial holders) of, or nominees, investment managers, investment advisors, or subadvisors to funds and/or accounts that hold, or trustees of trusts that hold Existing Equity Interests that have executed and delivered counterpart signature pages to this Agreement, or signature pages to a Joinder or Transfer Agreement (as applicable) to counsel to the Company Parties (collectively, the "**Consenting Stockholder Parties**," and, together with the Consenting Term Lenders, the "**Consenting Stakeholders**").

This Agreement is further made and entered into by the Additional Financing Parties that have executed and delivered signature pages to a Joinder to counsel to the Company Parties, to the extent set forth in such Joinder.

RECITALS

WHEREAS, the Parties have in good faith and at arm's length negotiated certain restructuring and recapitalization transactions with respect to the Company Parties' capital structure to be implemented pursuant to the Plan (the "**Transactions**") on the terms set forth in this Agreement (including the Transaction Term Sheet and all exhibits and schedules hereto and thereto) and the Definitive Documents;

WHEREAS, the Company Parties and the Consenting Stakeholders have agreed to the Transaction Term Sheet, which sets forth the principal economic terms of the Transactions that shall be consummated in accordance with, and upon the execution of, Definitive Documents containing terms consistent with those set forth in the Transaction Term Sheet and such other terms as agreed to by the Parties;

WHEREAS, the Parties have agreed to support the Transactions subject to and in accordance with the terms of this Agreement (including the Transaction Term Sheet) and desire to work together to complete the negotiation of the Definitive Documents and each of the actions necessary or desirable to effect the Transactions;

WHEREAS, the Parties have agreed to grant the Releases in accordance with this Agreement upon consummation of the Transactions;

[1] Capitalized terms used but not defined in the preamble and recitals to this Agreement have the meanings ascribed to them in Section 1 or the Transaction Term Sheet as applicable.

WHEREAS, the Parties have agreed to take certain actions in support of the Transactions**,** all in accordance with the terms and conditions set forth in this Agreement (including in the Transaction Term Sheet) and the Definitive Documents; and

WHEREAS, the ABL Lenders and the FILO Lenders are not Parties to this Agreement, but have agreed, pursuant to the ABL/FILO Exit Commitment Letters, to, *inter alia*, the proposed treatment of their Claims under the Plan consistent with this Agreement and the Transaction Term Sheet, to vote to accept the Plan, and to execute the Exit ABL/FILO Facility Amendment and provide the Exit ABL Loans and the Exit FILO Loans, respectively.

WHEREAS, the Additional Financing Parties are parties to this Agreement to the extent set forth in their respective Joinder and have agreed to provide certain financial accommodations to the Company Parties as set forth therein and in the Transaction Term Sheet.

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

AGREEMENT

Section 1. ***Definitions and Interpretation.***

1.01. Definitions. The following terms shall have the following definitions:

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

"**ABL Credit Agreement**" means that certain Amended and Restated Credit Agreement, dated as of October 21, 2016, as amended by that certain First Amendment on November 25, 2020, that certain Second Amendment on December 22, 2021, and that certain Third Amendment, dated as of March 10, 2023 (as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof).

"**ABL Facility**" means the senior secured asset based revolving credit facility under the ABL Credit Agreement.

"**ABL Facility Agent**" means Bank of America, N.A, in its capacity as administrative agent and collateral agent under the ABL Facility and any replacement or successor agent thereto.

"**ABL Lenders**" means holders of, or nominees, investment managers, investment advisors, or subadvisors to funds and/or accounts that hold, or trustees of trusts that hold, the outstanding ABL Claims.

"**ABL/FILO Exit Commitment Letters**" means those certain commitment letters executed (a) by and between the Debtors, the ABL Facility Agent, and the ABL Lenders, and (b) by and between the Debtors, the FILO Term Loan Agent, and the FILO Lenders, in each case, in form and substance acceptable to the ABL Facility Agent, the FILO Term Loan Agent, the ABL Lenders, and the FILO Lenders, and reasonably acceptable to the Required DIP Lenders.

"**Acceptable ABL/FILO Plan**" means the Plan, which is attached to the ABL/FILO Exit Commitment Letters as Exhibit B, as it may be altered, amended, modified, or supplemented from time to time in accordance with the ABL/FILO Exit Commitment Letters, and without material modification except as approved in writing by the Required DIP Lenders (such approval shall not be unreasonably withheld, conditioned, or delayed).

"**Accordion Facility**" means the accordion facility under the DIP Credit Agreement.

"**Accordion Lender**" means the lenders under the Accordion Facility.

"**Ad Hoc Group**" means that certain ad hoc group of holders of Term Loan Claims represented by, among others, Gibson, Dunn & Crutcher LLP and Morris, Nichols, Arsht & Tunnell LLP, and advised by Lazard Frères & Co. LLC.

"**Ad Hoc Group Advisors**" means Gibson, Dunn & Crutcher LLP, Morris, Nichols, Arsht & Tunnell LLP, Lazard Frères & Co., and such other professional advisors as are retained by the Ad Hoc Group with the consent of the Company Parties (not to be unreasonably withheld).

"**Additional Financing Parties**" means, collectively, each Accordion Lender, Project Swift LLC, and the Supporting Trade Creditors.

"**Agents**" means, collectively, each of the Term Loan Agent, the ABL Facility Agent, the FILO Term Loan Agent, the DIP Agent and the Exit Facility Agent, in each case including any successors thereto.

"**Agreement**" has the meaning set forth in the preamble to this Agreement and, for the avoidance of doubt, includes all exhibits, annexes, and schedules to this Agreement in accordance with Section 17.02 of this Agreement (including the Transaction Term Sheet).

"**Agreement Effective Period**" means, with respect to a Party, the period from the TSA Effective Date (or such later date such Party becomes a Party to this Agreement by executing a Joinder or Transfer Agreement) to the Termination Date applicable to that Party.

"**Alternative Transaction Proposal**" means any written or oral inquiry, proposal, offer, bid, term sheet, discussion, or agreement with respect to a sale, disposition, new-money investment, restructuring, reorganization, merger, amalgamation, acquisition, consolidation, dissolution, debt investment, equity investment, share issuance, consent solicitation, financing (including any debtor-in-possession financing or exit financing), use of cash collateral, joint venture, partnership, liquidation, tender offer, exchange offer, recapitalization, plan of reorganization or liquidation, share exchange, business combination, or similar transaction involving any one or more Company Parties or a Claim against or Interest or other interests in any one or more Company Parties that is an alternative to one or more of the Transactions. For the avoidance of doubt, an Alternative Transaction Proposal shall not include (a) any transactions contemplated by the DIP Facility, the DIP/Cash Collateral Orders, or the DIP Budget, (b) the Transactions pursuant to this Agreement, the Transaction Term Sheet the Plan and related transactions, (c) ordinary course debt financing for trade purposes consistent with prepetition past practices or ordinary course asset sales, or (d) any transactions solely among JOANN or any of the Company Parties.

"**Backstop Fee**" has the meaning set forth in the Transaction Term Sheet.

"**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.

"**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.

"**Causes of Action**" means any action, Claim, cross-claim, third-party claim, cause of action, controversy, dispute, demand, right, lien, indemnity, contribution, interest, guaranty, suit, obligation, liability, loss, debt, fee or expense, damage, judgment, cost, account, defense, offset, power, privilege, proceeding, franchise, remedy, and license of any kind or character whatsoever, whether known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively (including any alter ego theories), whether arising before, on, or after the Petition Date, as applicable, in contract or in tort, in law (whether local, state, or federal U.S. or non-U.S. Law) or in equity, or pursuant to any other

theory of local, state, or federal U.S. or non-U.S. Law. For the avoidance of doubt, "Causes of Action" include: (a) any right of setoff, counterclaim, or recoupment; (b) any Claim based on or relating to, or in any manner arising from, in whole or in part, tort, breach of contract, breach of fiduciary duty, actual or constructive fraudulent transfer or fraudulent conveyance or voidable transaction or similar Law, violation of local, state, or federal or non-U.S. Law or breach of any duty imposed by Law or in equity, including securities Laws, negligence, and gross negligence; (c) any Claim pursuant to section 362 or chapter 5 of the Bankruptcy Code or similar local, state, or federal U.S. or non-U.S. Law; (d) any Claim or defense including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; (e) any avoidance actions relating to or arising from any state or foreign Law pertaining to any avoidance action, including preferential transfer, actual or constructive fraudulent transfer, fraudulent conveyance, or similar Claim; (f) the right to object to or otherwise contest Claims or Interests; and (g) any "lender liability" or equitable subordination Claims or defenses.

"**Chapter 11 Cases**" means the voluntary cases that are commenced under chapter 11 of the Bankruptcy Code in the Bankruptcy Court to effectuate the Transactions pursuant to the Plan.

"**Claim**" means any claim, as defined in section 101(5) of the Bankruptcy Code.

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

"**Company Claims/Interests**" means, collectively, any Claim against or Interest in a Company Party.

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

"**Confidentiality Agreement**" means an executed confidentiality agreement with a Company Party, including with respect to the issuance of a "cleansing letter" or other agreement regarding the public disclosure of material non-public information, in connection with any proposed Transaction.

"**Confirmation Order**" means the order of the Bankruptcy Court confirming the Plan under section 1129 of the Bankruptcy Code, which Confirmation Order shall be consistent with this Agreement and the Definitive Documents and shall not have been stayed.

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

"**Consenting Stakeholders' Fees and Expenses**" means all reasonable and documented fees and expenses of (i) the Agents; (ii) the Term Loan Agent Advisors; (iii) the DIP Agent Advisors; (iv) the Exit Facility Agent Advisors; (v) the Ad Hoc Group Advisors; (vi) the Consenting Stockholder Party Advisors, and (vii) advisors to the Additional Financing Parties (each subject to any agreements with the Company Parties with respect thereto).

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

"**Consenting Stockholder Party Advisors**" means Richards, Layton & Finger, P.A., and such other professional advisors as are retained by the Consenting Stockholder Parties with the consent of the Company Parties (not to be unreasonably withheld).

"**Consenting Stockholder Party Matters**" means any matter or Definitive Document (and any exhibits, schedules, annexes, amendments, modifications, or supplements thereto) that materially and adversely affects the economic rights/entitlements, or releases proposed to be granted to the Consenting Stockholder Parties or the obligations of the Consenting Stockholder Parties as identified in this Agreement, the Transaction Term Sheet, or the Plan.

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

"**Debtors**" means the Company Parties that commence Chapter 11 Cases.

"**Definitive Documents**" means all of the definitive documents implementing the Transactions, including those set forth in Section 3.01 of this Agreement, and, in each case, any amendments, modifications, and supplements thereto and any related notes, certificates, agreements, documents, and instruments (as applicable).

"**DIP Agent**" means Wilmington Savings Fund Society, FSB.

"**DIP Agent Advisors**" means ArentFox Schiff LLP, and such other professional advisors as are retained by the DIP Agent with the consent of the Company Parties (not to be unreasonably withheld).

"**DIP Backstop Allocation Schedule**" has the meaning set forth in Section 5.04(a) of this Agreement.

"**DIP Backstop Parties**" has the meaning set forth in the Transaction Term Sheet.

"**DIP Credit Agreement**" means that certain Senior Secured Superpriority Debtor-in-Possession Credit Agreement in respect of the DIP Facility, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

"**DIP Facility**" means the senior secured debtor-in-possession credit facility under the DIP Credit Agreement.

"**DIP Facility Documents**" means the DIP/Cash Collateral Orders and the DIP Credit Agreement, together with all other related documents, instruments, and agreements in respect of the DIP Facility, in each case, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

"**DIP/Cash Collateral Motion**" means the motion(s) seeking approval of the Company Parties' use of cash collateral and requesting approval to obtain debtor in possession financing on terms substantially the same as those set forth in the Transaction Term Sheet and the DIP Facility Documents.

"**DIP/Cash Collateral Orders**" means the Interim DIP/Cash Collateral Order and the Final DIP/Cash Collateral Order.

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

"**Disclosure Statement**" means the disclosure statement in respect of the Plan, including all exhibits and schedules thereto, as approved or ratified by the Bankruptcy Court pursuant to sections 1125 and 1126 of the Bankruptcy Code.

"**Disclosure Statement Motion**" means the motion filed with the Bankruptcy Court seeking entry of the Disclosure Statement Order.

"**Disclosure Statement Order**" means the order (and all exhibits thereto) entered by the Bankruptcy Court approving the adequacy of information in the Disclosure Statement and approving the Solicitation Materials and the notice of and solicitation of votes on the Plan, which order may be entered on a conditional or final basis and may be the Confirmation Order.

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

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

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

"**Existing Equity Interests**" means any issued, unissued, authorized, or outstanding shares or common stock, preferred shares, or other instrument evidencing an ownership interest in JOANN, whether or not transferable, together with any warrants, equity-based awards, or contractual rights to purchase or acquire such equity interests (including under any employment or benefits agreement) at any time and all rights arising with respect thereto that existed immediately before the Plan Effective Date.

"**Existing Intercreditor Agreement**" means the Intercreditor Agreement, dated as of May 21, 2018, relating to the Term Loans, the ABL Facility, and the FILO Facility, as amended, restated, modified, or supplemented from time to time.

"**Existing Stockholders Agreement**" means that certain Amended and Restated Stockholders Agreement, dated March 16, 2021, among the Company and the stockholders named therein.

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

"**Exit ABL/FILO Facility Amendment**" means that certain ABL Facility agreement to be effective as of the Effective Date relating to the Exit ABL Loans and the Exit FILO Loans, which may be the existing ABL Credit Agreement, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof, and shall be in accordance with the ABL/FILO Exit Commitment Letters and reasonably acceptable to the Required DIP Lenders.

"**Exit Facilities**" means the facilities under which the Exit ABL Loans, Exit FILO Loans, and Exit Term Loans shall be issued.

"**Exit Facilities Documents**" means the Exit ABL/FILO Facility Amendment, ABL/FILO Exit Commitment Letters, the Exit Term Loan Documents, and the Exit Intercreditor Agreement, together with all other related documents, instruments, and agreements in respect of the Exit Facilities, in each case, as amended, restated, modified, or supplemented from time to time.

"**Exit Facility Agent**" means Wilmington Savings Fund Society, FSB.

"**Exit Facility Agent Advisors**" means ArentFox Schiff LLP, and such other professional advisors as are retained by the Exit Facility Agent with the consent of the Company Parties (not to be unreasonably withheld).

"**Exit FILO Loans**" has the meaning set forth in the Transaction Term Sheet.

"**Exit Intercreditor Agreement**" means the intercreditor agreement(s) to be effective as of the Plan Effective Date relating to the Exit Facilities, which may be the Existing Intercreditor Agreement (as amended, amended and restated, and/or replaced) or substantially similar to the Existing Intercreditor Agreement (as amended, amended and restated, and/or replaced).

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

"**Exit Term Loan Credit Agreement**" means the credit agreement between Reorganized JOANN or its subsidiaries or affiliates, as applicable, and the lenders party thereto to effectuate the issuance of the Exit Term Loans.

"**Exit Term Loan Documents**" means the Exit Term Loan Credit Agreement and together with all other related documents, instruments, and agreements in respect of the Exit Term Loans, in each case, as amended, restated, modified, or supplemented from time to time.

"**FILO Claims**" has the meaning set forth in the Transaction Term Sheet.

"**FILO Facility**" means the senior secured last-out term loan facility under the ABL Credit Agreement.

"**FILO Fee Letter**" means that certain FILO Fee Letter, dated as of March 10, 2023, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

"**FILO Lenders**" means holders of, or nominees, investment managers, investment advisors, or subadvisors to funds and/or accounts that hold, or trustees of trusts that hold, the outstanding FILO Term Loans.

"**FILO Prepayment Premium**" has the meaning set forth in the FILO Fee Letter (including, for the avoidance of doubt, the "Make Whole Amount" (as defined in the FILO Fee Letter)).

"**FILO Term Loan Agent**" means, collectively, (i) Bank of America, N.A, in its capacity as administrative agent and collateral agent under the FILO Term Loans and any replacement or successor agent thereto, and (ii) 1903 LOAN AGENT, LLC, in its capacity as FILO Documentation Agent under the FILO Term Loans and any replacement or successor agent thereto.

"**FILO Term Loans**" means the first-in last-out term loans under the FILO Facility.

"**Final DIP/Cash Collateral Order**" means any order (and all exhibit and schedules thereto, including any budget) entered by the Bankruptcy Court on a final basis: (a) approving the DIP Facility, the DIP Facility Documents, and the DIP/Cash Collateral Motion; (b) authorizing the Company Parties' use of cash collateral; and (c) providing for adequate protection of secured creditors.

"**Final Order**" means, as applicable, an order or judgment of a court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari 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 filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or a new trial, reargument or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice.

"**First Day Pleadings**" means any first-day and second-day pleadings that the Company Parties determine are necessary or desirable to file with the Bankruptcy Court.

"**Fund Affiliates**" has the meaning set forth in Section 5.04(c) of this Agreement.

"**Governance Term Sheet**" has the meaning set forth in the Transaction Term Sheet.

"**Governmental Body**" means any U.S. or non-U.S. federal, state, municipal, or other government, or other department, commission, board, bureau, agency, public authority, or instrumentality thereof, or any other U.S. or non-U.S. court or arbitrator.

"**Interest**" means, collectively, the shares (or any class thereof), common stock, preferred stock, limited liability company interests, membership interests, and any other equity, ownership, or profits interests in any Company Party, and options, warrants, rights, stock appreciation rights, phantom units, incentives, commitments, calls, redemption rights, repurchase rights, or other securities or arrangements to acquire or subscribe for, or which are convertible into, or exercisable or exchangeable for, the shares (or any class thereof) of, common stock, preferred stock, limited liability company interests, membership interests, or any other equity, ownership, or profits interests in any Company Party or its affiliates and subsidiaries (in each case whether or not arising under or in connection with any employment agreement).

"**Interim DIP/Cash Collateral Order**" means any order (and all exhibit and schedules thereto, including any budget) entered by the Bankruptcy Court on an interim basis: (a) approving the DIP Facility, the DIP Facility Documents, and the DIP/Cash Collateral Motion; (b) authorizing the Company Parties' use of cash collateral; and (c) providing for adequate protection of secured creditors.

"**Joinder**" means a joinder to this Agreement substantially in the form attached to this Agreement as Exhibits C, D, E, F, or G providing, among other things, that such Person signatory thereto is bound by the terms of this Agreement to the extent provided therein. For the avoidance of doubt, any party that executes a Joinder shall be a "Party" under this Agreement to the extent provided therein.

"**Law**" means any federal, state, local, or non-U.S. law (including, in each case, any common law), statute, code, ordinance, rule, regulation, decree, injunction, order, ruling, assessment, writ or other legal requirement, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a Governmental Body of competent jurisdiction.

"**Lender Terminating Party**" has the meaning set forth in Section 14.01.

"**Milestones**" has the meaning set forth in Section 4 of this Agreement.

"**New Equity Interests**" has the meaning ascribed to such term in the Transaction Term Sheet.

"**New Organizational Documents**" means the new Organizational Documents of Reorganized JOANN and its direct or indirect subsidiaries, and the identity of proposed members of Reorganized JOANN's board of directors, after giving effect to the Transactions, as applicable, including any shareholders agreement, registration rights agreement, or similar document.

"**New Stockholders Agreement**" means, to the extent applicable, the stockholders agreement applicable to the New Equity Interests, which shall be consistent with the Governance Term Sheet and included as a part of the Plan Supplement.

"**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, and including any certificates of designation for preferred stock or other forms of preferred equity) or which relate to the internal governance of such Person (such as by-laws, a partnership agreement, or an operating, limited liability company, shareholders, or members agreement).

"**Participation Fee**" has the meaning set forth in the Transaction Term Sheet.

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

"**Permitted DIP Assignment**" has the meaning set forth in Section 5.04(c) of this Agreement.

"**Permitted Transferee**" means each transferee of any Company Claims/Interests that meets the requirements of Section 9.01 of this Agreement (and any other applicable provision herein that pertains to such transfers).

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

"**Petition Date**" means the first date any of the Debtors commence a Chapter 11 Case.

"**Plan**" means the joint prepackaged plan filed by the Debtors under chapter 11 of the Bankruptcy Code, substantially in the form attached to this Agreement as Exhibit I, that embodies the Transactions, including all exhibits, annexes, schedules, and supplements thereto, each as may be amended, supplemented, or modified from time to time, including the Plan Supplement.

"**Plan Effective Date**" means the date on which all conditions to consummation of the Plan have been satisfied in full or waived, in accordance with the terms of the Plan, and the Plan becomes effective.

"**Plan Supplement**" means one or more supplemental appendices to the Plan, which shall include, among other things, draft forms of documents (or terms sheets thereof), schedules, and exhibits to the Plan, in each case subject to the provisions of this Agreement, the Transaction Term Sheet, or the Exit ABL/FILO Exit Commitment Letters, as applicable, and as may be amended, modified, or supplemented from time to time on or before the Effective Date, including the following documents: (a) the New Organizational Documents, (b) the Exit Facilities Documents, (c) to the extent known and determined, the identity of the members of the Reorganized Board, (d) the Rejected Executory Contract/Unexpired Lease List, (e) a schedule of retained Causes of Action, (f) the New Stockholders Agreement (to the extent applicable); (g) the Governance Term Sheet; (h) the Restructuring Transaction Steps Memorandum (as defined in the Plan); and (i) such other documents as may be specified in the Plan.

"**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 Company Claims/Interests (or enter with customers into long and short positions in Company Claims/Interests), in its capacity as a dealer or market maker in Company Claims/Interests and (b) is, in fact, regularly in the business of making a market in Claims against, or Interests in, issuers or borrowers (including debt securities or other debt).

"**Releases**" means the releases as set forth in and to be provided pursuant to the Plan and the Transaction Term Sheet.

"**Reorganized JOANN**" means JOANN, as reorganized pursuant to and under the Transactions or any successor thereto, or a newly-formed Entity formed to, among other things, directly or indirectly acquire substantially all of the assets and/or equity interests of JOANN and, on the Plan Effective Date, issue the New Equity Interests (and in each case including any other newly-formed Entity formed to, among other things, effectuate the Transactions and issue the New Equity Interests).

"**Required Consenting Stakeholders**" means, as of any time, the Required Consenting Term Lenders and the Required Consenting Stockholder Parties at such time.

"**Required Consenting Stockholder Parties**" means, as of any time, 50.01% of the aggregate issued and outstanding Existing Equity Interests that are held by Consenting Stockholder Parties at such time.

"**Required Consenting Term Lenders**" means, as of any time, Consenting Term Lenders holding at least 50.01% of the Term Loan Claims that are held by Consenting Term Lenders at such time.

"**Required DIP Lenders**" has the meaning set forth in the Transaction Term Sheet.

"**Rules**" means Rule 501(a)(1), (2), (3), and (7) of the Securities Act.

"**SEC**" means the Securities and Exchange Commission.

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

"**Solicitation Materials**" means any documents, forms, ballots, notices, and other materials provided in connection with the solicitation of votes on the Plan pursuant to sections 1125 and 1126 of the Bankruptcy Code.

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

"**Stockholder Terminating Party**" has the meaning set forth in Section 14.03.

"**Supporting Trade Creditors**" means, collectively, the holders of general unsecured claims that have executed Joinders.

"**Term Lender Matters**" means any matter or Definitive Document (and any exhibits, schedules, annexes, amendments, modifications, or supplements thereto) that materially affects the rights proposed to be granted to the Consenting Term Lenders or the obligations of the Consenting Term Lenders as identified in this Agreement, the Transaction Term, or the Plan, which, for the avoidance of doubt, shall include the ABL/FILO Exit Commitment Letters and the Exit ABL/FILO Facility Amendment.

"**Term Loan Agent**" means Wilmington Savings Fund Society, FSB, in its capacity as administrative agent and collateral agent under the Term Loan Credit Agreement and any replacement or successor agent thereto.

"**Term Loan Agent Advisors**" means ArentFox Schiff LLP, and such other professional advisors as are retained by the Term Loan Agent with the consent of the Company Parties (not to be unreasonably withheld).

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

"**Term Loan Credit Agreement**" means that certain Credit Agreement, dated as of October 21, 2016, as amended by that certain Incremental Amendment No. 1 on July 21, 2017 and that certain Amendment No. 2 on July 7, 2021, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof).

"**Term Loans**" means the senior secured first-lien term loans issued pursuant to the Term Loan Credit Agreement.

"**Termination Date**" means the date on which termination of this Agreement is effective as to a Party in accordance with Sections 14.01, 14.02, 14.03, 14.04, 14.05, or 14.06 of this Agreement.

"**Termination Event**" means any of the events and/or circumstances referred to in Section 14 of this Agreement.

"**Transaction Term Sheet**" means the term sheet attached as Exhibit B to this Agreement, together with the exhibits and appendices annexed to such term sheet.

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

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

"**Transfer Agreement**" means an executed form of the transfer agreement substantially in the form attached to this Agreement as Exhibit H providing, among other things, that a transferee is bound by the terms of this Agreement. For the avoidance of doubt, any transferee that executes a Transfer Agreement shall be a "Party" under this Agreement as provided therein.

"**TSA Effective Date**" means the date on which the conditions precedent set forth in Section 2 of this Agreement have been satisfied or waived by the required Party or Parties in accordance with this Agreement.

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 neutral 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 in this Agreement to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(d) unless otherwise specified, any reference in this Agreement 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 in accordance with its terms; notwithstanding the foregoing, any capitalized terms in this Agreement which are defined with reference to another agreement (other than the Transaction Term Sheet), are defined with reference to such other agreement as of the date of this Agreement, 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;

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

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

(g) 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;

(h) 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;

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

(j) unless otherwise specified, references to "days" shall mean calendar days and, when calculating the period of time before which, within which, or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded and, if the last day of such period is not a Business Day, the period in question shall end on the next succeeding Business Day; *provided* that Rule 9006 of the Federal Rules of Bankruptcy Procedure shall apply from and after the Petition Date; and

(k) the phrase "counsel to the Consenting Stakeholders" refers in this Agreement to each counsel specified in Section 17.11 other than counsel to the Company Parties.

1.03. Conflicts. To the extent there is a conflict between the body of this Agreement (without reference to the exhibits, annexes, and schedules hereto, including the Transaction Term Sheet), on the one hand, and the Transaction Term Sheet or any other exhibits, annexes, and schedules to this Agreement, on the other hand, the terms and provisions of the Transaction Term Sheet or any other exhibits, annexes, and schedules to this Agreement shall govern. To the extent there is a conflict between this Agreement (including the Transaction Term Sheet and any other exhibits, annexes, and schedules hereto) on the one hand, and the Definitive Documents, on the other hand, the terms and provisions of the Definitive Documents shall govern.

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

2.01. This Agreement shall become effective and binding upon each of the Parties at 12:00 a.m., prevailing Eastern Standard Time, on the TSA Effective Date, which is the date on which all of the following conditions have been satisfied or waived in accordance with this Agreement:

(a) each of the Company Parties shall have executed and delivered counterpart signature pages of this Agreement to counsel to each of the Parties;

(b) each Consenting Stockholder Party holding Existing Equity Interests shall have executed and delivered counterpart signature pages of this Agreement (or a Joinder) to counsel to each of the Parties;

(c) holders of at least 66.7 percent of the aggregate outstanding Term Loan Claims shall have executed and delivered counterpart signature pages of this Agreement to counsel to the Company Parties;

(d) the Company Parties shall have paid all Consenting Stakeholders' Fees and Expenses for which an invoice has been received by the Company Parties on or before the date that is one (1) Business Day prior to the TSA Effective Date;

(e) the ABL/FILO Exit Commitment Letters and the Exit ABL/FILO Facility Amendment shall have been executed in form and substance reasonably acceptable to the Company Parties and the Required DIP Lenders; and

(f) counsel to the Company Parties shall have given notice to counsel to the Consenting Stakeholders in the manner set forth in Section 17.11 hereof (by email or otherwise) that the other conditions to the TSA Effective Date set forth in this Section 2 have occurred.

2.02. This Agreement shall be effective from the TSA Effective Date until validly terminated pursuant to the terms of this Agreement. To the extent that a Consenting Stakeholder holds, as of the date hereof or thereafter, multiple Company Claims/Interests, such Consenting Stakeholder shall be deemed to have executed this Agreement in respect of all of its Company Claims/Interests and this Agreement shall apply severally to such Party with respect to each such claim or interest held by such Party.

Section 3. ***Definitive Documents.***

3.01. The Definitive Documents governing the Transactions shall include all material customary documents necessary to implement the Transactions, including, but not limited to:

(a) the Plan and all documentation necessary to consummate the Plan, including the Plan, the Plan Supplement, the Disclosure Statement, the Disclosure Statement Motion, the Disclosure Statement Order, the Solicitation Materials, and the Confirmation Order (including any exhibits or supplements filed with respect to each of the foregoing);

(b) the DIP Facility Documents (including the DIP/Cash Collateral Motion and the DIP/Cash Collateral Orders);

(c) the Exit Facilities Documents;

(d) the New Organizational Documents;

(e) the New Stockholders Agreement; and

(f) all other customary documents delivered in connection with transactions of this type (including any and all material documents, Bankruptcy Court or other judicial or regulatory orders, amendments, supplements, pleadings (including any "first day" pleadings and all orders sought pursuant thereto), motions, filings, exhibits, schedules, appendices, or modifications to any of the foregoing and any related notes, certificates, agreements, and instruments (as applicable) necessary to implement the Transactions).

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. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter, or instrument related to the Transactions shall contain terms, conditions, representations, warranties, and covenants consistent with the terms of this Agreement, as they may be modified, amended, or supplemented in accordance with Section 15 of this Agreement. Further, any Definitive Document not executed or in a form attached to this Agreement as of the Execution Date shall otherwise be in form and substance reasonably acceptable to (a) the Company Parties, (b) the Required DIP Lenders solely to the extent such Definitive Document constitutes a Term Lender Matter, and (c) the Required Consenting Stockholder Parties solely to the extent such Definitive Document constitutes a Consenting Stockholder Party Matter. Notwithstanding anything herein to the contrary, (i) the DIP Facility Documents shall be required to be reasonably acceptable in form and substance to the Required DIP Lenders and so long as the DIP Facility Documents are consistent in all material respects with this Agreement and the Transaction Term Sheet, shall be deemed satisfied, (ii) the New Organizational Documents, the New Stockholders Agreement, and the Exit Term Loan Documents shall be required to be acceptable in form and substance to the Required DIP Lenders, (iii) the ABL/FILO Exit Commitment Letters and the Exit ABL/FILO Facility Amendment shall be required to be acceptable in form and substance solely to the Required DIP Lenders, (iv) the Exit Intercreditor Agreement shall be required to be acceptable in form and substance solely to the Required DIP Lenders, and (v) nothing herein shall abrogate the consent rights of the Required DIP Lenders (as applicable) with respect to any Definitive Documents outlined herein or in the Transaction Term Sheet. Neither the Plan, the Confirmation Order, nor any other Definitive Document may modify the form or amount of consideration to be provided to the holders of Existing Equity Interests as set forth in the Transaction Term Sheet without the consent of the Required DIP Lenders.

Section 4. ***Milestones***.

The following milestones (collectively, the "**Milestones**") shall apply to this Agreement unless extended and/or waived in writing by the Required DIP Lenders and the Company Parties:

(a) no later than 1 Business Day following the TSA Effective Date, and in any event prior to the Petition Date, the Company Parties shall, in accordance with sections 1125 and 1126 of the Bankruptcy Code, commence solicitation of the votes necessary to approve the Plan and effectuate the Transactions, including by distributing the Plan, Disclosure Statement, and Solicitation Materials to holders of Company Claims/Interests (the "**Launch**");

(b) no later than 1 day following the Launch, the Petition Date shall have occurred;

(c) within 3 days following the Petition Date, the Company Parties shall have filed the First Day Pleadings, the DIP/Cash Collateral Motion, the Plan, Disclosure Statement, and Disclosure Statement Motion seeking conditional entry of the Disclosure Statement Order;

(d) no later than 5 Business Days after the Petition Date, the Bankruptcy Court shall have entered the Interim DIP/Cash Collateral Order;

(e) no later than 35 days after entry of the Interim DIP/Cash Collateral Order, the Bankruptcy Court shall have entered the Final DIP/Cash Collateral Order; and

(f) no later than 50 days after the Petition Date, the Bankruptcy Court shall have entered the Disclosure Statement Order (on a final basis) and the Confirmation Order (which may be one order of the Bankruptcy Court);

(g) no later than 10 days after the entry of the Confirmation Order, the Transactions shall have been consummated and the Plan Effective Date shall have occurred.

Section 5. ***Commitments of the Consenting Stakeholders.***

5.01. Affirmative Commitments. During the Agreement Effective Period, each Consenting Stakeholder agrees, in respect of all of its Company Claims/Interests, severally, and not jointly, to the extent permitted by Law and subject to the other terms hereof, to:

(a) use commercially reasonable efforts to timely and in good faith negotiate, support, implement and perform its respective obligations under, deliver, and consummate the Transactions on the terms contemplated in this Agreement, the Transaction Term Sheet, and the Definitive Documents, and, without limitation of the foregoing, in each case to the extent applicable to such Consenting Stakeholder: (i) consenting to the DIP Facility Documents, the Exit Facilities Documents and the Plan; (ii) voting all Company Claims/Interests owned or held by such Consenting Stakeholder and using commercially reasonable efforts to exercise any powers or rights available to it (including in any board, shareholders', or 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 Company Parties to implement the Transactions; and (iii) use commercially reasonable efforts to cooperate with and assist the Company Parties in obtaining additional support for the Transactions from the Company Parties' other stakeholders;

(b) use commercially reasonable efforts to support and not oppose or object to the Transactions, and use commercially reasonable efforts to take any reasonable action necessary or reasonably requested by the Company Parties in a timely manner to effectuate the Transactions in a manner consistent with this Agreement, including the timelines set forth herein; *provided* that the foregoing shall not require any Consenting Stakeholder to file any pleadings with respect thereto;

(c) waive, as applicable, the rights it may have as a holder of Company Claims/Interests, or provide any consents reasonably required under, the Term Loan Credit Agreement, or the Company Parties' (or their direct or indirect parent Entities') Organizational Documents, or provide any notices, orders, instructions, or directions to the applicable Agents that, in each case, are reasonably necessary or reasonably requested by the Company Parties to facilitate the consummation of the Transactions in accordance with the terms, conditions, and applicable timelines set forth in this Agreement and the Transaction Term Sheet;

(d) use commercially reasonable efforts to direct its respective advisors to cooperate with and assist the Company Parties in obtaining additional support for the Transactions from the Company Parties' other stakeholders;

(e) to the extent any legal or structural impediment arises that would prevent, hinder or delay the consummation of the Transactions, negotiate in good faith with the Company Parties and the other Consenting Stakeholders appropriate additional or alternative provisions to address any such legal or structural impediment to the consummation of the Transactions;

(f) give any notice, order, instruction, or direction to any applicable Agents reasonably necessary to give effect to the Transactions;

(g) forbear from the exercise of any rights (including any right of set-off) or remedies it may have under the Term Loan Credit Agreement, and any agreement contemplated thereby or executed in connection therewith, as applicable, and under applicable U.S. or non-U.S. Law or otherwise, in each case, with respect to the following (each of this (i)-(ii), a "**Specified Default**"):

(i) any defaults, or potential defaults, resulting from entry into this Agreement or the Transaction, entry into or compliance with the DIP Credit Documents, or any maturities, including springing maturities, occurring during the Agreement Effective Period by any Loan Party; or

(ii) any actual or potential breach or default arising from the failure to satisfy or otherwise comply with, in part or in full, the affirmative covenants set forth in the Term Loan Credit Agreement.

Each Consenting Stakeholder specifically agrees that this Agreement constitutes a direction to each of the Agents to refrain from exercising any remedy available or power conferred to any of the Agents against the Company Parties or any of their assets, in each case, solely as a result of the existence of any Specified Default. For the avoidance of doubt, nothing in this Section 5.01(g) shall restrict or limit the Consenting Stakeholders or any of Agents from taking any action permitted or required to be taken hereunder for the purposes of consummating the Transactions, including pursuant to any Definitive Document.

(h) each Consenting Stakeholder hereby authorizes (and is hereby deemed to have authorized for all purposes under the Term Loan Credit Agreement, the Existing Intercreditor Agreement, and otherwise, without requirement for any further action or agreement) the execution and entry into the DIP Facility Documents and the Exit Facilities Documents and any documents related thereto or necessary therefor, as applicable, each in accordance with the terms set forth the Definitive Documents; and

(i) subject to the terms and conditions hereof, take such action as may be reasonably necessary or reasonably requested by the other Consenting Stakeholders to carry out the purposes and intent of this Agreement, including making and filing any required regulatory filings.

5.02. Negative Commitments. During the Agreement Effective Period, each Consenting Stakeholder agrees, in respect of each of its Company Claims/Interests, severally, and not jointly, that, to the extent permitted by Law and subject to the other terms hereof, it shall not:

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

(b) directly or indirectly solicit, initiate, encourage, endorse, propose, file, support, approve, vote for, enter or participate in any discussions or any agreement regarding any Alternative Transaction Proposal;

(c) file any motion, pleading, or other document with any court (including any modifications or amendments to any motion, pleading, or other document with any court) that, in whole or in part, is materially inconsistent with this Agreement;

(d) initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to this Agreement or the Transactions contemplated in this Agreement against the Company Parties or the other Parties other than to enforce this Agreement or any Definitive Document or as otherwise permitted under this Agreement or any Definitive Document;

(e) object to, delay, impede, or take any other action to interfere with the Company Parties' ownership and possession of their assets, wherever located other than any action or inaction taken by any such Consenting Stakeholder in connection with its respective rights under the DIP Facility Documents, the Term Loan Credit Agreement, and the Existing Intercreditor Agreement, in each case of each of the foregoing, subject to the affirmative commitments set forth in Section 5.01(g);

(f) directly or indirectly, encourage any other Person to, directly or indirectly, subject to the terms hereof, (i) object to, delay, postpone, challenge, oppose, impede, or take any other action or any inaction to interfere with or delay the acceptance, implementation, or consummation of the Transactions contemplated in this Agreement (including the DIP Facility and the Exit Facilities) on the terms set forth in this Agreement, the Transaction Term Sheet, the DIP Facility Documents, the Exit Facilities Documents, the Plan, and any other applicable Definitive Document, including commencing or joining with any Person in commencing any litigation or involuntary case for relief under the Bankruptcy Code against any Company Party or any subsidiary thereof; (ii) solicit, negotiate, propose, file, support, enter into, consummate, file with the Bankruptcy Court, vote for, or otherwise knowingly take any other action in furtherance of any restructuring, workout, plan of arrangement, or chapter 11 plan for the Debtors (except a chapter 11 plan pursued in compliance with this Agreement); (iii) exercise any right or remedy for the enforcement, collection, or recovery of any claim against the Company Parties or any direct or indirect subsidiaries of the Company Parties that do not file for chapter 11 relief under the Bankruptcy Code, except in a manner consistent with this Agreement, the Transaction Term Sheet, and the DIP Facility Documents; or (iv) object to or oppose, or support any other Person's efforts to object to or oppose, any motions filed by the Debtors that are consistent with this Agreement; or

(g) with respect to the Consenting Term Lenders, not direct any administrative agent, collateral agent, or other such agent or trustee to take any action materially inconsistent with such Consenting Term Lender's obligations under this Agreement and, if any applicable administrative agent, collateral agent, or

other such agent or trustee (as applicable) takes any action materially inconsistent with such Consenting Term Lender's obligations under this Agreement, such Consenting Term Lender shall use its commercially reasonable efforts to direct such administrative agent, collateral agent, or other such agent or trustee (as applicable) to cease and refrain from taking any such action.

5.03. Commitments with Respect to Chapter 11 Cases. In addition to the affirmative and negative commitments set forth in Sections 5.01 and 5.02, during the Agreement Effective Period, each Consenting Stakeholder agrees in respect of all of its Company Claims/Interests, severally, and not jointly, that it shall:

(a) (i) to the extent such Consenting Stakeholder is entitled to vote to accept or reject the Plan pursuant to its terms, (A) vote each of its Company Claims/Interests (if applicable) 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 (B) not change, withdraw, amend, or revoke (or cause or direct to be changed, withdrawn, amended, or revoked) any such vote described in the foregoing Section 5.03(a)(i); and (ii) regardless of whether such Consenting Stakeholder is entitled to vote to accept or reject the Plan, support the Releases and agree to provide or opt into, and to not opt out of or object to, the Releases set forth in the Plan consistent with the terms set forth in this Agreement (including the Transaction Term Sheet), and not change, withdraw, amend, or revoke (or cause or direct to be changed, withdrawn, amended, or revoked) any such Release;

(b) with respect to the Consenting Term Lenders, use commercially reasonable efforts to support and not object to, and to take all actions reasonably requested by the Company Parties related to, the DIP/Cash Collateral Motion and entry of the DIP/Cash Collateral Orders in accordance with this Agreement;

(c) 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 Proposal or object to or take any other action that would reasonably be expected to prevent, interfere with, delay, or impede the solicitation, approval of the Disclosure Statement, or the confirmation and consummation of the Plan and the Transactions;

(d) support and not object to the Plan or entry of the Disclosure Statement Order, or the Confirmation Order (provided that such Plan, Disclosure Statement Order, and Confirmation Order are in form and substance acceptable to the Required Consenting Stakeholders);

(e) use commercially reasonable efforts to take all actions reasonably requested by the Company Parties and necessary to support and facilitate confirmation and consummation of the Plan within the timeframes contemplated by this Agreement, including the DIP Facility (and related Backstop Fee and Participation Fee), the Exit Facilities and all related transactions; and

(f) support, and 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 Company Party in the Bankruptcy Court that is consistent with this Agreement.

5.04. DIP Backstop Amount.

(a) Each of the DIP Backstop Parties hereby (i) notifies the Company that such DIP Backstop Party (or funds or accounts affiliated with, managed or advised by such DIP Backstop Party) shall backstop the DIP Facility in the percentages set forth opposite each such DIP Backstop Party's name on Exhibit 1 to the Transaction Term Sheet (the "**DIP Backstop Allocation Schedule**") upon the terms set forth in this

Agreement, the Transaction Term Sheet, and the DIP Credit Agreement (the "**DIP Backstop Amount**"), and (ii) agrees, subject to confirmation of the Plan, to exchange its DIP Term Loans for Exit Term Loans as set forth in the Plan and the Transaction Term Sheet.

(b) The Backstop Fee shall be fully earned upon execution of this Agreement, but subject to entry of the Interim DIP/Cash Collateral Order.

(c) The obligations of each of the DIP Backstop Parties with respect to the DIP Backstop Amount shall be several (and not joint and several), and no failure of any DIP Backstop Party to comply with any of its obligations hereunder shall prejudice the rights of any other DIP Backstop Party.

(d) Each DIP Backstop Party may assign all or a portion of its DIP Backstop Amount (together with any and all rights and obligations related thereto) hereunder to (i) any other DIP Backstop Party, (ii) any of its affiliates or related funds/accounts or (iii) any investment funds, accounts, vehicles or other entities that are managed, advised or sub-advised by such DIP Backstop Party, its affiliates or the same person or entity as such DIP Backstop Party or its affiliates (all such persons described in clauses (ii) and (iii), such Backstop Party's "**Fund Affiliates**" and any assignment permitted by clauses (i) through (iii), a "**Permitted DIP Assignment**"); *provided* that, other than a Permitted DIP Assignment, the DIP Backstop Parties' respective DIP Backstop Amounts and rights and obligations related thereto shall not otherwise be assignable by the DIP Backstop Parties without the prior written consent of the Company (not to be unreasonably withheld); *provided further* that in the case of a Permitted DIP Assignment, the assigning DIP Backstop Party shall provide prior written notice to the Company and the other DIP Backstop Parties one (1) day prior to such assignment.

(e) In addition, the Additional Financing Parties agree to provide the financial accommodations set forth on their respective Joinder and the Transaction Term Sheet.

(f) This Section 5.04 is intended to be solely for the benefit of the Company Parties and the DIP Backstop Parties and is not intended to and does not confer any benefits upon, or create any rights in favor of, any person other than the Company Parties and the DIP Backstop Parties, in each case, to the extent expressly set forth herein.

5.05. Additional Commitments of the Consenting Stakeholders. During the Agreement Effective Period, each Consenting Stakeholder Party agrees, severally, and not jointly, that it shall not pledge, encumber, assign, sell, or otherwise Transfer, offer, or contract to pledge, encumber, assign, sell, or otherwise Transfer, in whole or in part, any portion of its right, title, or interests in any Existing Equity Interests whether held directly or indirectly, other than any Transfer in accordance with Section 9 of this Agreement.

Section 6. ***Additional Provisions Regarding the Consenting Stakeholders' Commitments.***

6.01. Additional Consenting Stakeholder Commitments. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement shall: (a) affect the ability of any Consenting Stakeholder to consult with any other Consenting Stakeholder, the Company Parties, or, subject to the terms of any applicable Confidentiality Agreement, any other party in interest; (b) impair or waive the rights of any Consenting Stakeholder to assert or raise any objection not prohibited under this Agreement or any Definitive Document in connection with the Transactions; or (c) prevent any Consenting Stakeholder from (i) enforcing this Agreement or any Definitive Documents, (ii) contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or any Definitive Documents, or (iii) exercising any rights or remedies under this Agreement or any Definitive Documents.

6.02. Additional Consenting Stockholder Commitments. To the extent that, under the Plan, such Consenting Stakeholder is deemed to reject the Plan, such Consenting Stakeholder agrees with its treatment under the Plan and shall not file an objection to the Plan or support, directly or indirectly, any holder of Existing Equity Interests who objects to the Plan.

Section 7. ***Commitments of the Company Parties.***

7.01. Affirmative Commitments. Subject to Section 8.01 of this Agreement, during the Agreement Effective Period, each of the Company Parties agrees 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 the Transaction Term Sheet), including by negotiating the Definitive Documents in good faith, and (ii) cooperate, if necessary, with the Consenting Stakeholders to negotiate and obtain necessary approval of the Definitive Documents to consummate the Transactions;

(b) use commercially reasonable efforts and timely take all reasonable actions, including actions reasonably requested by the other Parties, necessary 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 (including the Transaction Term Sheet);

(c) use commercially reasonable efforts to obtain any and all required or advisable governmental, regulatory, and/or third-party approvals for the Transactions;

(d) negotiate in good faith, execute, deliver, and perform its obligations under the Definitive Documents in accordance with the terms of this Agreement (including the Transaction Term Sheet) and any other required agreements to effectuate and consummate the Transactions and the transactions contemplated by the Definitive Documents;

(e) use commercially reasonable efforts to address, oppose, and/or object to the efforts of any person or Entity seeking to object to, delay, impede, or take any other action to interfere with the acceptance, implementation, or consummation of the Transactions (including, if applicable, the filing of timely objections or written responses), in each case to the extent consistent with the terms and conditions in this Agreement;

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

(g) comply with their obligations under the respective engagement letters for the Consenting Stakeholders and pay the Consenting Stakeholders' Fees and Expenses;

(h) operate the business of the Company in the ordinary course of its business in a manner that is consistent with its past practices and this Agreement, and use reasonable best efforts to preserve intact the Company's business organization and relationships with third parties (including, without limitation, suppliers, distributors, customers, and governmental and regulatory authorities and employees), in each to the extent permitted by applicable orders of the Bankruptcy Court, including with respect to the DIP/Cash Collateral Orders; and

(i) notify counsel to the Consenting Stakeholders promptly (email being sufficient) after obtaining actual knowledge thereof of the happening or existence of any event that shall have made any part of the Transactions (including the Transaction Term Sheet) incapable of being consummated on or prior to the applicable Milestone(s).

7.02. Company Party Commitments with Respect to Chapter 11.

(a) Subject to Section 8.01 of this Agreement, and with respect to the Chapter 11 Cases, during the Agreement Effective Period, each of the Company Parties agrees to:

(i) object to any motion filed with the Bankruptcy Court by any person seeking the entry of an order terminating the Company Parties' exclusive right to file and/or solicit acceptances of a chapter 11 plan;

(ii) actively oppose and object to the efforts of any person seeking to object to, delay, impede, or take any other action to interfere with the acceptance, implementation, or consummation of the Plan or the Transactions (including, if applicable, the filing of timely filed objections or written responses);

(iii) timely file a formal objection to any motion filed with the Bankruptcy Court by a third party seeking the entry of an order (A) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code), (B) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or (C) dismissing the Chapter 11 Cases;

(iv) support and take all actions as are necessary and appropriate to obtain any and all required regulatory and/or third-party approvals to consummate the Transactions and the Plan, and to cooperate with any such efforts undertaken by the Consenting Term Lenders or the other Consenting Stakeholders; and

(v) maintain their good standing under the laws of the state or other jurisdiction in which they are incorporated or organized, except to the extent that any failure to maintain such Company Party's good standing arises solely from the filing of the Chapter 11 Cases.

7.03. Negative Commitments of the Company Parties. Subject to Section 8.01 of this Agreement, during the Agreement Effective Period, each of the Company Parties shall not directly or indirectly:

(a) object to, delay, impede, or take any other action to interfere with acceptance, implementation, or consummation of the Transaction or the Plan or otherwise commence any proceeding opposing any of the terms of this Agreement or any of the other Definitive Documents;

(b) take, or encourage any other person or entity to take, any action, directly or indirectly, that would reasonably be expected to breach or be inconsistent with this Agreement, or take any other action, directly or indirectly, that would reasonably be expected to interfere with the acceptance, implementation, or consummation of the Transactions or this Agreement;

(c) take or fail to take any action if such action or failure to act is inconsistent in any material respect with, or is intended to frustrate or impede approval, implementation, and consummation of, this Agreement, the Transactions described in this Agreement, the Transaction Term Sheet, or the Definitive Documents;

(d) subject to Section 8.02 hereof, solicit, initiate, propose, support, encourage, consent to, vote or enter into any agreement regarding any Alternative Transaction Proposal;

(e) with respect to the Chapter 11 Cases, directly or indirectly execute, agree to execute, file, or agree to file any motion, pleading, or Definitive Documents with the Bankruptcy Court or any other court (including any modifications or amendments thereof) that, in whole or in part, is materially inconsistent with this Agreement or the Plan; and

(f) file any motion, pleading, or other document with any court (including any modification or amendments to any motion, pleadings, or other document with any court) that, in whole or in part, is materially inconsistent with this Agreement in any material respect.

Section 8. ***Additional Provisions Regarding Company Parties' Commitments.***

8.01. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall require a Company Party or the board of directors, board of managers, or similar governing body of a Company Party, after consulting with outside counsel, to take any action or to refrain from taking any action with respect to the Transactions to the extent such Person or Persons determine in good faith that taking or failing to take such action would be inconsistent with applicable Law or its fiduciary obligations under applicable Law, and any such action or inaction pursuant to this Section 8.01 shall not be deemed to constitute a breach of this Agreement.

8.02. Notwithstanding anything to the contrary in this Agreement, but subject to the terms of Section 8.01 and this Section 8.02, each Company Party and its directors, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives shall have the right to: (a) consider, respond to, and facilitate access to information in response to unsolicited Alternative Transaction Proposals; (b) provide access to non-public information concerning any Company Party to any Entity that (i) provides an unsolicited Alternative Transaction Proposal, (ii) executes and delivers a Confidentiality Agreement (which Confidentiality Agreement shall permit the Company to share any copies of the Alternative Transaction Proposals, the status of any discussions, and the identity of any counterparty with the Consenting Stakeholders and their respective advisors), and (iii) requests such information; and (c) enter into, maintain or continue discussions with respect to, or otherwise cooperate with, any inquiries or any proposals regarding an unsolicited Alternative Transaction Proposal if such person or entity determines, in good faith upon advice of outside counsel that failure to take such action would be inconsistent with the fiduciary duties of such person under applicable Law. The Company Parties shall, to the extent permitted by any applicable confidentiality agreement or related obligation, provide to counsel to the Consenting Stakeholders, (A) a copy of any written Alternative Transaction Proposal (and notice and a description of any oral Alternative Transaction Proposal) within one (1) Business Day of the Company or their advisors receipt of such Alternative Transaction Proposal, (B) provide counsel to each of the Consenting Stakeholders with regular updates as requested as to the status and progress of such Alternative Transaction Proposal to the extent permitted by any applicable confidentiality agreement, and (C) respond promptly to information requests and questions from counsel to each of the Consenting Stakeholders relating to such Alternative Transaction Proposal.

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

Section 9. ***Transfer of Interests and Securities.***

9.01. During the Agreement Effective Period, no Consenting Stakeholder shall Transfer any ownership (including any beneficial ownership as defined in the Rule 13d-3 under the Exchange Act) in any Company Claims/Interests to any affiliated or unaffiliated party, including any party in which it may hold a direct or indirect beneficial interest, unless either: (a) the transferee executes and delivers to counsel to the Company Parties and the counsel to the Consenting Stakeholders, before the time of the proposed

Transfer, a Transfer Agreement and, solely in the case of Interests (i) the transferee provides the Company Parties reasonable time to analyze the tax consequences to the Company Parties of such Transfer and (ii) the Company Parties consent to such Transfer (such consent not to be unreasonably withheld, conditioned or delayed); or (b) solely in the case of Claims, the transferee is a Consenting Stakeholder and the transferee provides notice of such Transfer (including the amount and type of Claims) to counsel to the Company Parties and the counsel to the Consenting Stakeholders in advance of the proposed Transfer.

9.02. Upon compliance with the requirements of Section 9.01, the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement only to the extent of the rights and obligations in respect of such Transferred Company Claims/Interests, and the transferee shall be deemed a "Consenting Stakeholder" (as a "Consenting Term Lender" or a "Consenting Stockholder Party" as applicable) and a "Party" under this Agreement. Any Transfer in violation of Section 9.01 shall be void *ab initio*.

9.03. This Agreement shall in no way be construed to preclude the Consenting Stakeholders from acquiring additional Claims. Notwithstanding the foregoing, (a) such additional Claims shall automatically and immediately upon acquisition by a Consenting Stakeholder be deemed subject to the terms of this Agreement (regardless of when or whether notice of such acquisition is given to counsel to the Company Parties or counsel to the Consenting Stakeholders) and (b) such Consenting Stakeholder must provide notice of such acquisition (including the amount and type of Claims acquired) to counsel to the Company Parties within three (3) Business Days of such acquisition.

9.04. This Section 9 shall not impose any obligation on any Company Party to issue any "cleansing letter" or otherwise publicly disclose information for the purpose of enabling a Consenting Stakeholder to Transfer any of its Company Claims/Interests. Notwithstanding anything to the contrary in this Agreement, to the extent a Company Party and another Party have entered into a Confidentiality Agreement, the terms of such Confidentiality Agreement shall continue to apply and remain in full force and effect according to its terms, and this Agreement does not supersede any rights or obligations otherwise arising under such Confidentiality Agreements.

9.05. Notwithstanding Section 9.01, a Qualified Marketmaker that acquires any Company Claims/Interests with the purpose and intent of acting as a Qualified Marketmaker for such Company Claims/Interests shall not be required to execute and deliver a Transfer Agreement in respect of such Company Claims/Interests if (a) such Qualified Marketmaker subsequently transfers such Company Claims/Interests (by purchase, sale assignment, participation, or otherwise) within five (5) 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 under Section 9.01; and (c) the Transfer otherwise is a permitted Transfer under Section 9.01. To the extent that a Consenting Stakeholder is acting in its capacity as a Qualified Marketmaker, it may Transfer (by purchase, sale, assignment, participation, or otherwise) any right, title or interests in Company Claims/Interests that the Qualified Marketmaker acquires from a holder of the Company Claims/Interests who is not a Consenting Stakeholder without the requirement that the transferee be a Permitted Transferee. Notwithstanding anything herein to the contrary, this Section 9.05 shall not apply with respect to any Interests owned or held by any Consenting Stockholder Party.

9.06. Notwithstanding anything to the contrary in this Section 9, the restrictions on Transfer set forth in this Section 9 shall not apply to the grant of any liens or encumbrances on any Claims in favor of a bank or broker-dealer holding custody of such Claims and Interests in the ordinary course of business and which lien or encumbrance is released upon the Transfer of such Claims.

Section 10. ***Representations and Warranties of Consenting Term Lenders.***

Each of the Consenting Term Lenders represents, warrants, and covenants to each other Party, severally, and not jointly, that, as of (i) the Execution Date and (ii) the Plan Effective Date (but, in respect of the foregoing (ii), subject to changes resulting from any Transfers made pursuant to Section 9 of this Agreement):

(a) (i) it is the beneficial or record owner of the face amount of the Company Claims/Interests or is the nominee, investment manager, advisor, or subadvisor for beneficial holders of the Company Claims/Interests reflected in such Consenting Term Lender's signature page to this Agreement or a Transfer Agreement, as applicable (as may be updated as a result of any Transfers pursuant to Section 9 of this Agreement), and (ii) having made reasonable inquiry and excluding Company Claims held by a Consenting Term Lender in such Consenting Term Lender's capacity as a Qualified Marketmaker, it is not, to the best of its knowledge, the record owner of any Company Claims/Interests other than those reflected in such Consenting Term Lender's signature page to this Agreement or a Transfer Agreement, as applicable (as may be updated as a result of any Transfers pursuant to Section 9 of this Agreement);

(b) it has the full power and authority to act on behalf of, vote, and consent to matters concerning, such Company Claims/Interests;

(c) such Company Claims/Interests 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 Term Lender's ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed;

(d) it has the full power to vote, approve changes to, and Transfer all of its Company Claims/Interests referable to it as contemplated by this Agreement subject to applicable Law; and

(e) solely with respect to holders of Company Claims/Interests constituting securities, it is either (i) a qualified institutional buyer as defined in Rule 144A of the Securities Act, (ii) not a U.S. person (as defined in Regulation S of the Securities Act), or (iii) an institutional accredited investor (as defined in the Rules); and any securities acquired by such Consenting Term Lender in connection with the Transactions will have been acquired for investment and not with a view to distribution or resale in violation of the Securities Act.

Section 11. ***Representations and Warranties of Consenting Stockholder Parties.***

Each of the Consenting Stockholder Parties represents, warrants, and covenants to each other Party, severally, and not jointly, that, as of (i) the Execution Date and (ii) the Plan Effective Date (but, in respect of the foregoing (ii), subject to changes resulting from any Transfers made pursuant to Section 9 of this Agreement):

(a) (i) it is the beneficial or record owner of the Company Claims/Interests Units or is the nominee, investment manager, advisor, or subadvisor for beneficial holders of the Company Claims/Interests reflected in such Consenting Stockholder Party's signature page to this Agreement or a Transfer Agreement, as applicable (as may be updated as a result of any Transfers pursuant to Section 9 of this Agreement) and (ii) having made reasonable inquiry, it is not the beneficial or record owner of any Company Claims/Interests other than those reflected in such Consenting Stockholder Party's signature page to this Agreement or a Transfer Agreement, as applicable (as may be updated as a result of any Transfers pursuant to Section 9 of this Agreement);

(b) it has the full power and authority to act on behalf of, vote, and consent to matters concerning, such Company Claims/Interests;

(c) such Company Claims/Interests 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 Stockholder Party's ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed, other than (i) any such restriction arising under this Agreement and (ii) any such restriction arising under applicable state or federal securities Laws; and

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

Section 12. ***Representations and Warranties of Company Parties.***

Each of the Company Parties represents, warrants, and covenants to each other Party that, as of the Execution Date and as of the Plan Effective Date:

(a) to the best of the Company Parties' knowledge, the execution and delivery by it of this Agreement does not result in a breach of, or constitute (with due notice or lapse of time or both) a default (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Chapter 11 Cases or any Company Party's undertaking to implement the Transactions through the Chapter 11 Cases) under any material contractual obligation to which it is a party; and

(b) 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.

Section 13. ***Mutual Representations, Warranties, and Covenants.***

Each of the Parties represents, warrants, and covenants to each other Party, severally, and not jointly, that, as of the Execution Date and as of the Plan Effective Date:

(a) it is validly existing and in good standing under the Laws of the state 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, no consent or approval is required by any person or Entity in order 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, (i) conflict in any material respect with any Law or regulation applicable to it or with any of its certificates of incorporation, bylaws, limited liability company agreements, or other Organizational Documents, or (ii) conflict with, result in a breach of, or constitute a default under any material contractual obligation to which it is a party (provided, however, that with respect to the Company, it is understood that commencing the Chapter 11 Cases may result in a breach of or constitute a default under such obligations);

(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 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; and

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

Section 14. ***Termination Events.***

14.01. Required DIP Lender Termination Events. This Agreement may be terminated by the Required DIP Lenders (in such capacity, a "**Lender Terminating Party**" and, collectively, the "**Lender Terminating Parties**"), by the delivery to the other Parties or counsel to the other Parties of a written notice in accordance with Section 17.11 hereof upon the occurrence of any of the following events (a "**Termination Notice**"):

(a) any Company Party or Consenting Stockholder Party (i) breaches in any material respect any of the representations, warranties, or covenants of such Company Parties or Consenting Stockholder Parties, as applicable, and such breach has not been cured (to the extent curable) before the earlier of (A) eight (8) days after any Lender Terminating Party transmits a written notice in accordance with Section 17.11 hereof detailing any such breach and (B) one (1) calendar day prior to any proposed Plan Effective Date, as applicable; (ii) takes any action (or refrains from taking any action) inconsistent with this Agreement; or (iii) amends or modifies (or consents to any amendment or modification of any of) the Definitive Documents other than, in each case, in a non-material or ministerial respect, unless such amendment or modification is otherwise consented to in accordance with Section 3 hereof;

(b) the issuance by any Governmental Body, 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 ten (10) Business Days after such Lender Terminating Parties transmit a written notice in accordance with Section 17.11 hereof detailing any such issuance; *provided* that this termination right may not be exercised by any Lender Terminating Party that sought, requested, or affirmatively consented to such ruling or order in contravention of any obligation set out in this Agreement;

(c) the Company's execution, delivery, amendment, modification, or filing of a pleading seeking approval of, or authority to amend or modify, any Definitive Document that, in any such case, is not consistent in all material respects with this Agreement or otherwise reasonably acceptable, as the case may be as set forth in Section 3.02, to the Required DIP Lenders;

(d) any Company Party's (i) withdrawal of the Plan (if applicable), (ii) public announcement of its intention not to support the Transactions, or (iii) filing, public announcement, or execution of a definitive written agreement with respect to an Alternative Transaction Proposal;

(e) the board of directors, board of managers, or such similar governing body of any Company Party determines, in good faith, 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 Proposal (including as contemplated by Section 8.01);

(f) other than by a Lender Terminating Party, the commencement of an involuntary case against any Company Party or the filing of an involuntary petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization, or other relief in respect of any Company Party, or any Company Party's debts, or of a substantial part of any Company Party's assets, under any federal, state, or foreign bankruptcy, insolvency, administrative receivership or similar Law now or hereafter in effect (provided that such involuntary proceeding is not dismissed within a period of forty-five (45) days after the filing thereof) or if any court grants the relief sought in such involuntary proceeding;

(g) any Company Party (i) voluntarily commences any case or files any petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization, or other relief under any federal, state or foreign bankruptcy, insolvency, administrative receivership, or similar law now or hereafter in effect except as contemplated by this Agreement or with the prior written consent of the Required DIP Lenders, (ii) consents to the institution of, or fails to contest in a timely and appropriate manner, any involuntary proceeding or petition described above, or (iii) makes a general assignment or arrangement for the benefit of creditors except as contemplated by this Agreement;

(h) any Definitive Document, after execution or approval of any Governmental Body, as applicable: (i) (A) contains terms, conditions, representations, warranties or covenants that are not materially consistent with the terms of this Agreement or the Transaction Term Sheet (it being understood that nothing in this Agreement shall be construed to require or allow the execution of any Definitive Document containing terms, conditions, representations, warranties, or covenants that are not consistent with the terms of this Agreement and the Transaction Term Sheet), (B) is amended or modified in a manner that is materially inconsistent with or not permitted by this Agreement or the Transaction Term Sheet without the consent of each applicable Party in accordance with its approval rights under this Agreement, or (C) is withdrawn, in each case under the foregoing subclauses (A)-(C), without the consent of each applicable Party in accordance with its approval rights under this Agreement; (ii) if such Definitive Document has been or is executed prior to the Plan Effective Date, such Definitive Document is terminated in accordance with its terms; or (iii) if such Definitive Document is an order, such order is materially stayed, reversed, vacated, or adversely modified, without the prior written consent of each applicable Party in accordance with its approval rights under this Agreement, unless the Company Parties have sought a stay of such order within fifteen (15) Business Days after the date of such issuance, and such order is stayed, reversed or vacated within forty-five (45) Business Days after the date of such issuance;

(i) the entry of an order by the Bankruptcy Court, or the support or filing of a motion or application by any Company Party seeking an order (without the prior written consent of the Required DIP Lenders), (i) converting one or more of the Chapter 11 Cases of a Company Party 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 Company Party, or (iii) rejecting this Agreement;

(j) termination of the DIP Facility or acceleration of the obligations under the DIP Facility; and

(k) the failure to meet a Milestone, which has not been waived or extended in a manner consistent with this Agreement, which failure remains unsatisfied for at least one (1) Business Days, unless such failure is the result of any act, omission, or delay on the part of the terminating Consenting Term Lender in violation of its obligations under this Agreement.

14.02. Company Party Termination Events. Any Company Party may terminate this Agreement as to all Parties upon prior written notice to all Parties in accordance with Section 17.11 hereof upon the occurrence of any of the following events:

(a) the breach in any material respect by one or more of the Consenting Stakeholders of any provision set forth in this Agreement that remains uncured (to the extent curable) for a period of five (5) Business Days after the terminating Company Party transmits a written notice in accordance with Section 17.11 of this Agreement detailing any such breach;

(b) the board of directors, board of managers, or such similar governing body of any Company Party determines, in good faith, after consulting with outside counsel, in accordance with Section 8, and notifies counsel to the Consenting Stakeholders that proceeding with any of the Transactions would be inconsistent with the exercise of its fiduciary duties or applicable Law; and

(c) the issuance by any Governmental Body, 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 forty-five (45) Business Days after the terminating Company Party transmits a written notice in accordance with Section 17.11 of this Agreement detailing any such issuance.

14.03. Consenting Stockholder Party Termination Events. This Agreement may be terminated solely with respect to the Consenting Stockholder Parties only by the Required Consenting Stockholder Parties (in such capacity, a "Stockholder Terminating Party"), upon written notice to the other Parties in accordance with Section 17.11 hereof upon the occurrence of any of the following events:

(a) any Company Party or Consenting Term Lender (i) breaches in any material respect any of the representations, warranties, or covenants of such Party, and such breach has not been cured (to the extent curable) before the earlier of (A) eight (8) days after such terminating Consenting Stockholder Party transmits a written notice in accordance with Section 17.11 hereof detailing any such breach and (B) one (1) calendar day prior to any proposed Plan Effective Date, as applicable; (ii) takes any action (or refrains from taking any action) inconsistent with this Agreement and that is materially adverse to the Consenting Stockholder Party Matters and the Consenting Stockholder Parties seeking termination pursuant to this provision; or (iii) amends or modifies (or consents to any amendment or modification of any of) the Definitive Documents other than, in each case, in a *de minimis* or ministerial respect, unless such amendment or modification is otherwise consented to in accordance with Section 3.02 hereof;

(b) the issuance by any Governmental Body, 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 (30) Business Days after any Consenting Stockholder Party transmits a written notice in accordance with Section 17.11 hereof detailing any such issuance; *provided* that this termination right may not apply to or be exercised by any Consenting Stockholder Party that sought or requested such ruling or order in contravention of any obligation or restriction set out in this Agreement;

(c) any Company Party's (i) withdrawal of the Plan (if applicable), (ii) public announcement of its intention not to support the Transactions, (iii) filing, public announcement, or execution of a definitive written agreement with respect to an Alternative Transaction Proposal, or (iv) public announcement of its intent to pursue, an Alternative Transaction Proposal;

(d) the board of directors, board of managers, or such similar governing body of any Company Party 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 Proposal (including as contemplated by Section 8.01); *provided* that this termination right may not be exercised by a Consenting Stockholder Party unless the events described herein remain uncured after fifteen (15) Business Days following the delivery of a Termination Notice by such Consenting Stockholder Party;

(e) other than by the Stockholder Terminating Party, the commencement of an involuntary case against any Company Party or the filing of an involuntary petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization, or other relief in respect of any Company Party, or any Company Party's debts, or of a substantial part of any Company Party's assets, under any federal, state, or foreign bankruptcy, insolvency, administrative receivership or similar Law now or hereafter in effect (provided that such involuntary proceeding is not dismissed within a period of forty-five (45) days after the filing thereof) or if any court grants the relief sought in such involuntary proceeding;

(f) any Company Party (i) voluntarily commences any case or files any petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization, or other relief under any federal, state or foreign bankruptcy, insolvency, administrative receivership, or similar Law now or hereafter in effect except as contemplated by this Agreement and with the prior written consent of the Stockholder Terminating Party, (ii) consents to the institution of, or fails to contest in a timely and appropriate manner, any involuntary proceeding or petition described above, or (iii) makes a general assignment or arrangement for the benefit of creditors;

(g) any Definitive Document, after execution or approval of any Governmental Body, as applicable: (i) (A) contains terms, conditions, representations, warranties or covenants that are not materially consistent with the terms of this Agreement or the Transaction Term Sheet (it being understood that nothing in this Agreement shall be construed to require or allow for the execution of any Definitive Document containing terms, conditions, representations, warranties, or covenants that are not materially consistent with the terms of this Agreement or the Transaction Term Sheet), (B) is amended or modified in a manner that is materially inconsistent with or not permitted by this Agreement or the Transaction Term Sheet without the consent of each applicable Party in accordance with its approval rights under this Agreement, or (C) is withdrawn, in each case, without the consent of each applicable Party in accordance with its approval rights under this Agreement; (ii) if such Definitive Document has been or is executed prior to the Plan Effective Date, such Definitive Document is terminated in accordance with its terms; or (iii) if such Definitive Document is an order, such order is materially stayed, reversed, vacated, or adversely modified, without the prior written consent of each applicable Party in accordance with its approval rights under this Agreement, unless the Company Parties have sought a stay of such order within fifteen (15) Business Days after the date of such issuance, and such order is stayed, reversed or vacated within forty-five (45) Business Days after the date of such issuance; or

(h) the entry of an order by the Bankruptcy Court, or the support or filing of a motion or application by any Company Party seeking an order (without the prior written consent of the Consenting Stockholder Parties), (i) converting one or more of the Chapter 11 Cases of a Company Party 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 Company Party, or (iii) rejecting this Agreement.

14.04. Termination with Respect to Chapter 11 or Unenforceability . This Agreement may be terminated (i) with respect to the Consenting Term Lenders only, by the Required DIP Lenders, and (ii) with respect to the Consenting Stockholder Parties, by, the Required Consenting Stockholder Parties, in each case, by the delivery to the other Parties or counsel to the other Parties of a written notice in accordance with Section 17.11 hereof upon the occurrence of any of the following events with respect to the Chapter 11 Cases:

(a) an order is entered by the Bankruptcy Court granting relief from the automatic stay imposed by section 362 of the Bankruptcy Code authorizing any party to proceed against any material asset of any of the Company Parties and such order materially and adversely affects any Company Party's ability to operate its business in the ordinary course or consummate the Transactions;

(b) any Company Party files any motion or pleading with the Bankruptcy Court that is inconsistent in any material respect with this Agreement and such motion has not been withdrawn within two (2) Business Days of receipt by the Company Parties of written notice from any Required Consenting Stakeholders that such motion or pleading is inconsistent with this Agreement;

(c) any Company Party loses the exclusive right to file a chapter 11 plan or to solicit acceptances thereof pursuant to section 1121 of the Bankruptcy Code;

(d) if applicable, the entry of an order by the Bankruptcy Court, or the filing of a motion or application by any Company Party seeking an order (without the prior written consent of the Required DIP Lenders and the Consenting Stockholder Parties), (i) converting one or more of the Chapter 11 Cases of a Company Party 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 Company Party, or (iii) rejecting this Agreement;

(e) the Bankruptcy Court enters an order denying confirmation of the Plan or, without the consent of the Required DIP Lenders and the Required Consenting Stockholder Parties, disallowing any material provision thereof and such order remains in effect for thirty (30) Business Days after entry of such order; or

(f) any court of competent jurisdiction has entered a final, non-appealable judgment or order declaring this Agreement to be unenforceable.

14.05. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement among all of the following: (a) the Required Consenting Lenders; (b) the Required Consenting Stockholder Parties; and (c) each Company Party.

14.06. Automatic Termination. This Agreement shall terminate automatically as to all Parties without any further required action or notice immediately after the occurrence of the Plan Effective Date, as applicable, other than with respect to (i) the Company Parties' obligations (or the obligations of their successors in interest) to pay the Consenting Stakeholders' Fees and Expenses incurred through and after the Plan Effective Date, which obligation will survive automatic termination, (ii) any indemnification obligations assumed pursuant to the Transaction Term Sheet or Definitive Documents, and (iii) the provisions of this Agreement set forth in Section 17.20.

14.07. Effect of Termination. Upon the occurrence of a Termination Date as to a Party, and other than as set forth in Section 14.06 upon an automatic termination of this Agreement, this Agreement shall be of no further force and effect as to such Party and each Party subject to such termination shall be released from its commitments, undertakings, 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. Upon the occurrence of a Termination Date prior to the Plan Effective Date, cause exists pursuant to Rule 3018 of the Federal Rules of Bankruptcy Procedure and, subject to the requirements of such rule, any and all consents, directions, votes, or ballots provided or tendered by the Parties subject to such termination with respect to the Transactions, in each case before the Termination Date, shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Parties in connection with the Transactions, this Agreement, or otherwise (without the need to seek an order of a court of competent jurisdiction or consent from the Company Parties or any other applicable Party allowing such change). Nothing in this Agreement shall be construed as prohibiting a Company Party or any of the Consenting Stakeholders from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before a Termination Date. Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict (a) any right of any Company Party or the ability of any Company Party to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any Consenting Stakeholder, and (b) any right of any Consenting Stakeholder or the ability of any Consenting Stakeholder, to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any Company Party or other Consenting Stakeholder. No purported termination of this Agreement shall be effective under this Section 14.07 or otherwise if the Party seeking to terminate this Agreement is in material breach of this Agreement or directly or indirectly caused or otherwise supported any action resulting in material breach of this Agreement. Nothing in this Section 14.07 shall restrict any Company Party's right to terminate this Agreement in accordance with Section 14.02(b). For the avoidance of doubt, nothing in this Section 14.07 shall alter the Company Parties' obligations (or the obligations of their successors in interest) to pay the Consenting Stakeholders' Fees and Expenses incurred through the Termination Date.

Section 15. ***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 15.

(b) Except as otherwise expressly provided, this Agreement may be modified, amended, or supplemented, or a condition or requirement of this Agreement may be waived (collectively, each a "**Modification/Waiver**"), in a writing signed by: (i) each Company Party, (ii) if the Modification/Waiver involves a Term Lender Matter, the Required DIP Lenders, (iii) if the Modification/Waiver involves a Consenting Stockholder Party Matter, the Required Consenting Stockholder Parties, (iv) in the case of any Modification/Waiver to Section 5.01, Section 5.02, Section 5.03, or Section 5.05 that materially and adversely affects a Consenting Stakeholder, each such affected Consenting Stakeholder; (v) in the case of any Modification/Waiver to Section 5.04 that materially and adversely affects the DIP Backstop Parties, the Required DIP Lenders; (vi) in the case of any Modification/Waiver to Section 6 of this Agreement, the Required Consenting Stakeholders, (vii) in the case of any Modification/Waiver to Section 10 or Section 13 that expands the representations made by a Consenting Stakeholder thereunder, each such affected Consenting Stakeholder, and (viii) in the case of a Joinder, the Joinder will be effective upon execution by the Joinder Party, and in the case of any Modification/Waiver thereof, the Company Parties and the respective Joinder Party with the consent of the Required DIP Lenders, *provided*, however, that (y) if the proposed modification, amendment, waiver, or supplement has a material, disproportionate, and adverse effect on (i) the treatment of Company Claims/Interests held by a Consenting Stakeholder relative to the Company Claims/Interests of such type held by the other Consenting Stakeholders, or (ii) the rights or obligations of a Consenting Stakeholder under this Agreement or the other Definitive Documents relative to such rights or obligations of the other Consenting Stakeholders, then, in each case, the consent of each such affected Consenting Stakeholder shall also be required to effectuate such modification, amendment, waiver, or supplement, and (z) any modification, amendment, or supplement to Section 14.06 or Section 15 or any modification or amendment to the definitions of "Company Parties," "Required Consenting Stakeholders," "Required Consenting Stockholder Parties," and any other defined term whose definition affects the entities covered by "Company Parties" or "Required Consenting Stakeholders," shall require the written consent of all Parties.

(c) Any proposed modification, amendment, waiver, or supplement that does not comply with this Section 15 shall be ineffective and void *ab initio*.

(d) 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 16. ***Termination of Existing Stockholders Agreement.***

16.01. Effective as of the Plan Effective Date, the Existing Stockholders Agreement shall be deemed to be terminated, canceled, released, and extinguished in accordance with Section 5.9 thereof; *provided* that the foregoing shall not apply to any indemnification obligations assumed pursuant to the Transaction Term Sheet or Definitive Documents.

Section 17. ***Miscellaneous.***

17.01. Acknowledgement.

(a) Each Party irrevocably acknowledges and agrees that this Agreement is not and shall not be deemed to be a solicitation for acceptances of a chapter 11 plan of reorganization.

(b) Notwithstanding any other provision in this Agreement, this Agreement is not and shall not be deemed to be an offer with respect to any securities. Any such offer will be made only in compliance with all applicable securities Laws, and/or other applicable Law.

17.02. Exhibits Incorporated by Reference. 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.

17.03. 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 specified in this Agreement, as may be reasonably appropriate or necessary from time to time, to effectuate the Transactions and intent of this Agreement.

17.04. Complete Agreement. Except as otherwise explicitly provided in this Agreement, 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 to the subject matter of this Agreement, other than any Confidentiality Agreement.

17.05. Fees and Expenses. On the Plan Effective Date (unless otherwise provided in the DIP/Cash Collateral Orders or any other order of the Bankruptcy Court), the Company Parties shall pay or reimburse (to the extent not already paid or reimbursed by the Company pursuant to the Definitive Documents or otherwise) all Consenting Stakeholders' Fees and Expenses that have been invoiced one (1) Business Day prior to the Plan Effective Date (and for any Consenting Stakeholders' Fees and Expenses not invoiced by such date, shall pay or reimburse such Consenting Stakeholders' Fees and Expenses promptly upon receipt of invoices therefor); *provided*, however, that the Company Parties shall not have any obligation to pay or reimburse any Consenting Stakeholders' Fees and Expenses incurred following the Plan Effective Date.

17.06. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM. THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT (WHETHER IN CONTRACT, TORT OR OTHERWISE), IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH (A) 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; AND (B) IF THE CHAPTER 11 CASES ARE FILED, THE BANKRUPTCY CODE. Any suit, action, or proceeding brought in connection with this Agreement, whether in contract, tort or otherwise, shall be brought in the federal or state courts located in the City of New York, borough of Manhattan, New York, and the Parties hereby irrevocably consent to the exclusive jurisdiction of such courts, agree not to commence any suit, action, or proceeding relating thereto except in such courts, and waive, to the fullest extent permitted by Law, the right to move to dismiss or transfer any suit, action or proceedings brought in such court on the basis of any objections as to venue or inconvenient forum or on the basis of any objection to personal jurisdiction. Notwithstanding the foregoing consent to New York jurisdiction, if the Chapter 11 Cases are commenced, each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement. By executing and delivering this Agreement, and upon commencement of the Chapter 11 Cases, each of the Parties irrevocably and unconditionally submits to the exclusive jurisdiction of the Bankruptcy Court, waives any objection to laying venue in any such action or proceeding in the Bankruptcy Court, and waives any objection that the Bankruptcy Court is an inconvenient forum or does not have jurisdiction over any Party hereto.

17.07. TRIAL BY JURY WAIVER. EACH OF THE PARTIES IRREVOCABLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN ANY OF THE PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY DISPUTES RESOLVED IN COURT SHALL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

17.08. 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. The words “execution”, “execute”, “signed”, “signature”, and words of like import in or related to any document to be signed in connection with this Agreement shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by us, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

17.09. Rules of Construction. This Agreement is the product of negotiations among the Company Parties and the Consenting Stakeholders, and in the enforcement or interpretation of this Agreement, 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 of this Agreement, shall not be effective in regard to the interpretation of this Agreement. The Company Parties and the Consenting Stakeholders were each represented by counsel during the negotiations and drafting of this Agreement and continue to be represented by counsel.

17.10. Successors and Assigns; Third Parties. 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. 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.

17.11. 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 Company Party, to:

JOANN Inc.
5555 Darrow Road
Hudson, Ohio 44236
Attn: Scott Sekella; Ann Aber
Email: Scott.Sekella@joann.com; Ann.Aber@joann.com

with copies to:

Latham & Watkins LLP
355 South Grand Avenue, Suite 100
Los Angeles, California 90071-1560
Attn: George Davis; Ted Dillman; Greg Rodgers; Mark Morris
Email: George.Davis@lw.com; Ted.Dillman@lw.com;
Greg.Rodgers@lw.com; Mark.Morris@lw.com

(b) if to a Consenting Stockholder Party, to:

Leonard Green & Partners, L.P.
11111 Santa Monica Boulevard, Suite 2000
Los Angeles, California 90025
Attn: Brian Coleman; Andrew Goldberg
Email: bcoleman@leonardgreen.com; agoldberg@leonardgreen.com

with copies to:

Richards, Layton & Finger, P.A.
One Rodney Square, 920 North King Street
Wilmington, Delaware 19801
Attn: Mark Collins; Mike Merchant
Email: collins@rlf.com; merchant@rlf.com

(c) if to a Consenting Term Lender, to the addresses set forth below each Consenting Term Lender's signature to this Agreement (if any), as the case may be, with a copy (which shall not constitute notice) to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166-0193
Attn: Scott Greenberg; Joshua Brody; Kevin Liang
Email: sgreenberg@gibsondunn.com; jbrody@gibsondunn.com;
kliang@gibsondunn.com

(d) if to an Additional Financing Party, to the addresses set forth on such Additional Financing Party's Joinder.

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

17.13. Waiver. If the Transactions are not consummated, or if this Agreement is terminated for any reason, nothing herein shall be construed as a waiver by any Party of any or all of such Party's rights, remedies, Claims, and defenses and the Parties fully reserve any and all of their rights, remedies, claims, and defenses. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms or the payment of damages to which a Party may be entitled under this Agreement.

17.14. Specific Performance. It is understood and agreed by the Parties that money damages may be an insufficient remedy for any breach of this Agreement (including Section 15 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 any court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

17.15. 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.

17.16. 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.

17.17. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect of this Agreement at Law or in equity shall be cumulative and not alternative. The exercise of any right, power, or remedy by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

17.18. Capacities of Consenting Stakeholders. Each Consenting Stakeholder has entered into this Agreement on account of all Company Claims/Interests that it holds or beneficially owns (directly or through discretionary accounts that it manages, advises, or subsidiary-advises) 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 Company Claims/Interests.

17.19. Relationship Among Parties.

(a) It is understood and agreed that no Consenting Stakeholder owes a fiduciary duty or duty of trust or confidence of any kind or form to any other Party. In this regard, it is understood and agreed that any Consenting Stakeholder may trade in Company Claims/Interests without the consent of the Company or any other Consenting Stakeholder, subject to the applicable securities laws and the terms of this Agreement. No prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this understanding and agreement. No Consenting Stakeholder shall, as a result of its entering into and performing its obligations under this Agreement, be deemed to be a part of a "group" (as that term is used in Rule 13d of the Exchange Act) with any other Party. For the avoidance of doubt, no action taken by a Consenting Stakeholder pursuant to this Agreement shall be deemed to constitute or to create a presumption by any of the Parties that the Consenting Stakeholders are in any way acting in concert or as such a "group."

(b) Each Consenting Stakeholder acknowledges to each other Consenting Stakeholder (including to any Person acting on behalf of such Consenting Stakeholder, including any financial or other advisor of any of the foregoing) that: (i) the Transactions described herein are arm's-length commercial transactions among the parties hereto; (ii) it has consulted its own legal, accounting, regulatory, and tax advisors to the extent it has deemed appropriate; (iii) it has the requisite knowledge and experience in financial and business matters so that it is capable of evaluating, and understands and accepts, the terms, merits, risks, and conditions of the Transactions contemplated hereby, and has had such opportunity as it has deemed adequate to obtain such information as is necessary to permit such Consenting Stakeholder to evaluate the terms, merits, risks, and conditions of the Transactions contemplated hereby; and (iv) the Consenting Stakeholders and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the other Consenting Stakeholders and their respective affiliates, and the Consenting Stakeholders have no obligation to disclose any such interests to any other Consenting Stakeholders or the their respective affiliates. Each Consenting Stakeholder further acknowledges for the benefit of the other Consenting Stakeholders (including for the benefit of any Person acting on behalf of any other Consenting Stakeholder, including any financial, legal, or other advisor of any of the foregoing) that it has, independently and without reliance upon any statement, representation, or warranty made by any Party or Person (or any such other Party's or Person's financial, legal, or other advisors or representatives), other than those expressly contained in this Agreement, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and that it has not relied on the credit analysis and decision or due diligence investigation of any other Party or Person (or any such other Party's or Person's financial, legal, or other advisors or representatives). No securities of the Company Parties are being offered or sold hereby, and this Agreement neither constitutes an offer to sell nor a solicitation of an offer to buy any securities of the Company Parties.

17.20. Survival. Notwithstanding (a) any Transfer of any Company Claims/Interests in accordance with this Agreement or (b) the termination of this Agreement in accordance with its terms, Section 14.07, the agreements and obligations of the Parties in Section 17, and the Confidentiality Agreements shall survive such Transfer and/or termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof and thereof.

17.21. Email Consents. Where a written consent, acceptance, approval, or waiver is required pursuant to or contemplated by this Agreement, including a written approval by the Company Parties or the Required Consenting Stakeholders, 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.

17.22. Publicity of Ad Hoc Group. Except as required by Law, no Party or its advisors shall disclose to any Person (including, for the avoidance of doubt, any other Consenting Stakeholder), other than advisors to the Company, the principal amount or percentage of any Company Claims/Interests held by any member of the Ad Hoc Group without the prior written consent of such Ad Hoc Group member, as applicable (it being understood that each Ad Hoc Group member's signature page to this Agreement shall be redacted to remove the name of such Ad Hoc Group member and the amount and/or percentage of Company Claims/Interests held by such Ad Hoc Group member), unless such disclosure is required by Law; *provided*, however, the foregoing shall not prohibit the disclosure of the aggregate percentage or aggregate principal amount of Company Claims/Interests held by the Ad Hoc Group, collectively.

17.23. Reporting of Claims. The Parties agree and acknowledge that the Consenting Stakeholders' rights are reserved with respect to the reported amount of the Company Claims/Interests in each Consenting Stakeholder's signature block (including any reporting or lack of reporting with respect to principal, accrued and unpaid interest, fees and expenses) and any disclosure made on any signature block shall be without prejudice to any subsequent assertion by or on behalf of such Consenting Stakeholder of the full amount of its Company Claims/Interests.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

[*Signatures Follow*]

JOANN INC.

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Interim Office of the Chief Executive Officer, Executive VP, Chief Financial Officer & Treasurer

NEEDLE HOLDINGS LLC

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Interim Office of the Chief Executive Officer, Executive VP, Chief Financial Officer & Treasurer

JO-ANN STORES, LLC

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Interim Office of the Chief Executive Officer, Executive VP, Chief Financial Officer & Treasurer

CREATIVE TECH SOLUTIONS LLC

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Vice President & Treasurer

CREATIVEBUG, LLC

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Vice President & Treasurer

WEAVEUP, INC.

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Vice President & Treasurer

JAS AVIATION, LLC

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Vice President & Treasurer

JOANN.COM, LLC

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Vice President & Treasurer

JOANN DITTO HOLDINGS INC.

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Vice President & Treasurer

JO-ANN STORES SUPPORT CENTER, INC.

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Vice President & Treasurer

EXHIBIT A

Company Parties

- Creative Tech Solutions LLC
- Creativebug, LLC
- JAS Aviation, LLC
- Jo-Ann Stores Support Center, Inc.
- Jo-Ann Stores, LLC
- JOANN Inc.
- JOANN Ditto Holdings Inc.
- joann.com, LLC
- Needle Holdings, LLC
- WeaveUp, Inc.

EXHIBIT B

Transaction Term Sheet

JOANN INC., ET AL.

TRANSACTION TERM SHEET

March 15, 2024

THIS TRANSACTION TERM SHEET (INCLUDING ALL EXHIBITS, ANNEXES, APPENDICES, AND/OR SCHEDULES HERETO, AS AMENDED, SUPPLEMENTED, OR OTHERWISE MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS OF THE TRANSACTION SUPPORT AGREEMENT, THE "TRANSACTION TERM SHEET") CONTEMPLATES A PROPOSED RESTRUCTURING AND RECAPITALIZATION OF THE BUSINESS OWNED BY JOANN INC. ("JOANN") AND CERTAIN OF JOANN'S DIRECT AND INDIRECT SUBSIDIARIES (COLLECTIVELY WITH JOANN, THE "COMPANY PARTIES"), INCLUDING RESTRUCTURING THE COMPANY PARTIES' OUTSTANDING INDEBTEDNESS AND EQUITY INTERESTS, TO BE IMPLEMENTED THROUGH VOLUNTARY PRE-PACKAGED CHAPTER 11 CASES IN THE BANKRUPTCY COURT (THE "TRANSACTIONS"). REFERENCE IN THIS TRANSACTION TERM SHEET IS MADE TO THAT CERTAIN TRANSACTION SUPPORT AGREEMENT (AS AMENDED, SUPPLEMENTED, OR OTHERWISE MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS THEREOF, THE "TRANSACTION SUPPORT AGREEMENT") BY AND AMONG THE COMPANY PARTIES AND THE OTHER PARTIES THERETO, DATED AS OF THE DATE OF THIS TRANSACTION TERM SHEET. THE TRANSACTIONS WILL BE IMPLEMENTED IN ACCORDANCE WITH THE TRANSACTION SUPPORT AGREEMENT AND THIS TRANSACTION TERM SHEET.[1]

THIS TRANSACTION TERM SHEET IS NOT (NOR SHALL IT BE CONSTRUED AS) 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. ANY SUCH OFFER OR SOLICITATION OF ANY EQUITY SECURITIES OF THE COMPANY PARTIES SHALL COMPLY WITH ALL APPLICABLE SECURITIES LAWS.

THIS TRANSACTION TERM SHEET IS A SETTLEMENT PROPOSAL TO CERTAIN LENDERS UNDER THE COMPANY PARTIES' ABL FACILITY CREDIT AGREEMENT (INCLUDING CERTAIN HOLDERS OF THE FILO TERM LOANS) AND TERM LOAN CREDIT AGREEMENT, AND CERTAIN HOLDERS OF INTERESTS IN JOANN IN FURTHERANCE OF SETTLEMENT DISCUSSIONS. ACCORDINGLY, THIS TRANSACTION 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.

THIS TRANSACTION TERM SHEET IS FOR DISCUSSION PURPOSES ONLY AND DOES NOT PURPORT TO SUMMARIZE ALL OF THE TERMS, CONDITIONS, REPRESENTATIONS, WARRANTIES, AND OTHER PROVISIONS WITH RESPECT TO THE TRANSACTIONS DESCRIBED IN THIS TRANSACTION TERM SHEET, WHICH TRANSACTIONS WILL BE SUBJECT TO THE COMPLETION OF DEFINITIVE DOCUMENTS INCORPORATING THE TERMS AND CONDITIONS SET FORTH IN THIS TRANSACTION TERM SHEET AND THE TRANSACTION SUPPORT AGREEMENT AND THE CLOSING OF ANY TRANSACTION SHALL BE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN SUCH DEFINITIVE DOCUMENTS.

[1] Capitalized terms used but not otherwise defined in this Transaction Term Sheet shall have the meaning ascribed to them in the Transaction Support Agreement or the other term sheets or documents annexed hereto, as applicable.

Overview

Implementation

This Transaction Term Sheet contemplates the restructuring of the existing capital structure of the Company Parties, to be consummated pursuant to a "straddle" prepackaged chapter 11 plan of reorganization, consistent in all respects with the Transaction Support Agreement, this Transaction Term Sheet and the Plan, to be confirmed by the Bankruptcy Court in the Chapter 11 Cases.[2]

Overview of Transactions

On or after the TSA Effective Date and prior to the Petition Date, the Company Parties shall:

1. issue an 8-K disclosing entry into the Transaction Support Agreement and launch of solicitation, along with cleansing information; and
2. commence solicitation of the votes of the holders of the ABL Claims, the FILO Claims, and the Term Loan Claims necessary to approve the Plan and effectuate the Transactions.

Following the entry of the Interim DIP/Cash Collateral Order and the Final DIP/Cash Collateral Order (as applicable), the DIP Lenders will provide the DIP Facility, to be comprised of upto $142 million[3] DIP Term Loans, of which (i) $95 million[4] shall be available upon entry of the Interim DIP/Cash Collateral Order, (ii) $12 million shall be available upon entry of the Final DIP/Cash Collateral Order, (iii) $25 million shall consist of converted trade payables into an equivalent amount of DIP Term Loans upon entry of the Interim DIP/Cash Collateral Order, and (iv) up to $10 million of an accordion facility (the "Accordion Facility"), which is not yet committed and such commitment is solely dependent on participation from either non-members of the Ad Hoc Group (as defined in the TSA) who are holders of Term Loan Claims or third parties[5] on the terms set forth in the DIP Facility Documents, shall be available upon entry of the Final DIP/Cash Collateral Order to the extent committed.

The DIP Facility will be backstopped by the DIP Backstop Parties and offered pro rata to all holders of Term Loan Claims in accordance with the terms set forth herein and in the Transaction Support Agreement.

Pursuant to the Transactions, on the Plan Effective Date:

1. the $500 million ABL Facility shall be, at the Company Parties' option, (i) with the consent of the Required DIP Lenders and the FILO Term Loan Agent, refinanced or (ii) assumed and remain outstanding, in accordance with the Exit ABL/FILO Facility Amendment;
2. the $100 million FILO Term Loans shall be assumed and remain outstanding in accordance with the Exit ABL/FILO Facility Amendment;

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2 The "Debtors" in the Chapter 11 Cases are: JOANN Inc.; Needle Holdings LLC; Jo-Ann Stores, LLC; Creative Tech Solutions LLC; Creativebug, LLC; WeaveUp, Inc.; JAS Aviation, LLC; joann.com, LLC; JOANN Ditto Holdings Inc.; and Jo-Ann Stores Support Center, Inc.

3 Plus any payment-in-kind fees on account of the Backstop Fee and the Participation Fee (each as defined below).

4 Upon entry of the Interim DIP/Cash Collateral Order, $85 million DIP Term Loans shall be made available by the DIP Backstop Parties (with another $12 million being made available by the DIP Backstop Parties upon entry of the Final DIP/Cash Collateral Order) and $10 million DIP Term Loans shall be made available by Project Swift LLC.

5 For avoidance of doubt, any funding of the Accordion Facility by a third-party is subject to consent of the Required DIP Lenders.

the $153.4[6] million DIP Term Loans will be exchanged for the Exit Term Loans (or up to $165.4[7] million DIP Term Loans will be exchanged for the Exit Term Loans to the extent the full $10 million Accordion Facility is committed and funded); and

4. the New Equity Interests will be issued to the holders of Term Loan Claims pro rata, subject to dilution by the MIP, the Participation Fee, and the New Equity Interests issued to certain Additional Financing Parties.

On or as promptly as reasonably practicable following the Plan Effective Date and the consummation of the Transactions, the Company shall have completed or substantially completed the termination of registration from all securities under sections 13 and 15(d) of the Exchange Act and will continue as a private company.

Existing Capital Structure

Prepetition ABL Claims: All claims arising under or related to the $500 million ABL Facility (the "ABL Claims"), including (i) an aggregate principal amount of approximately $286,392,067.52 of borrowings outstanding thereunder and (ii) approximately $21,384,270.50 of undrawn revolving commitments plus, in each case, any accrued but unpaid fees and interest in respect thereof (the "ABL Loans").

Prepetition FILO Claims: All claims arising under or related to the FILO Term Loans (the "FILO Claims"), including an aggregate principal amount of approximately $115,661,863[8] of borrowings outstanding thereunder plus any accrued but unpaid interest in respect thereof.

Prepetition Term Loan Claims: All claims arising under or related to the Term Loan Credit Agreement (the "Term Loan Claims"), including an aggregate principal amount of approximately $658,125,000 of borrowings thereunder outstanding and any accrued but unpaid fees and interest in respect thereof (the "Term Loans").

General Unsecured Claims: All Claims against the Company Parties that are not secured and are not Subordinated Claims.

Existing Equity Interests: Any issued, unissued, authorized, or outstanding shares of common stock, preferred shares, or other instrument evidencing an ownership interest in JOANN, whether or not transferable, together with any warrants, equity-based awards, or contractual rights to purchase or acquire such equity interests (including under any employment or benefits agreement) at any time and all rights arising with respect thereto that existed immediately before the Plan Effective Date. For the avoidance of doubt, Existing Equity Interests include any equity interests held by the Consenting Stockholder Parties and any equity interests issued to a Company Party's current or former employees and non-employee directors, various forms of long-term incentive compensation, including stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares/units, incentive awards, cash awards, and other stock-based awards, in each case, whether vested or unvested.

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6 Includes $132 million principal of DIP Term Loans plus $19.4 million in additional loans on account of the Backstop Fee (as defined below) plus $2.0 million in additional loans on account of fees payable to an Additional Financing Party pursuant to the Transaction Support Agreement.

7 Includes $142 million principal of DIP Term Loans plus $23.4 million in additional loans on account of the Backstop Fee.

8 Inclusive of the FILO Prepayment Premium and the unpaid portion of the Collateral Monitoring Fee (as defined in the FILO Fee Letter) that was earned as of the Petition Date for the first year of the FILO defined in the FILO Fee Letter) that was earned as of the Petition Date for the first year of the FILO Facility, pursuant to the terms of the ABL Credit Agreement and related documents in respect of the ABL Facility.

Definitive Documents	All Definitive Documents shall be subject to the rights and obligations set forth in Section 3 of the Transaction Support Agreement. Failure to reference such rights and obligations as it relates to any document referenced in this Transaction Term Sheet shall not impair such rights and obligations.

DIP Financing

Overview	The Transactions will be financed by the DIP Facility on the terms and conditions set forth in the DIP Credit Agreement and other DIP Facility Documents. The DIP Facility shall consist of an aggregate principal amount of $132 million in "new money" loans and other financial accommodations plus up to $10 million in the Accordion Facility (collectively, the "DIP Term Loans" and the holders thereof, the "DIP Lenders"), of which (i) $120 million will be drawn upon the entry of the Interim DIP/Cash Collateral Order, (ii) $12 million will be available upon the entry of the Final DIP/Cash Collateral Order, and (iii) up to $10 million will be available to be drawn upon the entry of the Final DIP/Cash Collateral Order to the extent committed by other third-parties.[9] The Company Parties shall seek, and the Consenting Term Lenders shall support, entry of the DIP/Cash Collateral Orders, which shall be consistent in all material respects with this Transaction Term Sheet and otherwise acceptable to the Company Parties and the Required DIP Lenders. The DIP Loans to be provided under the Accordion Facility and by the Additional Financing Parties, as set forth in the relevant Joinders, will comprise separate facilities under the DIP Facility Documents.
Security Interest	*Security*: Each of the DIP/Cash Collateral Orders shall provide that all claims arising under or related to the DIP Facility (the "DIP Claims"), subject to the Carve Out, shall be superpriority administrative claims and secured by (i) first liens on any unencumbered assets and priming first all Term Loan Priority Collateral, which shall be senior to the Prepetition Liens on account of the Term Loans and subject only to Permitted Prior Liens; (ii) priming second liens on all ABL/FILO Priority Collateral, which shall be senior to the Prepetition Liens on account of the Term Loans and subject only to Permitted Prior Liens; and (iii) in the case of any other perfected non-avoidable liens existing at the Petition Date or that are perfected thereafter as permitted under Section 546(b) of the Bankruptcy Code (the "Permitted Prior Liens"), liens immediately junior in priority to such liens (the liens described in clauses (i)-(iii), the "DIP Liens" and the collateral securing such liens the "DIP Collateral"). The Final DIP/Cash Collateral Order shall provide that the DIP Claims be secured by the proceeds of any avoidance actions brought pursuant to chapter 5 of the Bankruptcy Code, section 724(a) of the Bankruptcy Code, and any other avoidance actions under the Bankruptcy Code or applicable state law equivalents. *Definitions*: As used herein: • "Term Loan Priority Collateral" has the meaning set forth in the Existing Intercreditor Agreement, which includes all of the following assets of the Debtors other than certain assets and proceeds thereof which constitute ABL/FILO Priority Collateral: (a) all equipment, fixtures, real property, intercompany indebtedness between or among the Debtors or their

[9] For avoidance of doubt, any funding of the Accordion Facility by a third-party is subject to consent of the Required DIP Lenders.

affiliates, and intellectual property, and all equity interests held by Jo-Ann Stores, LLC; (b) all instruments, commercial tort claims, documents, and general intangibles; (c) any deposit accounts, securities accounts, or commodity accounts that are intended to solely contain Term Priority Collateral, and the contents thereof; (d) all other collateral other than ABL/FILO Priority Collateral; and (e) all collateral security and guarantees with respect to the foregoing and all cash, money, insurance proceeds, instruments, securities, and financial assets received as proceeds of any of the foregoing.

- "ABL/FILO Priority Collateral" has the meaning set forth in the Existing Intercreditor Agreement, which includes all of the following assets of the Debtors, other than certain assets and proceeds thereof which constitute Term Loan Priority Collateral: (a) all credit card receivables and all accounts; (b) cash, money, and cash equivalents; (c) all deposit accounts, securities accounts, and commodity accounts, and the contents therein (in each, excluding accounts referenced in clause (c) of the definition of Term Loan Priority Collateral set forth above); (d) all inventory; and (e) documents, general intangibles, instruments, chattel paper, commercial tort claims, supporting obligations, letter-of-credit rights, books and records, and collateral security and guarantees evidencing, governing, or relating to any of the items referred to in the preceding clauses (a) through (d).
- "Prepetition Collateral" means the Term Loan Priority Collateral and the ABL/FILO Priority Collateral.
- "Prepetition Liens" means all liens and security interests on the Prepetition Collateral.

Carve Out: The DIP Claims, DIP Liens, Prepetition Liens, and adequate protection liens and claims to be subject to the Carve Out, as set forth and defined in the DIP/Cash Collateral Orders.

DIP Commitments and Allocation

Subject to the entry of the Interim DIP/Cash Collateral Order and the other conditions described herein, the Consenting Term Lenders set forth on the DIP Backstop Allocation Schedule (the "DIP Backstop Parties") shall backstop and fund the full amount of the DIP Facility (the "DIP Funding"). Prior to entry of the Final DIP/Cash Collateral Order, the DIP Term Loans shall be syndicated and made available to all holders of Term Loan Claims that are not or were not previously members of the Ad Hoc Group and held such Term Loan Claims as of the Petition Date, subject to a cap of 13% of $96 million DIP Term Loans, on a pro rata basis so long as such holders are a party, or execute a joinder (substantially in the form of joinder attached as Exhibit C to the Transaction Support Agreement), to the Transaction Support Agreement and pursuant to such joinder agree to participate in the DIP Funding pursuant to the terms of this Transaction Term Sheet, the Transaction Support Agreement, and the DIP Facility Documents and prior to a date (the "DIP Joinder Deadline") to be determined by the Debtors and the Required DIP Lenders (those holders who elect to participate in the DIP Facility, the "DIP Lenders," and the DIP Lenders holding at least 50.01% of the aggregate outstanding principal amount and commitments of the DIP Facility at the time of determination, the "Required DIP Lenders"). The right to participate in the DIP Facility is hereinafter referred to as the "DIP Funding Right."

	To the extent that a holder of Term Loan Claims does not elect to participate in their pro rata share of the DIP Funding Right, or fails to be a party to or execute a joinder (substantially in the form of joinder attached as Exhibit C to the Transaction Support Agreement) to the Transaction Support Agreement prior to the DIP Joinder Deadline, the deficit will be backstopped by the DIP Backstop Parties pursuant to the backstop allocation schedule in the form attached hereto as **Exhibit 1** (the "DIP Backstop Allocation Schedule"). Following entry of the Final DIP/Cash Collateral Order, the DIP Term Loans will be allocated among the DIP Lenders in accordance with the DIP Backstop Allocation Schedule or the DIP Funding allocation provided on such DIP Lender's joinder to the Transaction Support Agreement, as applicable (the "DIP Closing"). Following entry of the Interim DIP/Cash Collateral Order, any third-party, subject to the consent of the Required DIP Lenders, shall have the ability to participate in the DIP Facility by committing to fund up to $10,000,000 of the Accordion Facility subject to the terms of the DIP Facility Documents. Following entry of the Final DIP/Cash Collateral Order, the Debtors may access the Accordion Facility.
Conditions Precedent	*Conditions Precedent to DIP Funding*: The DIP Funding shall be subject to the satisfaction (or waiver by the Required DIP Lenders) of the following conditions: • on the date of the DIP Funding and immediately after giving effect to the DIP Funding, no default or event of default under the DIP Facility Documents shall have occurred and be continuing (subject to any applicable cure periods); • each of the representations and warranties set forth in the DIP Facility Documents shall be true and correct in all material respects on and as of the date of the DIP Funding with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects on and as of such earlier date); • the Interim DIP/Cash Collateral Order or the Final DIP/Cash Collateral Order, as applicable, shall have been entered by the Bankruptcy Court and effect and shall not have been vacated, reversed, modified, amended or stayed in any respect without the consent of the Required DIP Lenders; • the Transaction Support Agreement shall be in full force and effect and no Termination Event shall have occurred and be continuing; and • the DIP Agent shall have received a borrowing notice. *Conditions Precedent to DIP Closing*: The DIP Closing shall be subject to usual and customary conditions precedent for debtor-in-possession financings, to be agreed by the Company and the Required DIP Lenders and set forth in the DIP Credit Agreement.
Use of Proceeds	The Debtors' use of DIP Loans shall be (subject to Permitted Variances) in accordance with the budget subject to the Required DIP Lenders' approval (the "DIP Budget"). The proceeds of the DIP Facility may be used for general corporate purposes, payment of administrative expenses and operating expenses while in chapter 11, and maintenance of minimum liquidity of $5 million (to be determined in good faith by the Company and the Required DIP Lenders), subject to the DIP Budget.

	As set forth in the Interim DIP/Cash Collateral Order and upon entry thereof, the Debtors shall be authorized and directed to deposit all proceeds of the DIP Loans into a segregated account ending in 0645 at KeyBank (the "DIP Proceeds Account"), which DIP Proceeds Account shall not be subject to or be encumbered by any Prepetition ABL and FILO Liens or Adequate Protection Liens granted to the Prepetition ABL and FILO Agent to secure the Prepetition ABL and FILO Obligations.
Events of Default	Usual and customary for debtor-in-possession financings and other Events of Default to be agreed by the Company and the Required DIP Lenders and set forth in the DIP Credit Agreement. The DIP Credit Agreement shall provide for customary remedies for an Event of Default that remains continuing, including the accrual of interest at the Default Rate. The DIP/Cash Collateral Orders shall contain provisions governing the exercise of remedies consistent with debtor-in-possession financing orders customarily entered by the Bankruptcy Court.
Maturity and Interest Rate	*DIP Maturity*: The DIP maturity shall be the earliest of (i) 60 days after the Petition Date, (ii) the Plan Effective Date, (iii) acceleration as a result of an Event of Default (as such term is defined in the DIP Credit Agreement) that has occurred and is continuing, (iv) the date the Bankruptcy Court orders a conversion of the Chapter 11 Cases to a chapter 7 liquidation or the dismissal of the chapter 11 case of any Debtor, and (v) the closing of any sale of assets pursuant to section 363 of the Bankruptcy Code, which when taken together with all other sales of assets since the Petition Date, constitutes a sale of all or substantially all of the assets of the Debtors. *Interest Rate*: Under the DIP Facility, the DIP Term Loans shall bear interest at a rate of SOFR + 950 bps, to be paid in cash. There shall be no credit spread adjustment.
Fees	*Backstop Fee*: In exchange for the DIP Backstop Parties' agreement to backstop the entire amount of the DIP Facility, each DIP Backstop Party, as well as Project Swift LLC, shall receive its pro rata share of a backstop fee comprising 20% of DIP Term Loans in the form of an assumption of an equivalent amount of such DIP Backstop Party's Term Loan Claims, up to the amount thereof, and thereafter paid in kind (the "Backstop Fee"); *provided* that any interest on additional DIP Term Loans payable as part of the Backstop Fee shall be payable in kind; *provided further* that to the extent a DIP Backstop Party does not hold Term Loan Claims sufficient to pay the Backstop Fee, such amount of the Backstop Fee shall be paid in an equivalent amount of DIP Term Loans. The Backstop Fee shall be earned on the date of execution of the Transaction Support Agreement, but subject to entry of the Interim DIP/Cash Collateral Order, and thereafter constitute DIP Claims. Any third party[10] that funds the Accordion Facility shall be entitled to, with the consent of the Required DIP Lenders, a fee no worse for the Company than being paid to the DIP Backstop Parties. *Participation Fee*: In exchange for the DIP Lenders' agreement to fund the DIP Facility, each applicable DIP Lender[11] shall receive its pro rata share of a participation fee comprising, (i) if the Plan is confirmed, 85% of the New Equity Interests (subject to dilution of the MIP), or (ii) if the Plan is not confirmed, $28 million DIP Term Loans, payable in

[10] For avoidance of doubt, any funding of the Accordion Facility by a third-party is subject to consent of the Required DIP Lenders.

[11] For avoidance of doubt, Project Swift LLC shall be the only Additional Financing Party providing "new money" DIP Term Loans and thus entitled to receive a share of the Participation Fee as set forth on its Joinder.

	kind (the "Participation Fee"); *provided* that any interest on additional DIP Term Loans payable as part of the Participation Fee shall be payable in kind. The Participation Fee shall be earned on the date of entry of the Final DIP/Cash Collateral Order and thereafter constitute DIP Claims. There shall be no commitment fees, exit fees or prepayment premium.
Approved Budget	*Initial DIP Budget*: The "Initial DIP Budget" shall be attached to the Interim DIP/Cash Collateral Order and may be modified or extended from time to time by the Debtors with the prior written consent of the Required DIP Lenders. The Initial DIP Budget shall include projections for the initial nine (9) week period following the Petition Date (the "Initial Budget Period"). *Budget Updates*: Fourteen days prior to the expiration of the Initial Budget Period, the Debtors shall deliver an updated nine (9) week budget to the Consenting Term Lender Advisors (a "Proposed DIP Budget") that, upon approval by the Required DIP Lenders, shall become an "Approved DIP Budget" effective as of the first day following the expiration of the Initial DIP Budget. If the Proposed DIP Budget is not approved, then the Initial DIP Budget or last Approved DIP Budget (as applicable) will remain in full force and effect until a Proposed DIP Budget is approved.
Budget Testing	*Testing Date*: Permitted Variances shall be reported on the Thursday following the last Friday of each completed week (each such Friday, a "Testing Date"). For the avoidance of doubt, there shall be no testing of covenant compliance during the two full weeks after the Petition Date, as outlined below. *Variance Report*: The Debtors shall prepare a variance report (the "Variance Report"), and deliver such Variance Report to the Consenting Term Lender Advisors setting forth for the period commencing each Friday and ending on the following Thursday of any completed week thereafter (the "Testing Period") ending on the Testing Date: • a line item comparison covering the Testing Period just ended setting forth the actual operating cash receipts and the actual disbursements against the amount of the Debtors' projected operating cash receipts and projected disbursements, respectively, as set forth in the (i) Initial DIP Budget or (ii) Approved DIP Budget; and • as to each variance contained the Variance Report, an indication as to whether such variance is temporary or permanent and an explanation in reasonable detail for any variance.
Permitted Variances	Following the first two full weeks after the Petition Date, during which period compliance with the budget shall not be tested, covenant compliance will be tested weekly. Actual operating disbursements and actual operating cash receipts shall be tested against the Initial DIP Budget (or, if one or more Approved DIP Budgets have been subsequently approved, such Approved DIP Budget, solely with respect to the period covered by such subsequent Approved DIP Budget, it being understood that to the extent the Initial DIP Budget and/or any subsequent Approved DIP Budgets cover overlapping periods of time, the most recent Approved DIP Budget shall govern) during each Testing Period.

The Debtors shall comply with the Approved DIP Budget, subject to the following permitted variances (as amended from time to time, the "Permitted Variances"):

With respect to the first Variance Report:

- aggregate operating cash receipts shall not be less than 80% of the projected operating cash receipts set forth in the Approved DIP Budget; and
- aggregate actual operating disbursements shall not exceed 120% of the projected disbursements set forth in the Approved DIP Budget; *provided* that, for the avoidance of doubt, the actual operating disbursements considered for determining compliance shall exclude the Debtors' disbursements in respect of professional fees (including all Consenting Stakeholders' Fees and Expenses).

With respect to the second Variance Report:

- aggregate operating cash receipts shall not be less than 80% of the projected operating cash receipts set forth in the Approved DIP Budget; and
- aggregate actual operating disbursements shall not exceed 115% of the projected disbursements set forth in the Approved DIP Budget; *provided* that, for the avoidance of doubt, the actual operating disbursements considered for determining compliance shall exclude the Debtors' disbursements in respect of professional fees (including all Consenting Stakeholders' Fees and Expenses).

With respect to each subsequent Variance Report:

- aggregate operating cash receipts shall not be less than 85% of the projected operating cash receipts set forth in the Approved DIP Budget on a cumulative basis; and
- aggregate actual operating disbursements shall not exceed 110% of the projected disbursements set forth in the Approved DIP Budget on a cumulative basis; *provided* that, for the avoidance of doubt, the actual operating disbursements considered for determining compliance shall exclude the Debtors' disbursements in respect of the Consenting Stakeholders' Fees and Expenses.

The Permitted Variances are based on the current prepetition DIP Budget provided by the Company Parties. In connection with the consideration of the Initial DIP Budget, a Proposed DIP Budget, or otherwise, the Permitted Variances may be modified in form and substance acceptable to the Debtors and the Required DIP Lenders.

Use of Cash Collateral and Adequate Protection

Prior to the filing of the Chapter 11 Cases, the Company Parties and the Consenting Term Lenders (together with the ABL Lenders and FILO Lenders) shall negotiate terms for the consensual use of cash collateral, which terms, for the avoidance of doubt, shall be memorialized in each of the DIP/Cash Collateral Orders and shall include customary terms and conditions related to the adequate protection to be provided to such lenders (including pursuant to the term set forth herein).

Such adequate protection shall include:

- replacement liens on any Prepetition Collateral and DIP Collateral (with such replacement liens immediately junior to the DIP Liens) solely to the extent of any diminution in value of the such lender's interest in the Prepetition Collateral securing such holder's Claims (a "Diminution in Value"); *provided* that the adequate protection liens with respect to ABL Claims and FILO Claims will be: (i) senior to the DIP Liens and the adequate protection liens with respect to Term Loan Claims on the ABL/FILO Priority Collateral; and (ii) junior to the DIP Liens, adequate protection liens, and Term Loan Claims with respect to the Term Loan Priority Collateral;
- ABL Claims and FILO Claims shall continue to accrue and be paid interest at the applicable non-default contract rate through the Chapter 11 Cases solely to the extent provided by section 506(b) of the Bankruptcy Code and applicable law; and
- reimbursement of the reasonable and documented out-of-pocket fees and expenses of such lenders, including the fees and expenses of the Consenting Term Lender Advisors.

Other Terms

No DACA: No deposit account control agreements, securities account control agreements, or other bank accounts control agreements shall be required; *provided* that the DIP/Cash Collateral Orders are acceptable in form and substance to the Required DIP Lenders.

Syndication Costs: The Company Parties shall bear any fees, costs, and expenses related to any seasoning or syndication process, including, without limitation, costs associated with hiring a fronting bank.

Waivers: Upon entry of and pursuant to the Final DIP/Cash Collateral Order, Bankruptcy Code section 506(c), Bankruptcy Code section 552(b), and marshalling waivers for the benefit of the DIP Lenders.

Covenants: To include minimum liquidity covenant of $5 million during the Chapter 11 Cases, (b) compliance with the milestones set forth in the Transaction Support Agreement, (c) negative covenants substantially similar to the Term Loan Credit Agreement to be agreed by the Company Parties and the Required DIP Lenders, and (d) such other covenants (including those set forth herein) consistent with other debtor-in-possession financings and satisfactory to the Required DIP Lenders. For the avoidance of doubt there shall be no other financial maintenance or related covenants.

Reporting Requirements: Customary reporting requirements acceptable to the Required DIP Lenders.

Carve Out: DIP Claims, ABL Claims, FILO Claims, Term Loan Claims, DIP Liens, Prepetition Liens, and adequate protection liens and claims to be subject to Carve Out, as set forth in the DIP/Cash Collateral Orders.

Obligors / Guarantors: Needle Holdings LLC as obligor and all other Debtors as guarantors.

Ratings: Company shall use best efforts to obtain ratings from S&P and Moody's for the DIP Term Loans, *provided* that no particular ratings shall be required.

Conflict: In the event of a conflict between the terms in this section of this Transaction Term Sheet, the DIP/Cash Collateral Orders, and any of the DIP Facility Documents, such DIP/Cash Collateral Orders and DIP Facility Document(s) shall control over this Transaction Term Sheet.

Exit Facilities

Overview

On the Plan Effective Date, the Debtors will enter into the Exit Facilities Documents, which shall include the Exit Term Loan Credit Agreement and the Exit ABL/FILO Facility Amendment.

The Exit Term Loan Credit Agreement shall provide for up to $165.4[12] million aggregate principal amount of exit term loans (plus accrued interest) comprised of converted DIP Term Loans in the same aggregate principal amount (plus accrued interest) based on amounts outstanding under the DIP Facility on the Plan Effective Date (the "Exit Term Loans").

The Exit ABL/FILO Facility Amendment, shall provide for (i) a senior secured asset based revolving credit facility providing for revolving loans substantially similar to the ABL Loans (the "Exit ABL Loans"), (ii) a series of subordinated secured first-in last-out loans to be substantially similar to the FILO Term Loans (the "Exit FILO Loans"), and (iii) a six-month maturity extension related to the ABL Loans and the FILO Term Loans under the ABL Facility Credit Agreement.

Exit Term Loans

Participation: Pursuant to the Plan, the DIP Term Loans will be exchanged for the Exit Term Loans on a pro rata basis to the DIP Lenders.

Security: The Exit Term Loans shall be secured by perfected first priority liens on all Term Loan Priority Collateral and second priority liens on all ABL/FILO Priority Collateral, subject to usual and customary exceptions for facilities of this type and on the terms and conditions set forth in the Exit Credit Agreement, which shall be in form and substance acceptable to the Debtors and the DIP Lenders.

[12] Includes $142 million principal of DIP Term Loans plus $23.4 million in additional loans on account of the Backstop Fee assuming the Accordion Facility is fully committed and funded.

Maturity: The Exit Term Loans shall mature on April 2028.

Interest: SOFR + 950 bps, to be paid in cash. There shall be no credit spread adjustment. The first interest payment on the Exit Term Loans shall be deferred to September 2024.

Amortization: 1.00% of initial principal amount per annum, paid quarterly, commencing with the first full fiscal quarter after the Plan Effective Date.

Call Protection: NC-1 / 102 / Par.

Other: Customary affirmative, negative, and financial covenants for loans of this nature, substantially consistent in scope with the existing Term Loans, and acceptable to the Required DIP Lenders and the Company. Customary reporting rights acceptable to the Required DIP Lenders and the Company. Other customary provisions of loans of this nature to be included acceptable to the Required DIP Lenders. The Company shall use reasonable best efforts to obtain ratings from S&P and Moody's for the Exit Term Loans within thirty days of emergence and a corporate family rating for the borrower from each of S&P and Moody's, *provided* that no particular ratings shall be required. Company shall bear any fees, costs, and expenses related to any seasoning or syndication process, including, without limitation, costs associated with hiring a fronting bank.

Conditions Precedent	The Exit Facilities, including the issuance of the Exit Term Loans, shall be subject to usual and customary conditions precedent for exit financings, to be agreed upon by the Company and the Required DIP Lenders and set forth in the respective Exit Facilities Documents.
Other Terms	Customary covenants of comparable loans that shall be consistent with the existing Term Loans and such other changes as are acceptable to the Required DIP Lenders and the Company Parties.
	Amendments to Existing Facilities
Exit Intercreditor Agreement Amendment	The Exit Facilities will be subject to the Exit Intercreditor Agreement, which shall be effective as of the Plan Effective Date (and shall relate to and establish the relative priorities and rights of the Exit ABL Loans, the Exit FILO Loans, and the Exit Term Loans, and which shall be substantially similar to the Existing Intercreditor Agreement (as amended, amended and restated, and/or replaced).
ABL/FILO Facility Amendment	On the Plan Effective Date, unless the Company Parties elect to refinance the ABL Claims in cash with the consent of the Required DIP Lenders, with respect to the ABL Claims and FILO Claims, the Company Parties will enter into the Exit ABL/FILO Facility Amendment, pursuant to which Reorganized JOANN will (i) refinance the ABL Loans and FILO Loans into Exit ABL Loans and Exit FILO Loans in an amount equal to the principal amount of allowed ABL Claims and FILO Claims, respectively, and (ii) pay in cash any accrued but unpaid interest on the ABL Loans and FILO Loans outstanding as of the Plan Effective Date; *provided* that the foregoing is subject to the Debtors' satisfaction of certain exit conditions in the ABL/FILO Exit Commitment Letters (as defined in the Plan); *provided further* that the Exit ABL/FILO Facility Amendment and the ABL/FILO Exit Commitment Letters shall be in form and substance reasonably acceptable to the ABL Facility Agent, the FILO Term Loan Agent, the ABL Lenders, the FILO Lenders, and the Required DIP Lenders. The Exit ABL/FILO Facility Amendment will provide that the FILO Prepayment Premium shall not be triggered by the Transactions and will not increase the amount of the FILO Claims, but the FILO Prepayment Premium will remain in place and apply to any applicable prepayments of the Exit FILO Loans that occur following the Plan Effective Date. The Exit ABL/FILO Facility Amendment shall also provide for a six (6)-month maturity extension related to the ABL Loans and the FILO Term Loans under the ABL Facility Credit Agreement.
	Treatment of Claims and Interests
General Administrative Claims	Subject to the provisions of sections 328, 330(a), and 331 of the Bankruptcy Code, except to the extent that a holder of an allowed General Administrative Claim and the applicable Debtor(s) or reorganized Debtor(s), as applicable, agree to less favorable treatment with respect to such allowed General Administrative

	Claim, each holder of an allowed General Administrative Claim shall receive, in full and final satisfaction of its General Administrative Claim, an amount in cash equal to the unpaid amount of such allowed General Administrative Claim in accordance with the following: (a) if such General Administrative Claim is allowed on or before the Plan Effective Date, on the Plan Effective Date or as soon as reasonably practicable thereafter or, if not then due, when such allowed General Administrative Claim is due or as soon as reasonably practicable thereafter; (b) if such General Administrative Claim is allowed after the Plan Effective Date, on the date such General Administrative Claim is allowed or as soon as reasonably practicable thereafter or, if not then due, when such allowed General Administrative Claim is due or as soon as reasonably practicable thereafter; (c) at such time and upon such terms as may be agreed upon by such holder and the Debtors or the reorganized Debtors, as the case may be; or (d) at such time and upon such terms as set forth in an order of the Bankruptcy Court; *provided* that allowed General Administrative Claims that arise in the ordinary course of the Debtors' businesses during the Chapter 11 Cases shall be paid in full in cash in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice, but subject in all respects to the DIP Budget (including Permitted Variances) with respect to timing of such payments, without further notice to or order of the Bankruptcy Court. Nothing in the foregoing or otherwise in the Plan shall prejudice the Debtors' or the reorganized Debtors' rights and defenses regarding any asserted General Administrative Claim.
Professional Fee Claims	No later than two Business Days before the anticipated Plan Effective Date, the Debtors or the reorganized Debtors, as applicable, shall establish and fund the Professional Fee Escrow Account with cash equal to the Professional Fee Escrow Amount. The amount of Professional Fee Claims owing to the professionals shall be paid in full in cash to such professionals by the reorganized Debtors from the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are allowed by entry of an order of the Bankruptcy Court; *provided* that the Debtors' and the reorganized Debtors' obligations to pay allowed Professional Fee Claims shall not be limited or deemed limited to funds held in the Professional Fee Escrow Account. To the extent that funds held in the Professional Fee Escrow Account are insufficient to satisfy the allowed amount of Professional Fee Claims owing to the professionals, the reorganized Debtors shall pay such amounts within ten Business Days of entry of the order approving such Professional Fee Claims. "Professional Fee Claim" means a Claim by professionals retained by the Debtors or any official committee (the "Retained Professionals") seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under sections 328, 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code. "Professional Fee Escrow Account" means a segregated interest-bearing account funded by the Debtors with cash no later than two business days before the anticipated Plan Effective Date in an amount equal to the Professional Fee Escrow Amount. "Professional Fee Escrow Amount" means the aggregate amount of Professional Fee Claims and other unpaid fees and expenses the Retained Professionals have incurred or shall incur in rendering services in connection with the Chapter 11 Cases before and as of the Plan Effective Date, which shall be estimated pursuant to the method set forth in Article II.A.2 of the Plan.

DIP Claims	Except to the extent that a holder of an allowed DIP Claim and the Debtor(s) against which such allowed DIP Claim is asserted agree to a less favorable treatment, in exchange for full and final satisfaction, settlement, release, and the discharge of each allowed DIP Claim, each holder of an allowed DIP Claim shall receive, on the Plan Effective Date, its pro rata share of: (i) the New Equity Interests equal to the amount of the Participation Fee; and (ii) in respect of the DIP Claims, Exit Term Loans. All holders of DIP Claims have consented to their treatment under the Plan pursuant to the terms of the Transaction Support Agreement and the DIP Facility Documents.
Priority Tax Claims	Except to the extent that a holder of an allowed Priority Tax Claim and the Debtor(s) against which such allowed Priority Tax Claim is asserted agree to a less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of and in exchange for each allowed Priority Tax Claim, each holder of such allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code. Nothing in the foregoing or otherwise in the Plan shall prejudice the Debtors' or the reorganized Debtors' rights and defenses regarding any asserted Priority Tax Claim.
Other Priority Claims	Except to the extent that a holder of an allowed Other Priority Claim and the Debtor(s) against which such allowed Other Priority Claim is asserted agree to a less favorable treatment, in exchange for full and final satisfaction, settlement, release, and the discharge of each allowed Other Priority Claim, each holder of an allowed Other Priority Claim due and payable on or before the Plan Effective Date shall receive, as soon as reasonably practicable after the plan Effective Date, on account of such Claim: (1) cash in an amount equal to the amount of such allowed Other Priority Claim; or (2) cash in an amount agreed to by the applicable Debtor or reorganized Debtor, as applicable, and such holder. To the extent any allowed Other Priority Claim is not due and owing on or before the Plan Effective Date, such Claim shall be paid in full in cash in accordance with the terms of any agreement between the Debtors (or the reorganized Debtors, as applicable) and such holder, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business. Nothing in the foregoing or otherwise in the Plan shall prejudice the Debtors' or the reorganized Debtors' rights and defenses regarding any asserted Other Priority Claim.
United States Trustee Statutory Fees	The Debtors and the reorganized Debtors, as applicable, shall pay all United States Trustee Statutory Fees for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

Consenting Stakeholders' Fees and Expenses	The Consenting Stakeholders' Fees and Expenses incurred, or estimated to be incurred, up to and including the Plan Effective Date (or, with respect to necessary post-Plan Effective Date activities, after the Plan Effective Date), shall be paid in full in cash on the Plan Effective Date as a condition to the occurrence of the Plan Effective Date in accordance with, and subject to, the terms of the Transaction Support Agreement (unless otherwise provided in the DIP/Cash Collateral Orders or any other order of the Bankruptcy Court), without any requirement to file a fee application with the Bankruptcy Court or without any requirement for Bankruptcy Court or U.S. Trustee review or approval. All Consenting Stakeholders' Fees and Expenses to be paid on the Plan Effective Date shall be estimated before and as of the Plan Effective Date and such estimates shall be delivered to the Debtors at least five Business Days before the anticipated Plan Effective Date; *provided*, however, that such estimates shall not be considered an admission or limitation with respect to such Consenting Stakeholders' Fees and Expenses. On the Plan Effective Date, or as soon as practicable thereafter, final invoices for all Consenting Stakeholders' Fees and Expenses incurred before and as of the Plan Effective Date shall be submitted to the Debtors. For the avoidance of doubt, in addition to the foregoing, the Company Parties shall have paid all Consenting Stakeholders' Fees and Expenses for which an invoice has been received by the Company Parties on or before the date that is one Business Day prior to the TSA Effective Date in accordance with Section 2.01(e) of the Transaction Support Agreement (unless otherwise provided in any order of the Bankruptcy Court).
Other Secured Claims	Except to the extent that a holder of an allowed Other Secured Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each allowed Other Secured Claim, each holder of an allowed Other Secured Claim, at the option of the applicable Debtor, shall, on the Plan Effective Date, (i) be paid in full in cash including the payment of any interest required to be paid under section 506(b) of the Bankruptcy Code, (ii) receive the collateral securing its allowed Other Secured Claim, or (iii) receive any other treatment that would render such Claim unimpaired, in each case, as determined by the Debtors with the consent of the Required DIP Lenders, such consent not to be unreasonably withheld.
ABL Claims	Except to the extent that a holder of an allowed ABL Claim agrees to less favorable treatment, on the Plan Effective Date, either (i) in the event the Debtors elect to refinance the ABL Claims (which election may be made only if the Debtors are also refinancing the FILO Claims and with the consent of the Required DIP Lenders), each holder of an allowed ABL Claim shall receive payment in full in cash on the Plan Effective Date in the allowed amount of such ABL Claim (including the replacement or cash collateralization of all issued and undrawn letters of credit in accordance with and in the amounts specified under the ABL Credit Agreement) or (ii) in the event clause (i) is not applicable, (A) each holder of an allowed ABL Claim shall receive its pro rata share of refinanced loans under the Exit ABL/FILO Facility Amendment in an amount equal to the principal amount of the allowed ABL Claims held by such holder as of the Plan Effective Date, (B) each holder of an allowed ABL Claim shall receive cash in an amount equal to the accrued but unpaid interest payable to such

	holder under the ABL Credit Agreement as of the Plan Effective Date, (C) allowed ABL Claims consisting of letters of credit shall be deemed to be letters of credit issued under the Exit ABL/FILO Facility Amendment, (D) other allowed ABL Claims shall be deemed to be obligations of the same type under the Exit ABL Loans and Exit FILO Loans, and (E) all allowed ABL Claims shall continue to constitute obligations of the Debtors on the Plan Effective Date; *provided* that the treatment pursuant to this clause (ii) shall apply only upon the Debtors' satisfaction of the exit conditions enumerated in the ABL/FILO Exit Commitment Letters.
FILO Claims	Except to the extent that a holder of an allowed FILO Claim agrees to less favorable treatment, on the Plan Effective Date, either (i) in the event the Debtors elect to refinance the ABL Claims (which election may be made only if the Debtors are also refinancing the ABL Claims and with the consent of the Required DIP Lenders), each holder of an allowed FILO Claim shall receive payment in full in cash on the Plan Effective Date in the allowed amount of such FILO Claim or (ii) in the event clause (i) is not applicable, (A) each holder of an allowed FILO Claim shall receive its pro rata share of refinanced loans under the Exit ABL/FILO Facility Amendment in an amount equal to the principal amount of the allowed FILO Claims held by such holder as of the Plan Effective Date, and (B) each holder of an allowed FILO Claim shall receive cash in an amount equal to the accrued but unpaid interest payable to such holder under the ABL Credit Agreement as of the Plan Effective Date; *provided* that the treatment pursuant to this clause (ii) shall apply only upon the Debtors' satisfaction of the exit conditions enumerated in the ABL/FILO Exit Commitment Letters. The unpaid portion of the Collateral Monitoring Fee that was earned as of the Petition Date for the first year of the FILO Facility and the FILO Prepayment Premium shall be included in the amount of FILO Claims outstanding as of the Petition Date; *provided* that, on the Plan Effective Date of an Acceptable ABL/FILO Plan pursuant to which the Debtors enter into the Exit ABL/FILO Facility Amendment, (x) the amount of the FILO Claims constituting the FILO Prepayment Premium shall be waived and (y) such unpaid portion of the Collateral Monitoring Fee shall be deemed not to have been capitalized to principal, and shall instead be due and payable on a monthly basis in accordance with the FILO Fee Letter (as replaced or amended in connection with the Exit ABL/FILO Facility Amendment), it being understood that any monthly installment of such unpaid portion that would have been payable before the Plan Effective Date of such Acceptable ABL/FILO Plan shall be paid in cash to the FILO Term Loan Agent on such Plan Effective Date.
Term Loan Claims	Except to the extent that a holder of a Term Loan Claim agrees to less favorable treatment, on the Plan Effective Date, each holder of an allowed Term Loan Claim shall receive, in full and final satisfaction, settlement, release, and discharge and in exchange for each allowed Term Loan Claim, its pro rata share of the New Equity Interests, subject to dilution by the MIP, the Participation Fee, and the New Equity Interests issued to certain Additional Financing Parties.
General Unsecured Claims	Subject to the Plan and except to the extent that a holder of a General Unsecured Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge and in exchange for each allowed General Unsecured Claim, each holder of an allowed General Unsecured Claim against a Debtor shall

	receive payment in full in cash in accordance with applicable law and the terms and conditions of the particular transaction giving rise to, or the agreement that governs, such allowed General Unsecured Claim on the later of (i) the date due in the ordinary course of business or (ii) the Plan Effective Date; *provided*, *however*, that no holder of an allowed General Unsecured Claim shall receive any distribution for any Claim that has previously been satisfied pursuant to a Final Order of the Bankruptcy Court.
Subordinated Claims[13]	Holders of Subordinated Claims shall receive no recovery or distribution on account of such Subordinated Claims. Unless otherwise provided for under the Plan, on the Plan Effective Date, Subordinated Claims shall be canceled, released, discharged, and extinguished.
Intercompany Claims[14]	No property shall be distributed to the holders of allowed Intercompany Claims. Unless otherwise provided for under the Plan, on the Plan Effective Date, at the option of the applicable Debtor with the consent of the Required DIP Lenders (not to be unreasonably withheld), Intercompany Claims shall be either: (i) reinstated; or (ii) set off, settled, distributed, contributed, merged, canceled, or released.
Intercompany Interests[15]	No property shall be distributed to the holders of allowed Intercompany Interests. Unless otherwise provided for under the Plan, on the Plan Effective Date, at the option of the applicable Debtor with the consent of the Required DIP Lenders (not to be unreasonably withheld), Intercompany Interests shall be either: (i) reinstated; or (ii) set off, settled, distributed, contributed, merged, canceled, or released.
Existing Equity Interests	On the Plan Effective Date, all Existing Equity Interests will be discharged, canceled, released, and extinguished and will be of no further force or effect.
	Other Material Provisions
New Equity Interests	On the Plan Effective Date: • JOANN shall adopt the New Organizational Documents; • all Existing Equity Interests shall be canceled and extinguished; • the common equity interests in Reorganized JOANN shall be recapitalized such that 100% of the outstanding interests in Reorganized JOANN (which may be a corporation or a limited liability company, as agreed to by the Company and the Ad Hoc Group) immediately

13 "Subordinated Claim" means any Claim against the Company Parties that is subject to subordination under section 509(c), section 510(b), or section 510(c) of the Bankruptcy Code, including any Claim for reimbursement, indemnification, or contribution (except indemnification or reimbursement Claims assumed hereunder).

14 "Intercompany Claim" means a prepetition Claim held by a Debtor or Non-Debtor Affiliate against a Debtor.

15 "Intercompany Interest" means any issued, unissued, authorized, or outstanding shares of common stock, preferred stock, or other instrument evidencing an ownership interest in any Debtor other than the Existing Equity Interests in JOANN, whether or not transferable, together with any warrants, equity-based awards, or contractual rights to purchase or acquire such equity interests at any time and all rights arising with respect thereto that existed immediately before the Plan Effective Date.

	following the Plan Effective Date shall be held by the holders of Term Loan Claims (the "New Equity Interests"). The New Equity Interests issued to the Term Loan Claims shall be subject to dilution by the MIP, the Participation Fee, and the New Equity Interests issued to certain Additional Financing Parties. All New Equity Interests shall be subject to the terms and conditions of the relevant Definitive Document in the Plan Supplement (as defined in the Plan).
Forbearances and Consents	In connection with their execution of the Transaction Support Agreement and as set forth therein, each of the Required Consenting Term Lenders will agree to forbear from exercising any remedies pursuant to the Term Loan Credit Agreement and all attendant prepetition loan documents, as applicable, and to the Transactions, (i) as a result of entry into or compliance with the DIP Facility Documents and the Exit Facility Documents, and (ii) any Event of Default that occurs solely as a result of the filing of any prepackaged chapter 11 plan of reorganization or other Chapter 11 case.
Governance	On the Plan Effective Date, the existing corporate governance documents will be amended and restated or terminated, as necessary, to, among other things, set forth the rights and obligations of the Parties in a manner consistent with this Transaction Term Sheet and the governance term sheet to be included in the Plan Supplement. On the Plan Effective Date, the board of directors of Reorganized JOANN (the "New Board") shall be appointed in accordance with the New Organizational Documents, and shall be comprised of five directors. The five directors of the New Board shall include the Chief Executive Officer of the Company and four directors to be appointed by the DIP Backstop Parties or the Additional Financing Parties, as applicable, subject to any rights with respect thereto (including set forth in any Joinder), on or before the Plan Effective Date and who shall be identified in the Plan Supplement.
Management Incentive Plan	On or after the Plan Effective Date, the New Board will implement a management incentive plan (the "MIP"). All grants under the MIP shall be determined at the sole discretion of the New Board, including with respect to the participants, allocation, timing, and the form and structure of the options, warrants, and/or equity compensation to be provided thereunder.
Releases and Exculpation	The Plan shall include, to the fullest extent permitted by law, customary exculpation in favor of estate fiduciaries and releases in favor of the Company Parties (and officers, directors, employees, estate fiduciaries, and advisors to the same), the Consenting Stakeholders, any other parties to the Transaction Support Agreement, and each of the foregoing's respective related parties (collectively, the "Releases").
Executory Contracts and Unexpired Leases	The Plan will provide that the Debtors' executory contracts (including the Transaction Support Agreement) and unexpired leases that are not rejected as of the Plan Effective Date (if any such contracts or leases are rejected either pursuant to the Plan or a separate motion) shall be deemed assumed and amended (as needed to implement the terms of the Transactions) pursuant to section 365 of the Bankruptcy Code.

	Any rejection damages claims for executory contracts or unexpired leases that the Debtors elect to reject shall be paid in full on the Plan Effective Date.
Indemnification of Pre-Transaction Equity Holders, Directors, Officers, Managers, *et al.*	All indemnification obligations in place as of the TSA Effective Date (whether in the by-laws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, indemnification agreements, employment contracts, or otherwise) for the current and former equity holders, directors, officers, managers, employees, attorneys, accountants, investment bankers, and other professionals of the Company Parties and their subsidiaries, as applicable, shall be assumed and remain in full force and effect after the Plan Effective Date, and shall survive unimpaired and unaffected, irrespective of when such obligation arose, as applicable.
Director, Officer, Manager, and Employee Tail Coverage	As of the TSA Effective Date, the Company Parties shall have obtained liability insurance policies covering the directors, managers, and officers of each Company Party. On the Plan Effective Date, the Company Parties shall be deemed to have assumed all unexpired directors', managers', and officers' liability insurance policies (including any "tail policy") and the Company Parties shall obtain any insurer consents required to assume such policies.
Exemption Under Section 1145 of the Bankruptcy Code	To the extent applicable and permitted under applicable law, the Plan and the Confirmation Order shall provide that the issuance and distribution of any securities thereunder, including the New Equity Interests, will be exempt from the registration requirements under applicable securities laws in accordance with section 1145 of the Bankruptcy Code or any other applicable securities laws exemption to the fullest extent possible.
Employment Obligations	On the Plan Effective Date, the Company Parties shall be deemed to have assumed all employment agreements, indemnification agreements, and other similar agreements entered into with any current or former employees, management, and directors in accordance with the terms and conditions of the Transaction Support Agreement.
Tax Structuring / Implementation	The Company Parties and the Required DIP Lenders shall cooperate in good faith to structure the Transactions in a tax-efficient manner, and the tax structuring of the Transactions shall be subject to the consent of the Company Parties and the Required DIP Lenders.
Recapitalization Fees and Expenses	The Company Parties shall pay the fees and expenses as set forth herein and in the Transaction Support Agreement.
Conditions Precedent to the Plan Effective Date	The following conditions precedent to the effectiveness of the Plan Effective Date shall be satisfied or waived by the Debtors, with the consent of the Required DIP Lenders (not to be unreasonably withheld or delayed), and the Plan Effective Date shall occur on the date upon which the last of such conditions are so satisfied and/or waived: 1. the Transaction Support Agreement shall be in full force and effect, no termination event or event that would give rise to a termination event under the Transaction Support Agreement upon the expiration of the applicable grace period shall have occurred and remain occurring, and the Transaction Support Agreement shall not have been validly terminated before the Plan Effective Date;

2. the Bankruptcy Court shall have entered the Final DIP/Cash Collateral Order on a final basis;

3. the final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein shall have been filed in a manner consistent in all material respects with the Transaction Support Agreement, this Transaction Term Sheet, the ABL/FILO Exit Commitment Letters, and the Plan, and in form and substance reasonably acceptable to the ABL Facility Agent, the FILO Term Loan Agent, and the Required DIP Lenders;

4. no Termination Declaration shall be in effect, subject to any applicable Remedies Determination (each as defined in the Interim DIP/Cash Collateral Order);

5. the Bankruptcy Court shall have entered the Confirmation Order, which shall be in form and substance consistent in all material respects with this Transaction Term Sheet and the Transaction Support Agreement and shall:

    a. authorize the Company Parties to take all actions necessary to enter into, implement, and consummate the contracts, instruments, releases, leases, indentures, and other agreements or documents created in connection with the Plan;

    b. authorize the assumption, assumption and assignment, and/or rejection of the executory contracts and unexpired leases by the Company Parties as contemplated in the Plan;

    c. decree that the provisions in the Confirmation Order and the Plan are nonseverable and mutually dependent;

    d. authorize the Company Parties to: (a) implement the Transactions; (b) distribute the New Equity Interests pursuant to the exemption from registration under the Securities Act provided by section 1145 of the Bankruptcy Code or other exemption from such registration or pursuant to one or more registration statements; (c) make all distributions and issuances as required under the Plan consistent with this Transaction Term Sheet, including the New Equity Interests; and (d) enter into any agreements, transactions, and sales of property contemplated by the Plan and the Plan Supplement, including the MIP;

    e. authorize the implementation of the Plan in accordance with its terms; and

    f. provide that, pursuant to section 1146 of the Bankruptcy Code, the assignment or surrender of any lease or sublease, and the delivery of any deed or other instrument or transfer order, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition or transfer of assets contemplated under the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

6. each document or agreement constituting the applicable Definitive Documents shall have been executed and/or effectuated, shall be in form and substance consistent with the Transaction Support Agreement or the ABL/FILO Exit Commitment Letters, as applicable, including the consent rights provided therein, 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 in accordance with the terms of the applicable Definitive Documents;

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

8. all governmental and third-party approvals and consents that may be necessary in connection with the Transactions shall have been obtained, not be subject to unfulfilled conditions, and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on the Transactions;

9. no court of competent jurisdiction or other competent governmental or regulatory authority shall have issued any order making illegal or otherwise restricting, limiting, preventing, or prohibiting the consummation of any of the Transactions;

10. the Company Parties shall have paid in full all professional fees and expenses of the Retained Professionals (as defined in the Plan) that require the Bankruptcy Court's approval or amounts sufficient to pay such fees and expenses after the Plan Effective Date shall have been placed in a professional fee escrow account pending the Bankruptcy Court's approval of such fees and expenses;

11. the Consenting Stakeholders' Fees and Expenses shall have been paid in full in cash (subject to any order of the Bankruptcy Court);

12. the restructuring to be implemented on the Plan Effective Date shall be consistent with the Plan, the Transaction Support Agreement, and the ABL/FILO Exit Commitment Letters;

13. such other conditions precedent to the Plan Effective Date that are customary and otherwise requested by the Required Consenting Term Lenders and the Required DIP Lenders, and agreed to by the Company Parties (such agreement not to be unreasonably withheld); and

14. there shall not have been instituted or threatened or be pending any material action, proceeding, application, claim, counterclaim, or investigation (whether formal or informal) (or there shall not have been any material adverse development to any action, application, claim, counterclaim, or proceeding currently instituted, threatened, or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, domestic or foreign, or by any other person, domestic or foreign, in connection with the restructuring transactions that, in the reasonable judgment of the Company Parties and the Required Consenting Stakeholders would prohibit, prevent, or restrict consummation of the restructuring transactions in a materially adverse manner.

Following the satisfaction or waiver of the foregoing, and concurrently with or immediately following effectiveness of the Plan on the Plan Effective Date:

1. the Existing Equity Interests shall have been canceled and the New Equity Interests shall have been issued by Reorganized JOANN;
2. all Exit Facilities and all other financing agreements and arrangements contemplated hereunder, as applicable, shall be or have been, as applicable, funded and closed and be in full force and effect;
3. the Releases set forth in the Plan shall be in full force and effect; and
4. the Company Parties shall have paid in full to the relevant Parties all payments and fees provided for in the Transaction Support Agreement, this Transaction Term Sheet, and applicable Definitive Documents that are payable on, before, or in connection with the occurrence of the Plan Effective Date.

Immediately following effectiveness of the Plan on the Plan Effective Date, the Company shall complete the termination of registration from all securities under sections 13 and 15(d) of the Exchange Act such that the reorganized Company shall be a private company as soon as reasonably practicable after the Plan Effective Date.

Waiver of Conditions Precedent

Any one or more of the Conditions Precedent may be waived in accordance with Section 15 of the Transaction Support Agreement.

Exhibit 1

DIP Backstop Allocation Schedule

EXHIBIT C

Form of Joinder

The undersigned (the "**Joinder Party**") hereby acknowledges that it has read and understands the Transaction Support Agreement, dated as of March 15, 2024 (the "**Agreement**")[1] by and among JOANN Inc. ("**JOANN**"), the other Company Parties, the Consenting Stakeholders, and the Additional Financing Parties, and agrees to be bound by the terms and conditions of the Agreement as a Consenting Term Lender and/or a Consenting Stockholder Party, as applicable, and shall be deemed a "**Consenting Stakeholder**" and a "**Party**" under the terms of the Agreement.

The Joinder Party specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained in the Agreement as of the date of this Joinder and any further date specified in the Agreement.

[The Joinder Party further agrees and elects to participate in the DIP Facility and fund its pro rata share of the DIP Term Loans in an amount allocated below subject to the terms and conditions of the Agreement, the Transaction Term Sheet, and the DIP Facility Documents.]

[With respect to any Consenting Stockholder Party, the execution of this Joinder Agreement hereby constitutes such Joinder Party's agreement with its treatment under the Plan and shall not file an objection to the Plan or support, directly or indirectly, any holder of Existing Equity Interests who objects to the Plan.]

This Joinder shall be governed by the governing law set forth in the Agreement.

Date Executed:

[JOINDER PARTY]

_____

Name:
Title:

Address:

E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
ABL Claims	
FILO Claims	
Term Loan Claims	
Interests	

DIP Facility Pro Rata Allocation:	
DIP Term Loans	

[1] Capitalized terms not used but not otherwise defined in this joinder shall have the meanings ascribed to such terms in the Agreement.

EXHIBIT D

Form of Joinder

The undersigned (the "**Joinder Party**") hereby acknowledges that it has read and understands the Transaction Support Agreement, dated as of March 15, 2024 (the "**Agreement**")[1] by and among JOANN Inc. ("**JOANN**"), the other Company Parties, the Consenting Stakeholders, and the Additional Financing Parties, and, subject to entry of the Final DIP/Cash Collateral Order, agrees to be bound by the terms and conditions of the Agreement as an Accordion Lender and shall be deemed a "**Consenting Stakeholder**" and a "**Party**" under the terms of the Agreement.

The Joinder Party specifically agrees to use commercially reasonable efforts to support and not oppose the Transactions on the terms contemplated in the Agreement, the Transaction Term Sheet, and the Definitive Documents, and be bound by the terms and conditions of the Agreement and makes all representations and warranties contained in the Agreement as of the date of this Joinder and any further date specified in the Agreement.

The Joinder Party further agrees and elects to participate in the Accordion Facility in the amount set forth below subject to entry of the Final DIP/Cash Collateral Order and the terms and conditions of the Agreement, the Transaction Term Sheet, and the DIP Facility Documents.

This Joinder shall be governed by the governing law set forth in the Agreement.

Date Executed:

[JOINDER PARTY]

_____

Name:
Title:

Address:

E-mail address(es):

Accordion Facility Funding Amount:

[1] Capitalized terms not used but not otherwise defined in this joinder shall have the meanings ascribed to such terms in the Agreement.

EXHIBIT E

Form of Joinder

The undersigned (the "**Joinder Party**") hereby acknowledges that it has read and understands the Transaction Support Agreement, dated as of March 15, 2024 (the "**Agreement**")[1] by and among JOANN Inc. ("**JOANN**"), the other Company Parties, the Consenting Stakeholders, and the Additional Financing Parties and agrees to provide certain financial accommodations in support of the Transactions contemplated thereby.

The Joinder Party specifically agrees to use commercially reasonable efforts to support and not oppose the Transactions on the terms contemplated in the Agreement, the Transaction Term Sheet, and the Definitive Documents, and, without limiting the foregoing, in each case to the extent applicable, to provide the commitments set forth in Section 5 of the Agreement.

The Joinder Party further agrees, upon entry of the Interim DIP/Cash Collateral Order, to fund $10,000,000 of DIP Term Loans subject to the terms and conditions of the Agreement, the Transaction Term Sheet, and the DIP Facility Documents.

The Joinder Party is agreeing to enter into this Joinder and fund such amount in exchange for (a) an additional $2,000,000 of DIP Term Loans payable in kind, subject to entry of the Interim DIP/Cash Collateral Order, (b) 7.9% of the New Equity Interests (subject to dilution by the MIP (as defined in the Transaction Term Sheet)), subject to entry of the Final DIP/Cash Collateral Order, (c) the right to appoint one director to the New Board (as defined in the Transaction Term Sheet), (d) payment of a fee in the amount of $100,000 to Darrell Horn, advisor to the Joinder Party, on the Closing Date (as defined in the DIP Credit Agreement), (e) payment and/or reimbursement of reasonable and documented fees and expenses of one counsel, and (f) upon execution of this Joinder, JOANN has agreed to fund a retainer to counsel to the Joinder Party in the amount of $50,000 (with any excess retainer being refunded on the Plan Effective Date and any additional reasonable and documented fees and expenses of such counsel being paid on the Plan Effective Date in the event that such retainer is exhausted).

This Joinder shall be governed by the governing law set forth in the Agreement.

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[1] Capitalized terms not used but not otherwise defined in this joinder shall have the meanings ascribed to such terms in the Agreement.

EXHIBIT F

Form of Joinder

The undersigned (the "**Joinder Party**") hereby acknowledges that it has read and understands the Transaction Support Agreement, dated as of March 15, 2024 (the "**Agreement**")[1] by and among JOANN Inc. ("**JOANN**"), the other Company Parties, the Consenting Stakeholders, and the Additional Financing Parties and agrees to provide certain financial accommodations in support of the Transactions contemplated thereby.

The Joinder Party specifically agrees (a) to use commercially reasonable efforts to support and not oppose the Transactions on the terms contemplated in the Agreement, the Transaction Term Sheet, and the Definitive Documents, (b) with its treatment under the Plan in accordance with the terms of this Joinder, and (c) without limiting the foregoing, in each case to the extent applicable, to provide the commitments set forth in Section 5 of the Agreement.

The Joinder Party further agrees, upon entry of the Interim DIP/Cash Collateral Order, to exchange $20,000,000 of outstanding trade payables for an equivalent amount of DIP Term Loans, and on the Plan Effective Date, to convert such DIP Term Loans to an equivalent amount of Exit Term Loans, subject to the terms and conditions of the Agreement and the Transaction Term Sheet.

The Joinder Party is agreeing to enter into this Joinder and make such commitments in exchange for (a) payment of $5,000,000 of its trade payables as agreed by the Joinder Party and the Company Parties, (b) 10% of the New Equity Interests (subject to (i) dilution by the MIP (as defined in the Transaction Term Sheet), (ii) receipt of permitted transfer rights in the Plan Supplement on terms no less favorable than those given to the Required DIP Lenders (which will include, for the avoidance of doubt, the right to transfer the New Equity Interests to affiliates of the Joinder Party or to its direct or indirect owners) and (iii) receipt of information rights in the Plan Supplement on terms no less favorable than those given to the Required DIP Lenders), (c) the right to propose one observer to the New Board (as defined in the Transaction Term Sheet) and receive all board materials of JOANN or any of its Subsidiaries or any committees thereof (with limited redactions as necessary to (i) preserve attorney-client privilege or (ii) avoid a conflict of interest between the interests of JOANN and those of the Joinder Party), subject to the reasonable consent of the Required DIP Lenders, and (d) go-forward trade terms and commercial partnerships consistent with the existing terms; except as otherwise subsequently agreed upon by the Company Parties and the Joinder Party with the consent of the Required DIP Lenders (not to be unreasonably withheld).

JOANN and the other Company Parties hereby agree to use commercially reasonable efforts to keep confidential the identity of the Joinder Party and the terms of this Joinder. JOANN and the other Company Parties further agree to assume the Joinder Party's existing go-forward trade terms and commercial partnerships as of the Plan Effective Date.

This Joinder shall be governed by the governing law set forth in the Agreement.

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[1] Capitalized terms not used but not otherwise defined in this joinder shall have the meanings ascribed to such terms in the Agreement.

EXHIBIT G

Form of Joinder

The undersigned (the "Joinder Party") hereby acknowledges that it has read and understands the Transaction Support Agreement, dated as of March 15, 2024 (the "Agreement")[1] by and among JOANN Inc. ("JOANN"), the other Company Parties, the Consenting Stakeholders, and the Additional Financing Parties and agrees to provide certain financial accommodations in support of the Transactions contemplated thereby.

The Joinder Party specifically agrees (a) to use commercially reasonable efforts to support and not oppose the Transactions on the terms contemplated in the Agreement, the Transaction Term Sheet, and the Definitive Documents, (b) with its treatment under the Plan in accordance with the terms of this Joinder, and (c) without limiting the foregoing, in each case to the extent applicable, to provide the commitments set forth in Section 5 of the Agreement.

The Joinder Party further agrees, upon entry of the Interim DIP/Cash Collateral Order, to exchange $5,000,000 of outstanding trade payables for an equivalent amount of DIP Term Loans, and on the Plan Effective Date, to convert such DIP Term Loans to an equivalent amount of Exit Term Loans, subject to the terms and conditions of the Agreement and the Transaction Term Sheet.

The Joinder Party is agreeing to enter into this Joinder and make such commitments in exchange for (a) 2.5% of the New Equity Interests (subject to (i) dilution by the MIP (as defined in the Transaction Term Sheet), (ii) receipt of permitted transfer rights in the Plan Supplement on terms no less favorable than those given to the Required DIP Lenders (which will include, for the avoidance of doubt, the right to transfer the New Equity Interests to affiliates of the Joinder Party or to its direct or indirect owners), and (iii) receipt of information rights in the Plan Supplement on terms no less favorable than those given to the Required DIP Lenders) and (b) go-forward trade terms and commercial partnerships consistent with the existing terms; except as otherwise subsequently agreed upon by the Company Parties and the Joinder Party with the consent of the Required DIP Lenders (not to be unreasonably withheld).

JOANN and the other Company Parties hereby agree to use commercially reasonable efforts to keep confidential the identity of the Joinder Party and the terms of this Joinder. JOANN and the other Company Parties further agree to assume the Joinder Party's existing go-forward trade terms and commercial partnerships as of the Plan Effective Date.

This Joinder shall be governed by the governing law set forth in the Agreement.

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[1] Capitalized terms not used but not otherwise defined in this joinder shall have the meanings ascribed to such terms in the Agreement.

EXHIBIT H

Form of Transfer Agreement

The undersigned (the "**Transferee**") hereby acknowledges that it has read and understands the Transaction Support Agreement, dated as of 15, 2024 (the "**Agreement**"),[1] by and among JOANN Inc. ("**JOANN**"), the other Company Parties, and the Consenting Stakeholders, including the transferor (each such transferor, a "**Transferor**") to the Transferee of any Company Claims/Interests (the "**Transfer**"), and agrees to be bound by the terms and conditions of the Agreement to the extent the Transferor was bound, and shall be deemed a "**Consenting Stakeholder**" and a "**Party**" under the terms of the Agreement.

The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained in the Agreement as of the date of the Transfer, including the agreement to be bound by the vote of the Transferor if such vote was cast before the effectiveness of the Transfer.

[The Transferee further agrees and elects to participate in the DIP Facility and fund its pro rata share of the DIP Term Loans in an amount allocated below subject to the terms and conditions of the Agreement, the Transaction Term Sheet, and the DIP Facility Documents.]

This Transfer Agreement shall be governed by the governing law set forth in the Agreement.

Date Executed:

[TRANSFEREE]

_____

Name:
Title:

Address:

E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
ABL Claims	
FILO Claims	
Term Loan Claims	
Interests	

DIP Facility Pro Rata Allocation:	
DIP Term Loans	

[1] Capitalized terms not used but not otherwise defined in this Transfer Agreement shall have the meanings ascribed to such terms in the Agreement.

EXHIBIT I

Joint Prepackaged Plan

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
JOANN INC., *et al.*,	:	Case No. 24-_____ (____)
Debtors.[1]	:	(Joint Administration Requested)

PREPACKAGED JOINT PLAN OF REORGANIZATION OF JOANN INC. AND ITS DEBTOR AFFILIATES UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

THIS CHAPTER 11 PLAN IS BEING SOLICITED FOR ACCEPTANCE OR REJECTION IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND WITHIN THE MEANING OF SECTION 1126 OF THE BANKRUPTCY CODE. THIS CHAPTER 11 PLAN SHALL BE SUBMITTED TO THE BANKRUPTCY COURT FOR APPROVAL FOLLOWING SOLICITATION AND THE DEBTORS FILING FOR CHAPTER 11 BANKRUPTCY.

YOUNG CONAWAY STARGATT & TAYLOR LLP

Michael R. Nestor (No. 3526)
Kara Hammond Coyle (No. 4410)
Shane M. Reil (No. 6195)
Rebecca L. Lamb (No. 7223)
Rodney Square
1000 North King Street
Wilmington, DE 19801
Telephone: (302) 571-6600
Email: mnestor&ycst.com
kcoyle@ycst.com
sreil@ycst.com
rlamb@ycst.com

Proposed Counsel to the Debtors and Debtors in Possession

LATHAM & WATKINS LLP

George A. Davis (*pro hac vice* pending)
Alexandra M. Zablocki (*pro hac vice* pending)
1271 Avenue of the Americas
New York, NY 10020
Telephone: (213) 485-1234
Email: george.davis@lw.com
alexandra.zablocki@lw.com

Ted A. Dillman (*pro hac vice* pending)
Nicholas J. Messana (*pro hac vice* pending)
355 South Grand Avenue, Suite 100
Los Angeles, CA 90071
Telephone: (213) 485-1234
Email: ted.dillman@lw.com
nicholas.messana@lw.com

Ebba Gebisa (*pro hac vice* pending)
330 North Wabash Avenue, Suite 2800
Chicago, IL 60611
Telephone: (312) 876-7700
Email: ebba.gebisa@lw.com

Dated: March [16], 2024

[1] The Debtors in these cases, together with the last four digits of each Debtor's taxpayer identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors' mailing address is 5555 Darrow Road, Hudson, OH 44236.

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PREPACKAGED JOINT PLAN OF REORGANIZATION OF JOANN INC. AND ITS DEBTOR AFFILIATES UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

JOANN Inc. and each of the other debtors and debtors-in-possession in the above-captioned cases (collectively, the "***Debtors***") propose this Plan (as defined herein) for the treatment and resolution of the outstanding Claims against, and Interests in, the Debtors. Capitalized terms used in this Plan and not otherwise defined have the meanings ascribed to such terms in Article I.A of this Plan.

Although proposed jointly for administrative purposes, this Plan constitutes a separate Plan for each Debtor for the treatment and resolution of outstanding Claims and Interests therein pursuant to the Bankruptcy Code. The Debtors seek to consummate the Restructuring Transactions on the Effective Date of this Plan. Each Debtor is a proponent of this Plan within the meaning of section 1129 of the Bankruptcy Code. The classifications of Claims and Interests set forth in Article III of this Plan shall be deemed to apply separately with respect to each Plan proposed by each Debtor, as applicable. This Plan does not contemplate substantive consolidation of any of the Debtors.

Reference is made to the Disclosure Statement for a discussion of the Debtors' history, businesses, results of operations, historical financial information, projections, and future operations, as well as a summary and analysis of this Plan and certain related matters, including distributions to be made under this Plan. There also are other agreements and documents, which shall be filed with the Bankruptcy Court, that are referenced in this Plan, the Plan Supplement, or the Disclosure Statement as exhibits and schedules. All such exhibits and schedules are incorporated into and are a part of this Plan as if set forth in full herein. Subject to certain restrictions and requirements set forth in 11 U.S.C. § 1127, Fed. R. Bankr. P. 3019, and the terms and conditions set forth in this Plan, the Debtors reserve the right to alter, amend, modify, revoke, or withdraw this Plan before its substantial consummation.

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THIS PLAN ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THIS PLAN.

Article I.
DEFINED TERMS AND RULES OF INTERPRETATION

A. *Defined Terms*

The following terms shall have the following meanings when used in capitalized form herein:

1. "***ABL Claims***" means any and all Claims arising under, derived from, or based upon the ABL Facility including, without limitation, all Revolving Obligations (as defined in the ABL Credit Agreement) and all Prepetition Revolving Obligations (as defined in the DIP/Cash Collateral Orders).

2. "***ABL Credit Agreement***" means that certain Amended and Restated Credit Agreement, dated as of October 21, 2016, as amended by that certain First Amendment on November 25, 2020, that certain Second Amendment on December 22, 2021, and that certain Third Amendment, dated as of March 10, 2023, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

3. "***ABL Facility***" means the senior secured asset based revolving credit facility under the ABL Credit Agreement.

4. "***ABL Facility Agent***" means Bank of America, N.A., in its capacity as administrative agent and collateral agent under the ABL Facility and any replacement or successor agent thereto.

5. "***ABL Facility Agent Advisors***" means Morgan, Lewis & Bockius LLP, Reed Smith LLP, AlixPartners LLP, and such other professional advisors as are retained by the ABL Facility Agent with the consent of the Debtors (not to be unreasonably withheld).

6. "***ABL Facility Documents***" means the ABL Credit Agreement together with all other related documents, instruments, and agreements in respect of the ABL Facility, in each case, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

7. "***ABL Lenders***" means Holders of, or nominees, investment managers, investment advisors, or subadvisors to funds and/or accounts that hold, or trustees of trusts that hold, the outstanding ABL Claims.

8. "***ABL Loans***" means the loans under the ABL Facility.

9. "***ABL/FILO Exit Commitment Letters***" means those certain commitment letters executed (a) by and between the Debtors, the ABL Facility Agent, and the ABL Lenders, and (b) by and between the Debtors, the FILO Term Loan Agent, and the FILO Lenders, in each case, in form and substance acceptable to the ABL Facility Agent, the FILO Term Loan Agent, the ABL Lenders, and the FILO Lenders, and reasonably acceptable to the Required DIP Lenders.

10. "***Acceptable ABL/FILO Plan***" means this Plan, which is attached to the ABL/FILO Exit Commitment Letters as Exhibit B, as it may be altered, amended, modified, or supplemented from time to time in accordance with the ABL/FILO Exit Commitment Letters, and without material modification except as approved in writing by the Required DIP Lenders (such approval shall not be unreasonably withheld, conditioned, or delayed).

11. "***Accordion Facility***" means the accordion facility under the DIP Credit Agreement.

12. "***Accordion Lender***" means the lenders under the Accordion Facility

13. "***Ad Hoc Group***" means that certain ad hoc group of Holders of Term Loan Claims represented by, among others, Gibson, Dunn & Crutcher LLP and Morris, Nichols, Arsht & Tunnell LLP and advised by Lazard Frères & Co. LLC.

14. "***Ad Hoc Group Advisors***" means Gibson, Dunn & Crutcher LLP, Morris, Nichols, Arsht & Tunnell LLP, Lazard Frères & Co., and such other professional advisors as are retained by the Ad Hoc Group with the consent of the Debtors (not to be unreasonably withheld).

15. "***Additional Financing Parties***" means, collectively, each Accordion Lender, Project Swift LLC, and the Supporting Trade Creditors.

16. "***Administrative Claim***" means a Claim for costs and expenses of administration under sections 503(b), 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 and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) Professional Fee Claims, to the extent Allowed by the Bankruptcy Court; (c) all fees and charges assessed against the Estates under chapter 123 of title 28 United States Code, 28 U.S.C. §§ 1911-1930; (d) Cure Costs; (e) Restructuring Fees and Expenses, in accordance with the Transaction Support Agreement or the DIP/Cash Collateral Orders, as applicable, and (f) Independent Director Fee Claims, to the extent Allowed by the Bankruptcy Court and to the extent incurred on or after the Petition Date and through the Effective Date; *provided*, that the foregoing clauses (a) through (f) shall not be interpreted as enlarging the scope of sections 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code.

17. "***Affiliate***" means, with respect to any Entity, all Entities that would fall within the definition of an "affiliate" as such term is defined in section 101(2) of the Bankruptcy Code. With respect to any Entity that is not a Debtor, the term "Affiliate" shall apply to such Entity as if the Entity were a Debtor.

18. "***Agents***" means the Prepetition Agents, DIP Agent, and Exit Facility Agent.

19. "***Allowed***" means with respect to any Claim or Interest (or any portion thereof): (a) any Claim or Interest as to which no objection to allowance, priority, or secured status, and no request for estimation or other challenge, including pursuant to section 502(d) of the Bankruptcy Code or otherwise, has been interposed (either in the Bankruptcy Court or in the ordinary course of business) on or before any applicable period of limitation under applicable law or such other applicable period of limitation fixed by the Bankruptcy Court; (b) any Claim or Interest as to which the liability of the Debtors and the amount thereof are determined by a Final Order of the Bankruptcy Court or a court of competent jurisdiction other than the Bankruptcy Court, either before or after the Effective Date; or (c) any Claim or Interest expressly deemed Allowed by this Plan. Notwithstanding the foregoing: (x) any Claim or Interest that is expressly disallowed pursuant to this Plan shall not be Allowed unless otherwise ordered by the Bankruptcy Court; (y) unless otherwise specified in this Plan, the Allowed amount of Claims shall be subject to and shall not exceed the limitations under or maximum amounts permitted by the Bankruptcy Code, including sections 502 or 503 of the Bankruptcy Code, to the extent applicable; and (z) the Reorganized Debtors shall retain all claims and defenses with respect to Allowed Claims that are Reinstated or otherwise Unimpaired pursuant to this Plan. "Allow," "Allows," and "Allowing" shall have correlative meanings.

20. "***Assumed Employee Agreements***" means all existing employment agreements between the Debtors and employees of the Debtors as of the Petition Date.

21. "***Avoidance Actions***" means any and all avoidance, recovery, subordination, or similar actions or remedies that may be brought by or on behalf of the Debtors or the Estates under the Bankruptcy Code or applicable non-bankruptcy law, including actions or remedies arising under chapter 5 of the Bankruptcy Code or under similar or related local, state, federal, or foreign statutes and common law, including fraudulent transfer laws, fraudulent conveyance laws, or other similar related laws.

22. "***Bankruptcy Code***" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532.

23. "***Bankruptcy Court***" means the United States Bankruptcy Court for the District of Delaware or such other court having jurisdiction over the Chapter 11 Cases.

24. "***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, 28 U.S.C. § 2075, as applicable to the Chapter 11 Cases, and the general, local, and chambers rules of the Bankruptcy Court.

25. "***Business Day***" means any day, other than a Saturday, Sunday, or "legal holiday" (as that term is defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for commercial business with the public in New York City, New York.

26. "***Cash***" means the legal tender of the United States of America or the equivalent thereof.

27. "***Cash Collateral***" has the meaning set forth in section 363(a) of the Bankruptcy Code.

28. "***Causes of Action***" means any action, Claim, cross-claim, third-party claim, cause of action, controversy, dispute demand, right, lien, indemnity, contribution, interest, guaranty, suit, obligation,

liability, lost, debt, fee or expense, damage, judgment, account, defense, offset, power, privilege, proceeding, franchise, remedy, and license of any kind or character whatsoever, whether known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively (including any alter ego theories), whether arising before, on, or after the Petition Date, as applicable, in contract or in tort, in law (whether local, state, or federal U.S. or non-U.S. Law) or in equity, or pursuant to any other theory of local, state, or federal U.S. or non-U.S. Law. For the avoidance of doubt, "Causes of Action" include: (a) any right of setoff, counterclaim, or recoupment; (b) any Claim based on or relating to, or in any manner arising from, in whole or in part, tort, breach of contract, breach of fiduciary duty, actual or constructive fraudulent transfer or fraudulent conveyance or voidable transaction or similar Law, violation of local, state, or federal or non-U.S. Law or breach of any duty imposed by Law or in equity, including securities Laws, negligence, and gross negligence; (c) any Claim pursuant to section 362 or chapter 5 of the Bankruptcy Code or similar local, state, or federal U.S. or non-U.S. Law; (d) any Claim or defense including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; (e) any Avoidance Actions relating to or arising from any state or foreign Law pertaining to any Avoidance Action, including preferential transfer, actual or constructive fraudulent transfer, fraudulent conveyance, or similar Claim; (f) the right to object to or otherwise contest Claims or Interests; and (g) any "lender liability" or equitable subordination Claims or defenses.

29. "***Chapter 11 Cases***" means (a) when used with reference to a particular Debtor, the voluntary case Filed for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when used with reference to all Debtors, the jointly administered chapter 11 cases for all of the Debtors.

30. "***Claim***" means any claim, as defined in section 101(5) of the Bankruptcy Code. Except where otherwise provided in context, "Claim" refers to such a claim against any of the Debtors.

31. "***Claims Register***" means the official register of Claims and Interests maintained by the Notice and Claims Agent.

32. "***Class***" means a category of Claims or Interests as set forth in Article III of this Plan pursuant to section 1122(a) of the Bankruptcy Code.

33. "***Combined Hearing***" means the hearing conducted by the Bankruptcy Court to consider approval of the Disclosure Statement and confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

34. "***Combined Order***" means the order of the Bankruptcy Court approving the Disclosure Statement pursuant to sections 1125, 1126(b), and 1145 of the Bankruptcy Code and confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

35. "***Compensation and Benefits Programs***" means all employment, confidentiality, and non-competition agreements, bonus, gainshare, and incentive programs (other than awards of equity interests, stock options, restricted stock, restricted stock units, warrants, rights, convertible, exercisable, or exchangeable securities, stock appreciation rights, phantom stock rights, redemption rights, profits interests, equity-based awards, or contractual rights to purchase or acquire equity interest at any time and all rights arising with respect thereto), vacation, holiday pay, severance, retirement, savings, supplemental retirement, executive retirement, pension, deferred compensation, medical, dental, vision, life and disability insurance, flexible spending account, and other health and welfare benefit plans, employee expense reimbursement, and other compensation and benefit obligations of the Debtors, and all amendments and modifications thereto, applicable to the Debtors' employees, former employees, retirees, and non-employee directors and the employees, former employees, and retirees of their subsidiaries.

36. "***Confirmation***" means the entry of the Combined Order by the Bankruptcy Court on the docket of the Chapter 11 Cases.

37. "***Confirmation Date***" means the date on which Confirmation occurs.

38. "***Consenting Stakeholders***" means, collectively, the Consenting Term Lenders and Consenting Stockholder Parties.

39. "***Consenting Stockholder Parties***" means Green Equity Investors CF, L.P., Green Equity Investors Side CF, L.P., LGP Associates CF, LLC, and certain current or former members of the Parent board of directors.

40. "***Consenting Stockholder Party Advisors***" means Richards, Layton & Finger, P.A., and such other professional advisors as are retained by the Consenting Stockholder Parties with the consent of the Debtors (not to be unreasonably withheld).

41. "***Consenting Term Lenders***" means Holders of, or nominees, investment managers, investment advisors, or subadvisors to funds and/or accounts that hold, or trustees of trusts that hold, the outstanding Term Loan Claims that have executed and delivered counterpart signature pages to the Transaction Support Agreement, or signature pages to a Joinder or Transfer Agreement (as applicable), to counsel to the Debtors.

42. "***Cure Cost***" means any and all amounts, including an amount of $0.00, required to cure any monetary defaults under any Executory Contract or Unexpired Lease (or such lesser amount as may be agreed upon by the parties under an Executory Contract or Unexpired Lease) that is to be assumed by the Debtors pursuant to sections 365 or 1123 of the Bankruptcy Code.

43. "***D&O Insurance Policies***" means, collectively, all insurance policies (including any "tail coverage" and all agreements, documents, or instruments related thereto) issued at any time to, or providing coverage to, any of the Debtors or any of the Debtors' current or former directors, members, managers, or officers for alleged Wrongful Acts (as defined in the D&O Insurance Policies), or similarly defined triggering acts, in their capacity as such.

44. "***Debtor Release***" means the releases set forth in Article IX.B of this Plan.

45. "***Debtors***" has the meaning set forth in the preamble to this Plan.

46. "***Definitive Documents***" means all of the definitive documents implementing the Restructuring Transactions set forth in Section 3.01 of the Transaction Support Agreement, and, in each case, any amendments, modifications, and supplements thereto and any related notes, certificates, agreements, documents, and instruments (as applicable), including, but not limited to: (a) this Plan and all documentation necessary to consummate this Plan, including this Plan, the Plan Supplement, the Disclosure Statement, the Solicitation Procedures Motion, the Solicitation Procedures Order, the Solicitation Materials, and the Combined Order (including any exhibits or supplements filed with respect to each of the foregoing); (b) the DIP Facility Documents (including the DIP/Cash Collateral Motion and the DIP/Cash Collateral Orders); (c) the Exit Facilities Documents; (d) the New Organizational Documents; (e) the New Stockholders Agreement; and (f) all other customary documents delivered in connection with transactions of this type (including any and all material documents, Bankruptcy Court or other judicial or regulatory orders, amendments, supplements, pleadings (including the First Day Pleadings and all orders sought pursuant thereto), motions, filings, exhibits, schedules, appendices, or modifications to any of the foregoing and any related notes, certificates, agreements, and instruments (as applicable) necessary to implement the Restructuring Transactions).

47. "***DIP Agent***" means Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent under the DIP Credit Agreement, and any successors, assignees, or delegees thereof.

48. "***DIP Agent Advisors***" means ArentFox Schiff LLP and such other professional advisors as are retained by the DIP Agent with the consent of the Debtors (not to be unreasonably withheld).

49. "***DIP Backstop Allocation Schedule***" means the backstop allocation schedule in respect of the DIP Facility attached as Exhibit 1 to the Transaction Term Sheet.

50. "***DIP Backstop Fee***" means, in exchange for the DIP Backstop Parties' agreement to backstop the entire amount of the DIP Facility, each DIP Backstop Party, as well as Project Swift LLC, shall receive its Pro Rata Share of a backstop fee equal to twenty percent (20%) of the DIP Term Loans in the form of an assumption of an equivalent amount of such DIP Backstop Party's Term Loan Claims, up to the amount thereof, and thereafter paid in kind; *provided* that any interest on additional DIP Term Loans payable as part of such backstop fee shall be payable in kind; *provided further* that, to the extent a DIP Backstop Party does not hold Term Loan Claims sufficient to pay such backstop fee, such amount of the backstop fee shall be paid in an equivalent amount of DIP Term Loans. The DIP Backstop Fee shall be earned on the date of execution of the Transaction Support Agreement, but subject to the entry of the Interim DIP/Cash Collateral Order, and thereafter constitute DIP Claims. Any third party that funds the Accordion Facility shall be entitled to, with the consent of the Required DIP Lenders, a fee no worse for the Company than being paid to the DIP Backstop Parties.

51. "***DIP Backstop Parties***" means the Consenting Term Lenders set forth on the DIP Backstop Allocation Schedule that have agreed to backstop and fund the full amount of the DIP Facility.

52. "***DIP Claim***" means any and all Claims on account of, arising from, arising under, or related to the DIP Facility, the DIP Facility Documents, or the DIP/Cash Collateral Orders, including Claims for the aggregate outstanding principal amount of, plus unpaid interest on, the DIP Term Loans, and all fees (including the DIP Backstop Fee and DIP Participation Fee) and other expenses related thereto and arising and payable under the DIP Facility.

53. "***DIP Credit Agreement***" means that certain Senior Secured Superpriority Debtor-in-Possession Credit Agreement in respect of the DIP Facility, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

54. "***DIP Facility***" means the senior secured debtor-in-possession credit facility provided by the DIP Lenders under the DIP Credit Agreement.

55. "***DIP Facility Documents***" means the DIP/Cash Collateral Orders and the DIP Credit Agreement, together with all other related documents, instruments, and agreements in respect of the DIP Facility, in each case, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

56. "***DIP Lenders***" means the lenders holding the DIP Term Loans.

57. "***DIP Participation Fee***" means, in exchange for the DIP Lenders' agreement to fund the DIP Facility, each applicable DIP Lender shall receive its Pro Rata Share of a participation fee equal to eighty-five (85%) of the New Equity Interests (subject to dilution only by the Management Incentive Plan); *provided* that, for the avoidance of doubt, Project Swift LLC, as the only Additional Financing Party providing "new money" DIP Term Loans, shall be the only Additional Financing Party entitled to receive a share of the Participation Fee as set forth on its Joinder. The DIP Participation Fee shall be earned on the date of entry of the Final DIP/Cash Collateral Order and thereafter constitute DIP Claims.

58. "***DIP Term Loan Claims***" means Claims arising under or related to the DIP Term Loans.

59. "***DIP Term Loans***" means loans made under the DIP Facility in an original aggregate principal amount of approximately $132,000,000 plus up to $10,000,000 of additional loans under the Accordion Facility plus additional loans paid as part of the DIP Backstop Fee.

60. "***DIP/Cash Collateral Motion***" means the motion(s) seeking approval of the Debtors' use of Cash Collateral and requesting approval to obtain debtor in possession financing on terms substantially the same as those set forth in the Transaction Term Sheet and the DIP Facility Documents.

61. "***DIP/Cash Collateral Orders***" means, together, the Interim DIP/Cash Collateral Order and Final DIP/Cash Collateral Order.

62. "***Disclosure Statement***" means the disclosure statement for this Plan, including all exhibits and schedules thereto, as amended, supplemented, or modified from time to time, that is prepared and distributed in accordance with sections 1125, 1126(b), and 1145 of the Bankruptcy Code, Bankruptcy Rule 3018, and other applicable law.

63. "***Disputed***" means, with respect to any Claim or Interest, except as otherwise provided herein, a Claim or Interest that is not yet Allowed, but has not yet been disallowed pursuant to this Plan, the Bankruptcy Code, or a Final Order by the Bankruptcy Court or other court of competent jurisdiction.

64. "***Distribution Agent***" means the Reorganized Debtors or any party designated by the Debtors or Reorganized Debtors to serve as distribution agent under this Plan.

65. "***Distribution Record Date***" means, other than with respect to publicly held securities, the date for determining which Holders of Claims are eligible to receive distributions under this Plan on account of Allowed Claims, which date shall be the Confirmation Date or such other date agreed to by the Debtors and the Required DIP Lenders, subject to Article VI.D of this Plan. For the avoidance of doubt, the Distribution Record Date shall not apply to publicly traded securities, which shall receive distributions, if any, in accordance with the applicable procedures of DTC.

66. "***DTC***" means The Depository Trust Company or any successor thereto.

67. "***Effective Date***" means the date on which all conditions specified in Article VIII.A of this Plan have been (a) satisfied or (b) waived pursuant to Article VIII.B of this Plan.

68. "***Entity***" means an entity as defined in section 101(15) of the Bankruptcy Code.

69. "***Estate***" means, as to each Debtor, the estate created for such Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

70. "***Exchange Act***" means the Securities Exchange Act of 1934, as now in effect or hereafter amended, or any regulations promulgated thereunder.

71. "***Exculpated Party***" means, each in its capacity as such, (a) each of the Debtors and, (b) solely to the extent they are Estate fiduciaries, the Debtors' Related Parties.

72. "***Executory Contract***" means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code, other than an Unexpired Lease.

73. "***Existing Equity Interest***" means any issued, unissued, authorized, or outstanding shares or common stock, preferred shares, or other instrument evidencing an ownership interest in the Parent, whether or not transferable, together with any warrants, equity-based awards, or contractual rights to purchase or acquire such equity interests (including under any employment or benefits agreement) at any time and all rights arising with respect thereto that existed immediately before the Effective Date.

74. "***Existing Intercreditor Agreement***" means the Intercreditor Agreement, dated as of May 21, 2018, relating to the Term Loans, the ABL Facility, and the FILO Term Loans, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

75. "***Exit ABL Loans***" means loans under the senior secured asset based revolving credit facility under the Exit ABL/FILO Facility Amendment.

76. "***Exit ABL/FILO Facility Amendment***" means that certain ABL Facility agreement to be effective as of the Effective Date relating to the Exit ABL Loans and the Exit FILO Loans, which may be the existing ABL Credit Agreement, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof, and shall be in accordance with the ABL/FILO Exit Commitment Letters and reasonably acceptable to the Required DIP Lenders.

77. "***Exit Facilities***" means the facilities under which the Exit ABL Loans, Exit FILO Loans, and Exit Term Loans shall be issued.

78. "***Exit Facilities Documents***" means the Exit ABL/FILO Facility Amendment, ABL/FILO Exit Commitment Letters, Exit Term Loan Documents, and Exit Intercreditor Agreement, together with all other related documents, instruments, and agreements in respect of the Exit Facilities, in each case, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

79. "***Exit Facility Agent***" means Wilmington Savings Fund Society, FSB.

80. "***Exit Facility Agent Advisors***" means ArentFox Schiff LLP and such other professional advisors as are retained by the Exit Facility Agent with the consent of the Debtors or Reorganized Debtors (not to be unreasonably withheld).

81. "***Exit FILO Loans***" means loans under the senior secured last-out term loan facility under the Exit ABL/FILO Facility Amendment.

82. "***Exit Intercreditor Agreement***" means the intercreditor agreement(s) to be effective as of the Effective Date relating to the Exit Facilities, which may be the Existing Intercreditor Agreement or substantially similar to the Existing Intercreditor Agreement.

83. "***Exit Term Lenders***" means the lenders holding the Exit Term Loans.

84. "***Exit Term Loans***" means term loans under the Exit Term Loan Credit Agreement in an aggregate principal amount of up to approximately $165,500,000 (plus accrued interest) comprising converted DIP Term Loans (inclusive of DIP Term Loans paid as part of the DIP Backstop Fee and assuming the full amount of the Accordion Facility is funded) in the same aggregate principal amount (plus accrued interest) based on amounts outstanding under the DIP Facility on the Effective Date.

85. "***Exit Term Loan Credit Agreement***" means the credit agreement between Reorganized Parent or its subsidiaries or affiliates, as applicable, and the lenders party thereto to effectuate the issuance of the Exit Term Loans.

86. "***Exit Term Loan Documents***" means the Exit Term Loan Credit Agreement and together with all other related documents, instruments, and agreements in respect of the Exit Term Loans, in each case, as amended, restated, modified, or supplemented from time to time.

87. "***File***" or "***Filed***" or "***Filing***" means file, filed, or filing, respectively, with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

88. "***FILO Claims***" means Claims arising under or related to the FILO Term Loans.

89. "***FILO Facility***" means the senior secured last-out term loan facility under the ABL Credit Agreement.

90. "***FILO Fee Letter***" means that certain FILO Fee Letter, dated as of March 10, 2023, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

91. "***FILO Intercreditor Agreement***" means that certain Agreement Among Lenders, dated as of May 10, 2023, relating to the FILO Term Loans, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

92. "***FILO Lenders***" means Holders of, or nominees, investment managers, investment advisors, or subadvisors to funds and/or accounts that hold, or trustees of trusts that hold, the outstanding FILO Term Loans.

93. "***FILO Prepayment Premium***" has the meaning set forth in the FILO Fee Letter (including, for the avoidance of doubt, the "Make Whole Amount" (as defined in the FILO Fee Letter)).

94. "***FILO Term Loan Advisors***" means Choate, Hall & Stewart LLP, DLA Piper LLP (US), Proskauer Rose LLP, AlixPartners LLP, and such other professional advisors as are retained by the FILO Term Loan Agent and the FILO Lenders with the consent of the Debtors (not to be unreasonably withheld).

95. "***FILO Term Loan Agent***" means, collectively, (a) Bank of America, N.A., in its capacity as administrative agent and collateral agent under the FILO Term Loans and any replacement or successor agent thereto, and (b) 1903P LOAN AGENT, LLC, in its capacity as FILO Documentation Agent under the FILO Term Loans and any replacement or successor agent thereto.

96. "***FILO Term Loans***" means the first-in last-out term loans under the FILO Facility.

97. "***Final DIP/Cash Collateral Order***" means any order (and all exhibit and schedules thereto, including any budget) entered by the Bankruptcy Court on a final basis: (a) approving the DIP Facility, the DIP Facility Documents, and the DIP/Cash Collateral Motion; (b) authorizing the Debtors' use of Cash Collateral; and (c) providing for adequate protection of secured creditors.

98. "***Final Order***" means an order entered by the Bankruptcy Court or other court of competent jurisdiction: (a) that has not been reversed, stayed, modified, amended, or revoked, and as to which (i) any right to appeal or seek leave to appeal, certiorari, review, reargument, stay, or rehearing has been waived or (ii) the time to appeal or seek leave to appeal, certiorari, review, reargument, stay, or rehearing has expired and no appeal, motion for leave to appeal, or petition for certiorari, review, reargument, stay, or rehearing is pending or (b) as to which an appeal has been taken, a motion for leave to appeal, or petition for certiorari, review, reargument, stay, or rehearing has been filed and (i) such appeal, motion for leave to appeal or petition for certiorari, review, reargument, stay, or rehearing has been resolved by the highest court to which the order or judgment was appealed or from which leave to appeal, certiorari, review, reargument, stay, or rehearing was sought and (ii) the time to appeal (in the event leave is granted) further or seek leave to appeal, certiorari, further review, reargument, stay, or rehearing has expired and no such appeal, motion for leave to appeal, or petition for certiorari, further review, reargument, stay, or rehearing is pending; *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 shall not preclude such order from being a Final Order.

99. "***First Day Pleadings***" means any petition, motion, application, or proposed order filed at the commencement of the Chapter 11 Cases that the Debtors determine are necessary or desirable to file with the Bankruptcy Court.

100. "***General Administrative Claim***" means any Administrative Claim, other than a Professional Fee Claim, a Claim for Restructuring Fees and Expenses (in accordance with the Transaction Support Agreement or the DIP/Cash Collateral Orders, as applicable), a DIP Claim, or a Claim for fees and charges assessed against the Estates under chapter 123 of title 28 United States Code, 28 U.S.C. §§ 1911-1930.

101. "***General Unsecured Claim***" means any Unsecured Claim including (a) Claims arising from the rejection of unexpired leases or executory contracts (if any) and (b) Claims arising from any litigation or other court, administrative, or regulatory proceeding, including damages or judgments entered against, or settlement amounts owing by a Debtor in connection therewith.

102. "***Governance Term Sheet***" means the term sheet setting forth the preliminary material terms in respect of the corporate governance of Reorganized Parent to be included in the Plan Supplement, including all exhibits and schedules thereto, as it may be altered, amended, modified, or supplemented from time to time in accordance with the terms of the Transaction Support Agreement.

103. "***Governmental Unit***" means a governmental unit as defined in section 101(27) of the Bankruptcy Code.

104. "***Holder***" means an Entity holding a Claim or Interest, as applicable.

105. "***Impaired***" means, with respect to any Claim or Interest, a Claim or Interest that is "impaired" within the meaning of section 1124 of the Bankruptcy Code.

106. "***Indemnification Provisions***" means each of the Debtors' indemnification provisions in effect as of the Petition Date, whether in the Debtors' memoranda and articles of association, bylaws, certificates of incorporation, other formation documents, board resolutions, management or indemnification agreements, employment contracts, or otherwise providing a basis for any obligation of a Debtor to indemnify, defend, reimburse, or limit the liability of, or to advance fees and expenses to, any of the Debtors' current and former directors, officers, equity holders, managers, members, employees, accountants, investment bankers, attorneys, and other professionals of the Debtors, and each of the foregoing solely in their capacity as such.

107. "***Independent Director Fee Claims***" means, as of the Effective Date, all reasonable and documented unpaid fees and expenses due to the independent directors of the Debtors pursuant to their respective director agreements with the applicable Debtor Entity.

108. "***Insurance Contracts***" means any and all insurance policies issued at any time to, or that otherwise may provide or may have provided coverage to, any of the Debtors, regardless of whether the insurance policies were issued to a Debtor or to a Debtor's prior Affiliates, subsidiaries, or parents or otherwise, or to any of their predecessors, successors, or assigns, and any and all agreements, documents, surety bonds, or other instruments relating thereto, including any and all agreements with a third party administrator for claims handling, risk control or related services, any and all D&O Insurance Policies, and any and all Workers' Compensation Contracts. For the avoidance of doubt, Insurance Contracts include any insurance policies issued at any time to the Debtors' prior Affiliates, subsidiaries, and parents or otherwise, or to any of their predecessors, successors, or assigns, under which Debtors had, have, or may have any rights solely to the extent of the Debtors' rights thereunder.

109. "***Insurer***" means any company or other Entity that issued or entered into an Insurance Contract (including any third party administrator) and any respective predecessors and/or Affiliates thereof.

110. "***Intercompany Claim***" means a prepetition Claim held by a Debtor or Non-Debtor Affiliate against a Debtor.

111. "***Intercompany Interest***" means any issued, unissued, authorized, or outstanding shares of common stock, preferred stock, or other instrument evidencing an ownership interest in any Debtor other than the Parent, whether or not transferable, together with any warrants, equity-based awards, or contractual rights to purchase or acquire such equity interests at any time and all rights arising with respect thereto that existed immediately before the Effective Date.

112. "***Interests***" means, collectively, the shares (or any class thereof), common stock, preferred stock, limited liability company interests, membership interests, and any other equity, ownership, or profits interests in any Debtor, and options, warrants, rights, stock appreciation rights, phantom units, incentives, commitments, calls, redemption rights, repurchase rights, or other securities or arrangements to acquire or subscribe for, or which are convertible into, or exercisable or exchangeable for, the shares (or any class thereof) of, common stock, preferred stock, limited liability company interests, membership interests, or any other equity, ownership, or profits interests in any Debtor or its Affiliates and subsidiaries (in each case whether or not arising under or in connection with any employment agreement).

113. "***Interim DIP/Cash Collateral Order***" means any order (and all exhibit and schedules thereto, including any budget) entered by the Bankruptcy Court on an interim basis: (a) approving the DIP Facility, the DIP Facility Documents, and the DIP/Cash Collateral Motion; (b) authorizing the Debtors' use of Cash Collateral; and (c) providing for adequate protection of secured creditors.

114. "***Joinder***" means a joinder to the Transaction Support Agreement, substantially in the form attached as Exhibits C, D, E, F, or G thereto, providing, among other things, that such Person signatory thereto is bound by the terms of the Transaction Support Agreement to the extent provided therein.

115. "***Lien***" means a lien as defined in section 101(37) of the Bankruptcy Code.

116. "***Local Rules***" means the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

117. "***Management Incentive Plan***" means the management incentive plan to be adopted by the Reorganized Board on or around the Effective Date, which shall provide for the issuance to management, key employees, and/or directors of the Reorganized Debtors of the fully diluted New Equity Interests.

118. "***New Equity Interests***" means the outstanding equity interests in Reorganized Parent to be authorized, issued, or reserved on the Effective Date, which interests may be membership interests of a limited liability company or common equity interests of a corporation.

119. "***New Organizational Documents***" means the new Organizational Documents of Reorganized Parent and its direct or indirect subsidiaries, and the identity of proposed members of Reorganized Parent's board of directors, after giving effect to the Restructuring Transactions, as applicable, including any shareholders agreement, registration rights agreement, or similar document.

120. "***New Stockholders Agreement***" means, to the extent applicable, the stockholders agreement applicable to the New Equity Interests, which shall be consistent with the Governance Term Sheet included as part of the Plan Supplement.

121. "***Non-Debtor Affiliates***" means all of the Affiliates of the Debtors, other than the other Debtors.

122. "***Notice and Claims Agent***" means Kroll Restructuring Administration LLC, in its capacity as noticing, claims, and solicitation agent for the Debtors, pursuant to an order of the Bankruptcy Court.

123. "***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, and including any certificates of designation for preferred stock or other forms of preferred equity) or which relate to the internal governance of such Person (such as by-laws, a partnership agreement, or an operating, limited liability company, shareholders, or members agreement).

124. "***Other Priority Claim***" means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than: (a) Administrative Claims or (b) Priority Tax Claims.

125. "***Other Secured Claim***" means any Secured Claim other than the ABL Claims, FILO Claims, and Term Loan Claims.

126. "***Parent***" means JOANN Inc., a Delaware corporation with a mailing address of 5555 Darrow Road, Hudson, OH 44236.

127. "***Person***" means a person as defined in section 101(41) of the Bankruptcy Code.

128. "***Petition Date***" means the date on which the Debtors file their voluntary chapter 11 petitions, which is expected to occur on or about March [•], 2024.

129. "***Plan***" means this prepackaged joint plan of reorganization under chapter 11 of the Bankruptcy Code, as it may be altered, amended, modified, or supplemented from time to time in accordance with the Bankruptcy Code, the Bankruptcy Rules, or the terms hereof, as the case may be, and the Plan Supplement, which is incorporated herein by reference, including all exhibits and schedules hereto and thereto.

130. "***Plan Supplement***" means one or more supplemental appendices to this Plan, which shall include, among other things, draft forms of documents (or terms sheets thereof), schedules, and exhibits to this Plan, in each case subject to the provisions of the Transaction Support Agreement, the Transaction Term Sheet, or the Exit ABL/FILO Exit Commitment Letters, as applicable, and as may be amended, modified, or supplemented from time to time on or before the Effective Date, including the following documents: (a) the New Organizational Documents, (b) the Exit Facilities Documents, (c) to the extent known and determined, the identity of the members of the Reorganized Board, (d) the Rejected Executory Contract/Unexpired Lease List, (e) a schedule of retained Causes of Action, (f) the New Stockholders Agreement (to the extent applicable); (g) the Governance Term Sheet; (h) the Restructuring Transaction Steps Memorandum; and (i) such other documents as may be specified in this Plan.

131. "***Plan Supplement Filing Date***" means the date on which the Plan Supplement is Filed with the Bankruptcy Court, which shall be at least five (5) Business Days before the deadline to File objections to Confirmation.

132. "***Prepetition Agents***" means the ABL Facility Agent, FILO Term Loan Agent, and Term Loan Agent.

133. "***Prepetition Intercreditor Agreements***" means the Existing Intercreditor Agreement and the FILO Intercreditor Agreement.

134. "***Priority Tax Claim***" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

135. "***Professional Fee Claim***" means a Claim by a Retained Professional seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under sections 328, 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code (subject to any applicable agreements by such Retained Professional with respect thereto).

136. "***Professional Fee Escrow Account***" means a segregated interest-bearing account funded by the Debtors with Cash no later than two (2) Business Days before the anticipated Effective Date in an amount equal to the Professional Fee Escrow Amount.

137. "***Professional Fee Escrow Amount***" means the aggregate amount of Professional Fee Claims and other unpaid fees and expenses the Retained Professionals have incurred or shall incur in rendering services in connection with the Chapter 11 Cases before and as of the Effective Date, which shall be estimated pursuant to the method set forth in Article II.A.2 of this Plan.

138. "***Proof of Claim***" means a proof of Claim Filed against any Debtor in the Chapter 11 Cases.

139. "***Pro Rata Share***" means, with respect to any distribution on account of an Allowed Claim, a distribution equal in amount to the ratio (expressed as a percentage) that the amount of such Allowed Claim bears to the aggregate amount of all Allowed Claims in its Class.

140. "***Reinstatement***" means, with respect to Claims and Interests, that the Claim or Interest shall be rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code. "Reinstated" shall have a correlative meaning.

141. "***Rejected Executory Contract/Unexpired Lease List***" means the list of Executory Contracts and/or Unexpired Leases (including any amendments or modifications thereto), if any, that shall be rejected pursuant to this Plan, which shall be filed with the Plan Supplement.

142. "***Related Parties***" means, with respect to an Entity, each of, and in each case in its capacity as such, such Entity's current and former Affiliates, and such Entity's and such Affiliates' current and former members, directors, managers, officers, proxyholders, control persons, investment committee members, special committee members, members of any governing body, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds (including any beneficial holders for the account of whom such funds are managed), predecessors, participants, successors, assigns, subsidiaries, Affiliates, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, employees, agents, trustees, advisory board members, financial advisors, attorneys (including any other attorneys or professionals retained by any current or former director or manager in his or her capacity as director or manager of an Entity), accountants, investment bankers, consultants, representatives, investment managers, and other professionals and advisors, each in their capacity as such, and any such person's or Entity's respective heirs, executors, estates, and nominees.

143. "***Release Opt-Out Form***" means the form to be provided to certain Holders of Claims through which such Holders may elect to affirmatively opt out of the Third-Party Release.

144. "***Released Party***" means, collectively, each of, and in each case in its capacity as such: (a) each Debtor; (b) each Reorganized Debtor; (c) each Non-Debtor Affiliate; (d) each of the Debtors' and Non-Debtor Affiliates' current and former directors, officers, and proxyholders; (e) each Consenting Stakeholder; (f) each Prepetition Agent; (g) each ABL Lender; (h) each FILO Lender; (i) the DIP Agent; (j) each DIP Lender; (k) the Exit Facility Agent; (l) each lender under the Exit Facilities; (m) each Additional Financing Party; (n) each Releasing Party; and (o) each Related Party of each Entity in clauses (a) through (m); *provided*, that, in each case, an Entity shall not be a Released Party if it (i) elects to opt out of the Third-Party Release as provided on its respective Release Opt-Out Form or (ii) timely Files with the Bankruptcy Court on the docket of the Chapter 11 Cases an objection to the Third-Party Release that is not resolved before Confirmation; *provided*, *further*, that, for the avoidance of doubt, any opt-out election made by a Consenting Stakeholder or an Additional Financing Party shall be void *ab initio*.

145. "***Releases***" means, collectively, the Debtor Release and the Third-Party Release as set forth in Article IX hereof.

146. "***Releasing Parties***" means, collectively, each of, and in each case in its capacity as such: (a) each Debtor; (b) each Reorganized Debtor; (c) each Non-Debtor Affiliate; (d) each of the Debtors' and Non-Debtor Affiliates' current and former directors, officers, and proxyholders; (e) each Consenting Stakeholder; (f) each Prepetition Agent; (g) each ABL Lender; (h) each FILO Lender; (i) the DIP Agent; (j) each DIP Lender; (k) the Exit Facility Agent; (l) each lender under the Exit Facilities; (m) each Additional Financing Party; (n) each Holder of a Claim that is Unimpaired under this Plan that does not elect to opt out of the Releases contained in this Plan; (o) each Holder of a Claim that is entitled to vote on this Plan and either (i) votes to accept this Plan,

(ii) abstains from voting on this Plan and does not elect to opt out of the Releases contained in this Plan, or (iii) votes to reject this Plan and does not elect to opt out of the Releases contained in this Plan; and (p) each Related Party of each Entity in clauses (a) through (o); *provided*, that, for the avoidance of doubt, any opt-out election made by a Consenting Stakeholder or an Additional Financing Party shall be void *ab initio*.

147. "***Reorganized Board***" means the initial board of directors or similar governing body of the Reorganized Parent.

148. "***Reorganized Debtors***" means, on or after the Effective Date, the Debtors, as reorganized pursuant to and under this Plan, or any successor thereto.

149. "***Reorganized Parent***" means, on or after the Effective Date, Parent as reorganized pursuant to and under this Plan.

150. "***Representatives***" means, with respect to any Person, such Person's Affiliates and its and their directors, officers, members, partners, managers, employees, agents, investment bankers, attorneys, accountants, advisors, investment advisors, investors, managed accounts or funds, management companies, fund advisors, advisory board members, professionals, and other representatives, in each case, solely in their capacities as such.

151. "***Required Consenting Stakeholders***" means, as of any time, the Required Consenting Term Lenders and the Required Consenting Stockholder Parties at such time.

152. "***Required Consenting Stockholder Parties***" means, as of any time, Consenting Stockholder Parties holding at least fifty and one hundredth percent (50.01%) of the aggregate issued and outstanding Existing Equity Interests that are held by Consenting Stockholder Parties at such time.

153. "***Required Consenting Term Lenders***" means, as of any time, Consenting Term Lenders holding at least fifty and one hundredth percent (50.01%) of the Term Loan Claims that are held by Consenting Term Lenders at such time.

154. "***Required DIP Lenders***" means, as of any time, DIP Lenders holding at least fifty and one hundredth percent (50.01%) of the aggregate outstanding principal amount and commitments of the DIP Facility at such time.

155. "***Restructuring Fees and Expenses***" means all reasonable and documented fees and expenses of the (a) Agents; (b) ABL Facility Agent Advisors; (c) FILO Term Loan Advisors; (d) Term Loan Agent Advisors; (e) DIP Agent Advisors; (f) Exit Facility Agent Advisors; (g) Ad Hoc Group Advisors; (h) Consenting Stockholder Party Advisors; and (i) advisors to the Additional Financing Parties, in each case, payable in accordance with the terms hereof, the applicable engagement and/or fee letters with the Debtors, the Transaction Support Agreement, the DIP Facility Documents, the Term Loan Documents, the ABL Credit Agreement, the ABL/FILO Exit Facility Commitment Letters, and the Interim DIP/Cash Collateral Order, as applicable, and subject to any order of the Bankruptcy Court and any other applicable agreements by such party with respect thereto.

156. "***Restructuring Transaction Steps Memorandum***" means the document setting forth the sequence of certain Restructuring Transactions.

157. "***Restructuring Transactions***" means the transactions described in Article IV.B of this Plan.

158. "***Retained Professional***" means an Entity: (a) employed in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327 and/or 1103 of the Bankruptcy Code and to be compensated for services rendered before the Effective Date, pursuant to sections 327, 328, 329, 330, or 331 of the Bankruptcy Code; or (b) for which compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

159. "***SEC***" means the United States Securities and Exchange Commission.

160. "***Secured Claim***" means a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or (b) otherwise Allowed pursuant to this Plan or order of the Bankruptcy Court as a secured claim.

161. "***Securities***" means any instruments that qualify as a "security" under Section 2(a)(1) of the Securities Act.

162. "***Securities Act***" means the Securities Act of 1933, as now in effect or hereafter amended, or any regulations promulgated thereunder.

163. "***Solicitation Materials***" means any documents, forms, ballots, notices, and other materials provided in connection with the solicitation of votes on this Plan pursuant to sections 1125 and 1126 of the Bankruptcy Code.

164. "***Solicitation Procedures Motion***" means the *Motion of Debtors for Entry of Order (I) Scheduling Combined Hearing to Consider (A) Approval of Disclosure Statement, (B) Approval of Solicitation Procedures and Forms of Ballots, and (C) Confirmation of Plan; (II) Establishing an Objection Deadline to Object to Disclosure Statement and Plan; (III) Approving the Form and Manner of Notice of Combined Hearing, Objection Deadline, and Notice of Commencement; (IV) Approving Notice and Objection Procedures for the Assumption or Rejection of Executory Contracts and Unexpired Leases; (V) Conditionally Waiving Requirement of Filing Schedules of Assets and Liabilities, Statements of Financial Affairs, and 2015.3 Reports; (VI) Conditionally Waiving Requirement to Convene the Section 341 Meeting of Creditors; and (VII) Granting Related Relief* to be filed on the Petition Date.

165. "***Solicitation Procedures Order***" means an order of the Bankruptcy Court granting the relief requested in the Solicitation Procedures Motion.

166. "***Subordinated Claim***" means any Claim against the Debtors that is subject to subordination under section 509(c), section 510(b), or section 510(c) of the Bankruptcy Code, including any Claim for reimbursement, indemnification, or contribution (except indemnification or reimbursement Claims assumed hereunder).

167. "***Supporting Trade Creditors***" means, collectively, the Holders of General Unsecured Claims that have executed Joinders.

168. "***Term Loan Agent***" means Wilmington Savings Fund Society, FSB, in its capacity as administrative agent and collateral agent under the Term Loan Credit Agreement and any replacement or successor agent thereto.

169. "***Term Loan Agent Advisors***" means ArentFox Schiff LLP and such other professional advisors as are retained by the Term Loan Agent with the consent of the Debtors (not to be unreasonably withheld).

170. "***Term Loan Claims***" means Claims arising under or related to the Term Loan Credit Agreement.

171. "***Term Loan Credit Agreement***" means that certain Credit Agreement, dated as of October 21, 2016, as amended by that certain Incremental Amendment No. 1 on July 21, 2017 and that certain Amendment No. 2 on July 7, 2021, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

172. "***Term Loan Documents***" means the Term Loan Credit Agreement together with all other related documents, instruments, and agreements in respect of the Term Loans, in each case, as amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

173. "***Term Loans***" means the senior secured first-lien term loans issued pursuant to the Term Loan Credit Agreement.

174. "***Third-Party Release***" means the releases given by the Releasing Parties to the Released Parties in Article IX.C hereof.

175. "***Transaction Support Agreement***" means that certain Transaction Support Agreement entered into on March 15, 2024, among the Debtors and certain of the Consenting Stakeholders and any exhibits, schedules, attachments, or appendices thereto (in each case, as such may be amended, modified, or supplemented in accordance with its terms).

176. "***Transaction Term Sheet***" means the term sheet attached as Exhibit B to the Transaction Support Agreement, together with the exhibits and appendices annexed thereto.

177. "***Transfer Agreement***" means the transfer agreement, substantially in the form attached as Exhibit H to the Transaction Support Agreement, providing, among other things, that a transferee is bound by the terms of the Transaction Support Agreement.

178. "***Unexpired Lease***" means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 or 1123 of the Bankruptcy Code.

179. "***Unimpaired***" means, with respect to a Claim, Interest, or Class of Claims or Interests, not "impaired" within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code.

180. "***United States***" means the United States of America, its agencies, departments, or agents.

181. "***United States Trustee***" means the Office of the United States Trustee for the District of Delaware.

182. "***United States Trustee Statutory Fees***" means the quarterly fees due to the United States Trustee under 28 U.S.C § 1930(a)(6), plus any interest due and payable under 31 U.S.C. § 3717 on all disbursements, including Plan payments and disbursements in and outside the ordinary course of the Debtors' or Reorganized Debtors' businesses (or such amount agreed to with the United States Trustee or ordered by the Bankruptcy Court).

183. "***Unsecured Claim***" means a claim that is not secured by a Lien on property in which one of the Debtors' Estates has an interest.

184. "***Voting Class***" means Class 2 (ABL Claims), Class 3 (FILO Claims), and Class 4 (Term Loan Claims).

185. "***Workers' Compensation Contracts***" means the Debtors' written contracts, agreements, agreements of indemnity, self-insured workers' compensation bonds, policies, programs, and Plans for workers' compensation and workers' compensation Insurance Contracts.

B. *Rules of Interpretation*

1. For purposes herein: (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) unless otherwise specified, any reference herein to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed, or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, modified, or supplemented; (d) any reference to any Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (e) unless otherwise specified, all references herein to "Articles" are references to Articles of this Plan; (f) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to this Plan in its entirety rather than to a particular portion of this Plan; (g) subject to the provisions of any contract, certificate of incorporation, by-law, instrument, release, or other agreement or document created or entered into in connection with this Plan, the rights and obligations arising pursuant to this Plan shall be governed by, and construed and enforced in accordance with, applicable federal law, including the Bankruptcy Code and Bankruptcy Rules; (h) unless otherwise specified, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; (i) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; (j) references to "Proofs of Claim," "Holders of Claims," "Disputed Claims," and the like shall include "Proofs of Interests," "Holders of Interests," "Disputed Interests," and the like, as applicable; (k) captions and headings to Articles and subdivisions thereof are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (l) unless otherwise specified, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (m) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (n) unless otherwise specified, all references to statutes, regulations, orders, rules of courts, and the like shall mean as in effect on the Effective Date and as applicable to the Chapter 11 Cases; (o) any effectuating provisions may be interpreted by the Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of this Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, and such interpretation shall control; (p) references to docket numbers are references to the docket numbers of documents Filed in the Chapter 11 Cases under the Bankruptcy Court's CM/ECF system; and (q) all references herein to consent, acceptance, or approval may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail.

2. Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to this Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day. Unless otherwise specified herein, any references to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter.

3. All references in this Plan to monetary figures refer to currency of the United States, unless otherwise expressly provided.

4. Except as otherwise specifically provided in this Plan to the contrary, references in this Plan to the Debtors or to the Reorganized Debtors mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

C. *Consent Rights*

Notwithstanding anything to the contrary in this Plan, the Combined Order, or the Disclosure Statement, any and all consent, consultation, and approval rights set forth in the Transaction Support Agreement and the ABL/FILO Exit Commitment Letters, including rights and limitations with respect to the form and substance of any Definitive Document (including any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents) shall be incorporated herein by this reference (including to the applicable definitions in Article I.A) and fully enforceable as if stated in full herein.

Article II.
ADMINISTRATIVE CLAIMS, PRIORITY TAX CLAIMS, OTHER PRIORITY CLAIMS, AND UNITED STATES TRUSTEE STATUTORY FEES

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

A. *Administrative Claims*

1. General Administrative Claims

Subject to the provisions of sections 328, 330(a), and 331 of the Bankruptcy Code, except to the extent that a Holder of an Allowed General Administrative Claim and the applicable Debtor(s) or Reorganized Debtor(s), as applicable, agree to less favorable treatment with respect to such Allowed General Administrative Claim, each Holder of an Allowed General Administrative Claim shall receive, in full and final satisfaction of its General Administrative Claim, an amount in Cash equal to the unpaid amount of such Allowed General Administrative Claim in accordance with the following: (a) if such General Administrative Claim is Allowed on or before the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter or, if not then due, when such Allowed General Administrative Claim is due or as soon as reasonably practicable thereafter; (b) if such General Administrative Claim is Allowed after the Effective Date, on the date such General Administrative Claim is Allowed or as soon as reasonably practicable thereafter or, if not then due, when such Allowed General Administrative Claim is due or as soon as reasonably practicable thereafter; (c) at such time and upon such terms as may be agreed upon by such Holder and the Debtors or the Reorganized Debtors, as the case may be; or (d) at such time and upon such terms as set forth in an order of the Bankruptcy Court; *provided*, that Allowed General Administrative Claims that arise in the ordinary course of the Debtors' businesses during the Chapter 11 Cases shall be paid by such applicable Debtor or Reorganized Debtor in full in Cash in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice without further notice to or order of the Bankruptcy Court. Nothing in the foregoing or otherwise in this Plan shall prejudice the Debtors' or the Reorganized Debtors' rights and defenses regarding any asserted General Administrative Claim.

2. Professional Fee Claims

a. *Professional Fee Applications*

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred before the Effective Date must be Filed no later than thirty (30) days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders. The Reorganized Debtors shall pay Professional Fee Claims owing to the Retained Professionals in Cash in the amount the Bankruptcy Court Allows from funds held in the Professional Fee Escrow Account, as soon as reasonably practicable after such Professional Fee Claims are Allowed by entry of an order of the Bankruptcy Court; *provided*, that the Debtors' and the Reorganized Debtors' obligations to pay Allowed Professional Fee Claims shall not be limited or deemed limited to funds held in the Professional Fee Escrow Account. To the extent that funds held in the Professional Fee Escrow Account are insufficient to satisfy the Allowed amount of Professional Fee Claims owing to the Retained Professionals, the Reorganized Debtors shall pay such amounts within ten (10) Business Days of entry of the order approving such Professional Fee Claims.

b. *Professional Fee Escrow Account*

The Professional Fee Escrow Account shall be maintained in trust solely for the Retained Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full in Cash 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. No funds held in the Professional Fee Escrow Account shall be property of the Estates of the Debtors or the Reorganized Debtors. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full in Cash pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Escrow Account shall be remitted to the Reorganized Debtors without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity being required.

c. *Professional Fee Escrow Amount*

No later than five (5) days before the anticipated Effective Date, the Retained Professionals shall deliver to the Debtors a reasonable and good-faith estimate of their unpaid fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date projected to be outstanding as of the anticipated Effective Date. For the avoidance of doubt, no such estimate shall be considered or deemed an admission or limitation with respect to the amount of the fees and expenses that are the subject of a Retained Professional's final request for payment of Professional Fee Claims Filed with the Bankruptcy Court, and such Retained Professionals are not bound to any extent by the estimates. If a Retained Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Retained Professional. The total aggregate amount so estimated to be outstanding as of the anticipated Effective Date shall be utilized by the Debtors to determine the amount to be funded to the Professional Fee Escrow Account; *provided*, that the Reorganized Debtors shall use Cash on hand 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.

For the avoidance of doubt, the terms of this Article II.A.2.c shall not apply to the parties entitled to receive the Restructuring Fees and Expenses.

B. *DIP Claims*

Except to the extent that a Holder of an Allowed DIP Claim and the Debtor(s) against which such Allowed DIP Claim is asserted agree to a less favorable treatment, in exchange for full and final satisfaction, settlement, release, and the discharge of each Allowed DIP Claim, each Holder of an Allowed DIP Claim shall receive, on the Effective Date, its Pro Rata Share of: (1) the New Equity Interests equal to the amount of the DIP Participation Fee; and (2) in respect of the DIP Term Loan Claims, Exit Term Loans. All Holders of DIP Claims have consented to their treatment under this Plan pursuant to the terms of the Transaction Support Agreement and the DIP Facility Documents.

C. *Priority Tax Claims*

Except to the extent that a Holder of an Allowed Priority Tax Claim and the Debtor(s) against which such Allowed Priority Tax Claim is asserted agree to a less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code. Nothing in the foregoing or otherwise in this Plan shall prejudice the Debtors' or the Reorganized Debtors' rights and defenses regarding any asserted Priority Tax Claim.

D. *Other Priority Claims*

Except to the extent that a Holder of an Allowed Other Priority Claim and the Debtor(s) against which such Allowed Other Priority Claim is asserted agree to a less favorable treatment, in exchange for full and final satisfaction, settlement, release, and the discharge of each Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim due and payable on or before the Effective Date shall receive, as soon as reasonably practicable after the Effective Date, on account of such Claim: (1) Cash in an amount equal to the amount of such Allowed Other Priority Claim; or (2) Cash in an amount agreed to by the applicable Debtor or Reorganized Debtor, as applicable, and such Holder. To the extent any Allowed Other Priority Claim is not due and owing on or before the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors (or the Reorganized Debtors, as applicable) and such Holder, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business. Nothing in the foregoing or otherwise in this Plan shall prejudice the Debtors' or the Reorganized Debtors' rights and defenses regarding any asserted Other Priority Claim.

E. *United States Trustee Statutory Fees*

The Debtors and the Reorganized Debtors, as applicable, shall pay all United States Trustee Statutory Fees for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

F. *Restructuring Fees and Expenses*

The Restructuring Fees and Expenses incurred, or estimated to be incurred, up to and including the Effective Date (or, with respect to necessary post-Effective Date activities, after the Effective Date), shall be paid in full in Cash on the Effective Date in accordance with, and subject to, the terms of the Transaction Support Agreement or the DIP/Cash Collateral Orders, as applicable, (unless otherwise provided in any other order of the Bankruptcy Court), without any requirement to file a fee application with the Bankruptcy Court or without any requirement for Bankruptcy Court or United States Trustee review or approval (unless otherwise provided in any other order of the Bankruptcy Court), or without notice and a hearing pursuant

to section 1129(a)(4) of the Bankruptcy Code or otherwise. All Restructuring Fees and Expenses to be paid on the Effective Date shall be estimated before and as of the Effective Date and such estimates shall be delivered to the Debtors at least five (5) Business Days before the anticipated Effective Date; *provided*, *however*, that such estimates shall not be considered an admission or limitation with respect to such Restructuring Fees and Expenses. On the Effective Date, or as soon as practicable thereafter, final invoices for all Restructuring Fees and Expenses incurred before and as of the Effective Date shall be submitted to the Debtors. In addition, the Debtors and the Reorganized Debtors, as applicable, shall continue to pay, when due and payable in the ordinary course, pre-Effective Date Restructuring Fees and Expenses related to this Plan and the implementation, consummation, and defense of this Plan and the Restructuring Transactions, incurred before the Effective Date, in accordance with the Transaction Support Agreement and the ABL/FILO Exit Facility Commitment Letters.

Article III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. *Classification of Claims*

This Plan constitutes a separate chapter 11 Plan of reorganization for each Debtor. The provisions of this Article III govern Claims against and Interests in the Debtors. Except for the Claims addressed in Article II above (or as otherwise set forth herein), all Claims and Interests are placed in Classes for each of the applicable Debtors. For all purposes under this Plan, each Class shall exist for each of the Debtors; *provided*, that any Class that is vacant as to a particular Debtor shall be treated in accordance with Article III.G below. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Claims, Priority Tax Claims, and Other Priority Claims as described in Article II above.

The categories of Claims and Interests listed below classify Claims and Interests for all purposes, including voting, Confirmation, and distribution pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. This Plan deems a Claim or Interest to be classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or an Interest is in a particular Class only to the extent that any such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled before the Effective Date.

Summary of Classification and Treatment of Claims and Interests

Class	Claim	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Presumed to Accept
2	***ABL Claims***	***Impaired***	***Entitled to Vote***
3	***FILO Claims***	***Impaired***	***Entitled to Vote***
4	***Term Loan Claims***	***Impaired***	***Entitled to Vote***
5	General Unsecured Claims	Unimpaired	Presumed to Accept
6	Subordinated Claims	Impaired	Deemed to Reject
7	Intercompany Claims	Impaired / Unimpaired	Deemed to Reject / Presumed to Accept
8	Intercompany Interests	Impaired / Unimpaired	Deemed to Reject / Presumed to Accept
9	Existing Equity Interests	Impaired	Deemed to Reject

B. *Treatment of Claims and Interests*

1. *Class 1 — Other Secured Claims*

a. *Classification*: Class 1 consists of all Other Secured Claims.

b. *Treatment*: Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim, at the option of the applicable Debtor, shall, on the Effective Date, (i) be paid in full in Cash including the payment of any interest required to be paid under section 506(b) of the Bankruptcy Code, (ii) receive the collateral securing its Allowed Other Secured Claim, or (iii) receive any other treatment that would render such Claim Unimpaired, in each case, as determined by the Debtors with the consent of the Required DIP Lenders (not to be unreasonably withheld).

c. *Voting*: Class 1 is Unimpaired, and Holders of Other Secured Claims are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Other Secured Claims are not entitled to vote to accept or reject this Plan. Holders of Other Secured Claims shall be provided a Release Opt-Out Form solely for purposes of affirmatively opting out of the Third-Party Release.

2. *Class 2 — ABL Claims*

a. *Classification*: Class 2 consists of all ABL Claims.

b. *Allowance*: ABL Claims shall be deemed Allowed in the aggregate principal amount of $286,392,067.52, plus (i) any accrued but unpaid fees and interest in respect thereof through and including the Effective Date, (ii) outstanding letters of credit, (iii) amounts drawn under letters of credit, (iv) the amount of all other "Revolving Obligations" (as defined in the ABL Credit Agreement), and (v) fees and other expenses arising under or in connection with the ABL Facility (including with respect to any fees, expenses or other amounts owed on account of the ABL Facility pursuant to the DIP/Cash Collateral Orders).

c. *Treatment*: Except to the extent that a Holder of an Allowed ABL Claim agrees to less favorable treatment, on the Effective Date, either (i) in the event the Debtors elect to refinance the ABL Claims (which election may be made only if the Debtors are also refinancing the FILO Claims and with the consent of the Required DIP Lenders), each Holder of an Allowed ABL Claim shall receive payment in full in Cash on the Effective Date in the Allowed amount of such ABL Claim (including

the replacement or cash collateralization of all issued and undrawn letters of credit in accordance with and in the amounts specified under the ABL Credit Agreement) or (ii) in the event clause (i) is not applicable, (A) each Holder of an Allowed ABL Claim shall receive its Pro Rata Share of refinanced loans under the Exit ABL/FILO Facility Amendment in an amount equal to the principal amount of the Allowed ABL Claims held by such Holder as of the Effective Date, (B) each Holder of an Allowed ABL Claim shall receive Cash in an amount equal to the accrued but unpaid interest payable to such Holder under the ABL Credit Agreement as of the Effective Date, (C) Allowed ABL Claims consisting of letters of credit shall be deemed to be letters of credit issued under the Exit ABL/FILO Facility Amendment, (D) other Allowed ABL Claims shall be deemed to be obligations of the same type under the Exit ABL Loans and Exit FILO Loans, and (E) all Allowed ABL Claims shall continue to constitute obligations of the Debtors on the Effective Date; *provided* that the treatment pursuant to this clause (ii) shall apply only upon the Debtors' satisfaction of the exit conditions enumerated in the ABL/FILO Exit Commitment Letters.

d. *Voting*: Class 2 is Impaired, and Holders of ABL Claims are entitled to vote to accept or reject this Plan.

3. *Class 3 — FILO Claims*

a. *Classification*: Class 3 consists of all FILO Claims.

b. *Allowance*: FILO Claims shall be deemed Allowed in the aggregate principal amount of $115,749,863, inclusive of the FILO Prepayment Premium and the unpaid portion of the Collateral Monitoring Fee (as defined in the FILO Fee Letter) that was earned as of the Petition Date for the second year of the FILO Facility, pursuant to the terms of the ABL Facility Documents, plus any accrued but unpaid interest in respect thereof through and including the Effective Date and fees and other expenses arising under or in connection with the FILO Term Loans (including with respect to any fees, expenses or other amounts owed on account of the FILO Term Loans pursuant to the DIP/Cash Collateral Orders).

c. *Treatment*: Except to the extent that a Holder of an Allowed FILO Claim agrees to less favorable treatment, on the Effective Date, either (i) in the event the Debtors elect to refinance the FILO Claims (which election may be made only if the Debtors are also refinancing the ABL Claims and with the consent of the Required DIP Lenders), each Holder of an Allowed FILO Claim shall receive payment in full in Cash on the Effective Date in the Allowed amount of such FILO Claim or (ii) in the event clause (i) is not applicable, (A) each Holder of an Allowed FILO Claim shall receive its Pro Rata Share of refinanced loans under the Exit ABL/FILO Facility Amendment in an amount equal to the principal amount of the Allowed FILO Claims held by such Holder as of the Effective Date, and (B) each Holder of an Allowed FILO Claim shall receive Cash in an amount equal to the accrued but unpaid interest payable to such Holder under the ABL Credit Agreement as of the Effective Date; *provided* that the treatment pursuant to this clause (ii) shall apply only upon the Debtors' satisfaction of the exit conditions enumerated in the ABL/FILO Exit Commitment Letters. The unpaid portion of the Collateral Monitoring Fee that was earned as of the Petition Date for the second year of the FILO Facility and the FILO Prepayment Premium shall be included in the amount of FILO Claims outstanding as of the Petition Date; *provided* that, on the Effective

Date of an Acceptable ABL/FILO Plan pursuant to which the Debtors enter into the Exit ABL/FILO Facility Amendment, (x) the amount of the FILO Claims constituting the FILO Prepayment Premium shall be waived and (y) such unpaid portion of the Collateral Monitoring Fee shall be deemed not to have been capitalized to principal, and shall instead be due and payable on a monthly basis in accordance with the FILO Fee Letter (as replaced or amended in connection with the Exit ABL/FILO Facility Amendment), it being understood that any monthly installment of such unpaid portion that would have been payable before the Effective Date of such Acceptable ABL/FILO Plan shall be paid in Cash to the FILO Term Loan Agent on such Effective Date.

d. *Voting*: Class 3 is Impaired, and Holders of FILO Claims are entitled to vote to accept or reject this Plan.

4. *Class 4 — Term Loan Claims*

a. *Classification*: Class 4 consists of all Term Loan Claims.

b. *Allowance*: Term Loan Claims shall be deemed Allowed in the aggregate principal amount of $658,125,000.

c. *Treatment*: Except to the extent that a Holder of a Term Loan Claim agrees to less favorable treatment, on the Effective Date, each Holder of an Allowed Term Loan Claim shall receive, in full and final satisfaction, settlement, release, and discharge and in exchange for each Allowed Term Loan Claim, its Pro Rata Share of the New Equity Interests, subject to dilution by the Management Incentive Plan, the DIP Participation Fee, and the New Equity Interests issued to certain Additional Financing Parties.

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

5. *Class 5 — General Unsecured Claims*

a. *Classification*: Class 5 consists of all General Unsecured Claims.

b. *Treatment*: Subject to Article V.C of this Plan and except to the extent that a Holder of a General Unsecured Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge and in exchange for each Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim against a Debtor shall receive payment in full in Cash in accordance with applicable law and the terms and conditions of the particular transaction giving rise to, or the agreement that governs, such Allowed General Unsecured Claim on the later of (i) the date due in the ordinary course of business or (ii) the Effective Date; *provided*, *however*, that no Holder of an Allowed General Unsecured Claim shall receive any distribution for any Claim that has previously been satisfied pursuant to a Final Order of the Bankruptcy Court.

c. *Voting*: Class 5 is Unimpaired, and Holders of General Unsecured Claims are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of General Unsecured Claims are not entitled to vote to accept or reject this Plan. Holders of General Unsecured Claims shall be provided a Release Opt-Out Form solely for purposes of affirmatively opting out of the Third-Party Release.

6. *Class 6 — Subordinated Claims*

   a. *Classification*: Class 6 consists of all Subordinated Claims.

   b. *Treatment*: Holders of Subordinated Claims shall receive no recovery or distribution on account of such Subordinated Claims. Unless otherwise provided for under this Plan, on the Effective Date, Subordinated Claims shall be canceled, released, discharged, and extinguished.

   c. *Voting*: Class 6 is Impaired, and Holders of Subordinated Claims are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Subordinated Claims are not entitled to vote to accept or reject this Plan.

7. *Class 7 — Intercompany Claims*

   a. *Classification*: Class 7 consists of all Intercompany Claims.

   b. *Treatment*: No property shall be distributed to the Holders of Allowed Intercompany Claims. Unless otherwise provided for under this Plan, on the Effective Date, at the option of the applicable Debtor with the consent of the Required DIP Lenders (not to be unreasonably withheld), Intercompany Claims shall be either: (i) Reinstated; or (ii) set off, settled, distributed, contributed, merged, canceled, or released.

   c. *Voting*: Class 7 is either (i) Unimpaired, in which case Holders of Allowed Intercompany Claims are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (ii) Impaired, and not receiving any distribution under this Plan, in which case Holders of Allowed Intercompany Claims are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, in each case, Holders of Allowed Intercompany Claims are not entitled to vote to accept or reject this Plan.

8. *Class 8 — Intercompany Interests*

   a. *Classification*: Class 8 consists of all Intercompany Interests.

   b. *Treatment*: No property shall be distributed to the Holders of Allowed Intercompany Interests. Unless otherwise provided for under this Plan, on the Effective Date, at the option of the applicable Debtor with the consent of the Required DIP Lenders (not to be unreasonably withheld), Intercompany Interests shall be either: (i) Reinstated; or (ii) set off, settled, distributed, contributed, merged, canceled, or released.

   c. *Voting*: Class 8 is either (i) Unimpaired, in which case Holders of Allowed Intercompany Interests are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (ii) Impaired, and not receiving any distribution under this Plan, in which case Holders of Allowed Intercompany Interests are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, in each case, Holders of Allowed Intercompany Interests are not entitled to vote to accept or reject this Plan.

9. *Class 9 — Existing Equity Interests*

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

b. *Treatment*: Holders of Existing Equity Interests are not entitled to receive a recovery or distribution on account of such Existing Equity Interests. On the Effective Date, Existing Equity Interests shall be canceled, released, discharged, and extinguished, and shall be of no further force or effect.

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

C. *Acceptance or Rejection of this Plan*

1. Presumed Acceptance of this Plan

Claims in Classes 1 and 5 are Unimpaired under this Plan and their Holders are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Claims in Classes 1 and 5 are not entitled to vote on this Plan and the votes of such Holders shall not be solicited. Notwithstanding their non-voting status, Holders of such Claims shall receive a Release Opt-Out Form solely for purposes of affirmatively opting out of the Third-Party Release.

2. Voting Classes

Claims in Classes 2, 3, and 4 are Impaired under this Plan and the Holders of Allowed Claims in such Classes are entitled to vote to accept or reject this Plan, including by acting through a voting representative. For purposes of determining acceptance and rejection of this Plan, each such Class shall be regarded as a separate Voting Class and votes shall be tabulated on a Debtor-by-Debtor basis.

An Impaired Class of Claims shall have accepted this Plan if (a) the Holders, including Holders acting through a voting representative, of at least two-thirds (2/3) in amount of Claims actually voting in such Class have voted to accept this Plan and (b) the Holders, including Holders acting through a voting representative, of more than one-half (1/2) in number of Claims actually voting in such Class have voted to accept this Plan. Holders of Claims in Classes 2, 3, and 4 (or, if applicable, the voting representatives of such Holders) shall receive ballots containing detailed voting instructions. For the avoidance of doubt, each Claim in any Class entitled to vote to accept or reject this Plan that is not Allowed pursuant to this Plan, and in each case, is wholly contingent, unliquidated, or disputed, in each case, shall be accorded one (1) vote and valued at one dollar ($1.00) for voting purposes only, and not for purposes of allowance or distribution.

3. Deemed Rejection of this Plan

Claims and Interests in Class 6 and 9 are Impaired under this Plan and are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Claims and Interests in Classes 6 and 9 are not entitled to vote on this Plan and the votes of such Holders shall not be solicited.

4. Presumed Acceptance of this Plan or Deemed Rejection of this Plan

Claims and Interests in Classes 7 and 8 are either (a) Unimpaired and, therefore, conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (b) Impaired and shall receive no distributions under this Plan and, therefore, deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Claims and Interests in Classes 7 and 8 are not entitled to vote on this Plan and votes of such Holders shall not be solicited.

D. *Confirmation Pursuant to Section 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 this Plan by an Impaired Class of Claims entitled to vote (*i.e.*, any of Class 2, 3 or 4). The Debtors shall seek Confirmation 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 this Plan in accordance with Article XI of this 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 Bankruptcy Rules.

E. *Subordinated Claims*

The allowance, classification, and treatment of all Allowed Claims and Interests, and the respective distributions and treatments under this 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, sections 509 or 510 of the Bankruptcy Code, or otherwise; *provided*, that, notwithstanding the foregoing, such Allowed Claims or Interests and their respective treatments set forth herein shall not be subject to setoff, demand, recharacterization, turnover, disgorgement, avoidance, or other similar rights of recovery asserted by any Person. Pursuant to section 510 of the Bankruptcy Code, except where otherwise provided herein, the Reorganized Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination rights relating thereto.

F. *Special Provision Governing Unimpaired Claims*

Except as otherwise provided herein, nothing under this Plan shall affect or limit the Debtors' or the Reorganized Debtors' rights and defenses (whether legal or equitable) in respect of any Unimpaired Claims, including, without limitation, all rights in respect of legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claims.

G. *Vacant and Abstaining Classes*

Any Class of Claims or Interests that is not occupied as of the commencement of the Combined Hearing by an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed under Bankruptcy Rule 3018 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. Moreover, any Class of Claims that is occupied as of the commencement of the Combined Hearing by an Allowed Claim or a Claim temporarily Allowed under Bankruptcy Rule 3018, but as to which no vote is cast, shall be deemed to accept this Plan pursuant to section 1129(a)(8) of the Bankruptcy Code.

H. *Controversy Concerning Impairment*

If a controversy arises as to whether any Claim or Interest (or any Class of Claims or Interests) are Impaired under this Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date, absent consensual resolution of such controversy consistent with the Transaction Support Agreement among the Debtors and the complaining Entity or Entities.

I. *Intercompany Interests and Intercompany Claims*

To the extent Intercompany Interests and Intercompany Claims are Reinstated under this Plan, distributions on account of such Intercompany Interests and Intercompany Claims are not being received by Holders of such Intercompany Interests or Intercompany Interests on account of their Intercompany Interests or Intercompany Claims, but for the purposes of administrative convenience and to maintain the Debtors' (and their Affiliates') corporate structure, for the ultimate benefit of the Holders of New Equity Interests, to preserve ordinary course intercompany operations, and in exchange for the Debtors' and Reorganized Debtors' agreement under this Plan to make certain distributions to the Holders of Allowed Claims.

Article IV.
MEANS FOR IMPLEMENTATION OF THIS PLAN

A. *General Settlement of Claims and Interests*

In consideration for the classification, distributions, releases, and other benefits provided under this Plan, on the Effective Date, the provisions of this Plan shall constitute a set of integrated, good-faith compromises and settlements of all Claims, Interests, Causes of Action, and controversies resolved pursuant to this Plan. This Plan shall be deemed a motion by the Debtors to approve such compromises and settlements pursuant to Bankruptcy Rule 9019 and section 1123 of the Bankruptcy Code, and the entry of the Combined Order shall constitute the Bankruptcy Court's approval of such compromises and settlements under Bankruptcy Rule 9019 and section 1123 of the Bankruptcy Code, as well as a finding by the Bankruptcy Court that such integrated compromises or settlements are in the best interests of the Debtors, the Estates, and Holders of Claims and Interests, and are fair, equitable, and within the range of reasonableness. Subject to Article VI, distributions made to Holders of Allowed Claims and Allowed Interests in any Class are intended to be and shall be final and indefeasible and shall not be subject to avoidance, turnover, or recovery by any other Person.

B. *Restructuring Transactions*

Without limiting any rights and remedies of the Debtors or Reorganized Debtors under this Plan or applicable law, but in all cases subject to the terms and conditions of the Transaction Support Agreement, the Transaction Term Sheet, and Definitive Documents and any consents or approvals required thereunder, the entry of the Combined Order shall constitute authorization for the Debtors and Reorganized Debtors, as applicable, to take, or to cause to be taken, all actions necessary or appropriate to consummate and implement the provisions of this Plan before, on, and after the Effective Date, including such actions as may be necessary or appropriate to effectuate a corporate restructuring of their respective businesses and to otherwise simplify the overall corporate structure of the Reorganized Debtors. Such restructuring may include (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, disposition, liquidation, or dissolution containing terms that are consistent with the terms of this Plan, the Transaction Support Agreement, the Transaction Term Sheet, and the other Definitive Documents and that satisfy the applicable requirements of applicable state law and such other terms to which the applicable entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, duty, or obligation on terms consistent with the terms of this Plan, the Transaction Support Agreement, the Transaction Term Sheet, and the other Definitive Documents and having such other terms to which the applicable Entities may agree; (3) the filing of appropriate certificates or articles of merger, consolidation, or dissolution pursuant to applicable state law; and (4) all other actions that the Debtors and/or the applicable Entities

determine to be necessary or appropriate, including making filings or recordings that may be required by applicable state law or foreign law in connection with such transactions, but in all cases subject to the terms and conditions of this Plan, the Transaction Support Agreement, the Transaction Term Sheet, and the other Definitive Documents and any consents or approvals required thereunder.

The Combined Order shall and shall be deemed to, pursuant to both section 1123 and section 363 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Restructuring Transactions (including any other transaction described in, approved by, contemplated by, or necessary to effectuate this Plan).

C. *Corporate Existence*

Except as otherwise provided in this Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate Entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each Debtor is incorporated or formed and pursuant to the respective memorandum and articles of association, certificate of incorporation and bylaws (or other formation documents) in effect before the Effective Date, except to the extent such memorandum and articles of association, certificate of incorporation and bylaws (or other formation documents) are amended by this Plan, by the Debtors, or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to this Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

D. *Vesting of Assets in the Reorganized Debtors Free and Clear of Liens and Claims*

Except as otherwise expressly provided in this Plan or any agreement, instrument, or other document incorporated herein pursuant to sections 1123(a)(5), 1123(b)(3), 1141(b) and (c), and other applicable provisions of the Bankruptcy Code, on and after the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to this Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, the Reorganized Debtors may (1) operate their respective businesses, (2) use, acquire, and dispose of their respective property, and (3) compromise or settle any Claims, Interests, or Causes of Action, in each case without notice to, supervision of, or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, including for the avoidance of doubt any restrictions on the use, acquisition, sale, lease, or disposal of property under section 363 of the Bankruptcy Code.

E. *Cancellation of Existing Agreements and Existing Equity Interests*

On the Effective Date, except with respect to the Exit ABL Loans, the Exit FILO Loans, the Exit ABL/FILO Facility Amendment, the ABL Credit Agreement (if amended and restated, refinanced, or deemed to be reaffirmed in connection with the Exit ABL/FILO Facility Amendment), and the ABL Facility Documents (including any pre-existing mortgage, deed of trust, Lien, pledge, or other security interest granted in connection therewith that shall be carried forward, continued, amended, or extended with respect to the Reorganized Debtors' assets, to secure the Exit ABL Loans and the Exit FILO Loans), or to the extent otherwise provided in this Plan, the Combined Order, or any other Definitive Document, all notes, bonds, indentures, certificates, securities, purchase rights, options, warrants, collateral agreements, subordination agreements, or other instruments or documents directly or indirectly evidencing, creating, or relating to any existing indebtedness or obligations of the Debtors or giving rise to any rights or obligations relating to Claims against or Interests in the Debtors shall be deemed canceled and surrendered, and the obligations of the Debtors or the Reorganized Debtors, as applicable, and any Non-Debtor Affiliates thereunder or in any

way related thereto shall be deemed satisfied in full, released, and discharged; *provided*, that, notwithstanding such cancellation, satisfaction, release, and discharge, anything to the contrary contained in this Plan or the Combined Order, Confirmation, or the occurrence of the Effective Date, any such document or instrument that governs the rights, claims, or remedies of the Holder of a Claim or Interest shall continue in effect solely for purposes of: (1) enabling the Holder of such Claim or Interest to receive distributions on account of such Claim or Interest under this Plan as provided herein; (2) allowing and preserving the rights of the Prepetition Agents, DIP Agent, and Exit Facility Agent, as applicable, to make distributions as specified under this Plan on account of Allowed Claims, as applicable, including allowing the Prepetition Agents, DIP Agent, and Exit Facility Agent, as applicable, to submit invoices for any amount and enforce any obligation owed to them under this Plan to the extent authorized or allowed by the applicable documents; (3) permitting the Reorganized Debtors and any other Distribution Agent, as applicable, to make distributions on account of applicable Claims and Interests, as applicable; (4) preserving the Prepetition Agents', DIP Agent's, and Exit Facility Agent's, as applicable, rights, if any, to compensation and indemnification as against any money or property distributable to the Holders of ABL Claims, FILO Claims, Term Loan Claims, and DIP Claims, as applicable, including permitting the Prepetition Agents, DIP Agent, and Exit Facility Agent, as applicable, to maintain, enforce, and exercise any priority of payment or charging liens against such distributions each pursuant and subject to the terms of the ABL Credit Agreement, Term Loan Credit Agreement, and DIP Credit Agreement, as applicable, as in effect on or immediately before the Effective Date, (5) preserving all rights, remedies, indemnities, powers, and protections, including rights of enforcement, of the Prepetition Agents, DIP Agent, and Exit Facility Agent, as applicable, against any person other than a Released Party (which Released Parties include the Debtors, Reorganized Debtors, and Non-Debtor Affiliates), and any exculpations of the Prepetition Agents, DIP Agent, and Exit Facility Agent, as applicable; *provided*, that the Prepetition Agents, DIP Agent, and Exit Facility Agent, shall remain entitled to indemnification or contribution from the Holders of ABL Claims, FILO Claims, Term Loan Claims, and DIP Claims, each pursuant and subject to the terms of the ABL Credit Agreement, Term Loan Credit Agreement, and DIP Credit Agreement, as applicable, as in effect on the Effective Date, (6) permitting the Prepetition Agents, DIP Agent, and Exit Facility Agent, as applicable, to enforce any obligation (if any) owed to them under this Plan, (7) permitting the Prepetition Agents, DIP Agent, and Exit Facility Agent to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court, and (8) permitting the Prepetition Agents, DIP Agent, and Exit Facility Agent, to perform any functions that are necessary to effectuate the foregoing; *provided*, *however*, that nothing in this Article IV.E shall affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, the Combined Order, or this Plan, or (except as set forth in (5) above) the releases of the Released Parties pursuant to Article IX of this Plan, or result in any expense or liability to the Debtors or Reorganized Debtors, as applicable, except as expressly provided for in this Plan. For the avoidance of doubt, nothing in this Article IV.E shall cause the Reorganized Debtors' obligations under the Exit Facilities Documents to be deemed satisfied in full, released, or discharged; *provided*, that notwithstanding this sentence, the ABL Claims, FILO Claims, Term Loan Claims, and DIP Claims shall be deemed satisfied in full, released, and discharged on the Effective Date. In furtherance of the foregoing, as of the Effective Date, Holders of ABL Claims, FILO Claims, Term Loan Claims, and DIP Claims shall be deemed to have released any such Claims against the Reorganized Debtors under the ABL Facility Documents, Term Loan Documents, and DIP Facility Documents and are enjoined from pursuing any such claims against any of the Reorganized Debtors in respect of such ABL Claims, FILO Claims, Term Loan Claims, and DIP Claims.

On the Effective Date, the Prepetition Agents, the DIP Agent, and each of their respective directors, officers, employees, agents, affiliates, controlling persons, and legal and financial advisors shall be automatically and fully released and discharged from any further responsibility under the ABL Credit Agreement, Term Loan Credit Agreement, and DIP Credit Agreement, as applicable. The Prepetition Agents, DIP Agent, and each of their respective directors, officers, employees, agents, affiliates, controlling persons, and legal and financial advisors shall be discharged and shall have no further obligation or liability

except as provided in this Plan and the Combined Order, and after the performance by the Prepetition Agents, DIP Facility Agent, and their representatives and professionals of any obligations and duties required under or related to this Plan or the Combined Order, the Prepetition Agents, DIP Agent, and each of their respective directors, officers, employees, agents, affiliates, controlling persons, and legal and financial advisors shall be relieved of and released from any obligations and duties arising thereunder. The fees, expenses, and costs of the Prepetition Agents and the DIP Agent, including fees, expenses, and costs of each of their respective professionals incurred after the Effective Date in connection with the ABL Credit Agreement, Term Loan Credit Agreement, or DIP Credit Agreement, as applicable, and reasonable and documented fees, costs, and expenses associated with effectuating distributions pursuant to this Plan, including the fees and expenses of counsel, if any, shall be paid in accordance with the terms of this Plan and the applicable Definitive Documents.

F. *Sources for Plan Distributions and Transfers of Funds Among Debtors*

The Debtors shall fund Cash distributions under this Plan with Cash on hand, including Cash from operations, and the proceeds of the DIP Facility and Exit Facilities. Cash payments to be made pursuant to this Plan shall be made by the Reorganized Debtors in accordance with Article VI. Subject to any applicable limitations set forth in any post-Effective Date agreement (including the New Organizational Documents), the Reorganized Debtors shall be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under this Plan. Except as set forth herein, any changes in intercompany account balances resulting from such transfers shall be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and shall not violate the terms of this Plan.

From and after the Effective Date, the Reorganized Debtors, subject to any applicable limitations set forth in any post-Effective Date agreement (including the New Organizational Documents and the Exit Facilities Documents), shall have the right and authority without further order of the Bankruptcy Court to raise additional capital and obtain additional financing in accordance with, and subject to, applicable law.

G. *Exit Facilities and Exit Facilities Documents*

To the extent required and subject to the occurrence of the Effective Date, Confirmation of this Plan shall be deemed to constitute approval by the Bankruptcy Court of the Exit Facilities Documents (including all transactions contemplated thereby, such as any supplementation or syndication of the Exit Term Loans, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the incurrence of Liens securing the Exit Facilities and the payment of all fees, payments, indemnities, and expenses associated therewith) and, subject to the occurrence of the Effective Date, authorization for the applicable Reorganized Debtors to enter into and perform their obligations under the Exit Facilities Documents and such other documents as may be reasonably required or appropriate, subject to any consent or approval rights under the Definitive Documents. On or around the Effective Date, the Reorganized Debtors shall execute and deliver the Exit ABL/FILO Facility Amendment, the Exit Term Loan Credit Agreement, the Exit Intercreditor Agreement, and any other Exit Facilities Document, and shall execute, deliver, file, record, and issue any other related notes, guarantees, security documents, instruments, or agreements in connection therewith, in each case, without (a) further notice to the Bankruptcy Court, or (b) further act or action under applicable law, regulation, order, or rule or the vote, consent, authorization, or approval of any Person or Entity. On the Effective Date, the Exit Facilities shall be governed by the Exit Intercreditor Agreement.

On the Effective Date, the Exit Facilities Documents shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the Exit Facilities Documents are being extended, and shall be deemed to have been extended, and all related payments made in connection therewith shall

have been made, in each case, in good faith, for legitimate business purposes, are reasonable, shall not be subject to avoidance, recovery, turnover, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy law. On the Effective Date, all of the Liens and security interests to be granted, carried forward, continued, amended, extended, and/or reaffirmed (including in connection with any ABL Claims and FILO Claims that are refinanced by the Exit ABL/FILO Facility Amendment) under the Exit Facilities Documents shall: (1) be legal, binding, and enforceable Liens on, and security interests in, the collateral granted in accordance with the terms of the Exit Facilities Documents; (2) be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted thereunder; and (3) not be subject to avoidance, recovery, turnover, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the Entities granted such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of this Plan and the Combined Order (it being understood that perfection shall occur automatically by virtue of the entry of the Combined Order, and any such filings, recordings, approvals, and consents shall not be required), and shall thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

H. *Issuance of New Equity Interests and Deregistration*

On the Effective Date, Reorganized Parent shall issue or reserve for issuance all of the New Equity Interests in accordance with the terms of this Plan and the New Organizational Documents. The issuance of the New Equity Interests is authorized without the need for further corporate or other action or any consent or approval of any national securities exchange upon which the New Equity Interests may be listed on or immediately following the Effective Date. All of the New Equity Interests issuable under this Plan and the Combined Order shall, when so issued be duly authorized, validly issued, fully paid, and non-assessable.

Reorganized Parent intends to exist and operate as a private company after the Effective Date. As promptly as reasonably practicable following the Effective Date, Reorganized Parent expects to take all necessary steps to terminate the registration of all Securities under the Exchange Act and Securities Act, including to de-register its Existing Equity Interests, and to terminate its reporting obligations under sections 12, 13, and 15(d) of the Exchange Act, including by (1) filing, or causing any applicable national securities exchange to file, a Form 25 with the SEC under the Exchange Act, and (2) filing a Form 15 with the SEC under the Exchange Act.

1. Absence of Listing / Transfer of New Equity Interests

On the Effective Date, the Reorganized Parent shall issue the New Equity Interests pursuant to this Plan and the New Organizational Documents. Reorganized Parent shall not be obligated to effect or maintain any listing of the New Equity Interests for trading on any national securities exchange (within the meaning of the Exchange Act) and it has no current intention of maintaining or obtaining such listing. Distributions of the New Equity Interests are expected to be made by delivery or book-entry transfer thereof by the Distribution Agent in accordance with this Plan and the New Organizational Documents, rather than through the facilities of DTC. Upon the Effective Date, after giving effect to the Restructuring Transactions, the New Equity Interests shall be that number of shares or membership interests as may be designated in the New Organizational Documents.

On and after the Effective Date, transfers of New Equity Interests shall be made in accordance with applicable United States law, United States securities laws (as applicable), and the New Stockholders Agreement (if applicable), including the payment of stamp duty tax and completion of registration with the Distribution Agent.

2. New Stockholders Agreement

On the Effective Date, to the extent applicable, the Reorganized Parent shall enter into the New Stockholders Agreement with the Holders of the New Equity Interests, which shall become effective and binding in accordance with its terms and conditions upon the parties thereto, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person or Entity (other than as expressly required by the New Stockholders Agreement). On and as of the Effective Date, all of the Holders of New Equity Interests shall be deemed to be parties to the New Stockholders Agreement (if applicable), without the need for execution by such Holder.

If applicable, the New Stockholders Agreement shall be binding on all Persons or Entities receiving, and all Holders of, the New Equity Interests (and their respective successors and assigns), whether such New Equity Interests is received or to be received on or after the Effective Date and regardless of whether such Person or Entity executes or delivers a signature page to the New Stockholders Agreement.

I. *Exemption from Registration Requirements*

No registration statement shall be filed under the Securities Act, or pursuant to any state securities laws, with respect to the offer and distribution of the New Equity Interests under this Plan. The offering, sale, issuance, and distribution of the New Equity Interests in exchange for Claims pursuant to Article II and Article III of this Plan and pursuant to the Combined Order shall be exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable United States, state, or local law requiring registration for the offer or sale of a security pursuant to section 1145 of the Bankruptcy Code. Any and all such New Equity Interests may be resold without registration under the Securities Act by the recipients thereof pursuant to the exemption provided by Section 4(a)(1) of the Securities Act, subject to: (1) the provisions of section 1145(b)(1) of the Bankruptcy Code, which limits resale by Persons who are "underwriters" as that term is defined in such section; (2) restrictions under the Securities Act applicable to recipients who are an "affiliate" of the Reorganized Debtors as defined in Rule 144(a)(1) under the Securities Act, (3) compliance with any applicable state or foreign securities laws, if any, and any rules and regulations of the SEC, if any, applicable at the time of any future transfer of such Securities; (4) the restrictions, if any, on the transferability of such Securities in the organizational documents of the issuer of, or in agreements or instruments applicable to holders of, such Securities; and (5) any other applicable regulatory approval.

The Reorganized Debtors need not provide any further evidence other than this Plan and the Combined Order with respect to the treatment of the New Equity Interests under applicable securities laws.

Notwithstanding anything to the contrary in this Plan, no Person or Entity (including, for the avoidance of doubt, DTC) shall be entitled to require a legal opinion regarding the validity of any transaction contemplated by this Plan, including, for the avoidance of doubt, whether the New Equity Interests are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. All such Persons and Entities including DTC shall be required to accept and conclusively rely upon this Plan or the Combined Order in lieu of a legal opinion regarding whether the New Equity Interests are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. Notwithstanding any policies, practices, or procedures of DTC, DTC and any participants and intermediaries shall fully cooperate and take all actions to facilitate any and all transactions necessary or appropriate for implementation of this Plan or other contemplated thereby, including without limitation any and all distributions pursuant to this Plan.

J. *New Organizational Documents*

Subject to Article IV.E of this Plan, the Reorganized Debtors shall enter into such agreements and amend their corporate governance documents to the extent necessary to implement the terms and provisions of this Plan. Without limiting the generality of the foregoing, as of the Effective Date, each of the Reorganized Debtors shall be governed by the New Organizational Documents applicable to it. From and after the Effective Date, the organizational documents of each of the Reorganized Debtors shall comply with section 1123(a)(6) of the Bankruptcy Code, as applicable. On or immediately before the Effective Date, each Reorganized Debtor shall file its New Organizational Documents, if any, with the applicable Secretary of State and/or other applicable authorities in its jurisdiction of incorporation or formation in accordance with applicable laws of its jurisdiction of incorporation or formation, to the extent required for such New Organizational Documents to become effective.

K. *Release of Liens and Claims*

To the fullest extent provided under section 1141(c) and other applicable provisions of the Bankruptcy Code, except as otherwise provided in the Exit ABL/FILO Facility Amendment (including with respect to the ABL Facility and FILO Term Loans, to the extent any ABL Facility Documents are amended and restated or deemed to be Exit Facilities Documents), this Plan, the Combined Order, or in any contract, instrument, release, or other agreement or document entered into or delivered in connection with this Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to Article VI hereof, all Liens, Claims, mortgages, deeds of trust, or other security interests against the assets or property of the Debtors or the Estates shall be fully released, canceled, terminated, extinguished, and discharged, in each case without further notice to or order of the Bankruptcy Court, act, or action under applicable law, regulation, order, or rule or the vote, consent, authorization, or approval of any Person or Entity; *provided*, that the Liens granted to the Prepetition Agents and the DIP Agent pursuant to the ABL Credit Agreement, Term Loan Credit Agreement, and DIP Credit Agreement shall remain in full force and effect solely to the extent provided for in this Plan. The filing of the Combined Order with any federal, state, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens, Claims, and other interests to the extent provided in the immediately preceding sentence. Any Person or Entity holding such Liens, Claims, or interests shall, pursuant to section 1142 of the Bankruptcy Code, promptly execute and deliver to the Reorganized Debtors such instruments of termination, release, satisfaction, and/or assignment (in recordable form) as may be reasonably requested by the Reorganized Debtors.

L. *Exemption from Certain Taxes and Fees*

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfer (whether from a Debtor to a Reorganized Debtor or to any other Person) of property under, pursuant to, in contemplation of, or in connection with this Plan (including the Restructuring Transactions) pursuant to (1) the issuance, distribution, transfer, or exchange of any debt, securities, or other interest in the Debtors or the Reorganized Debtors, (2) the creation, modification, consolidation, termination, refinancing, or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means, (3) the making, assignment, or recording of any lease or sublease, (4) the grant of collateral security for any or all of the Exit Facilities or other indebtedness, or (5) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, this 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 this Plan (including the Restructuring Transactions), shall not be subject to any document recording tax, stamp

tax, conveyance fee, intangibles, or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials, agents, or filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(a) of the Bankruptcy Code, and shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, fee or governmental assessment.

M. *Directors and Officers of the Reorganized Debtors*

1. Reorganized Board

Before the Effective Date, the Debtors shall undertake any necessary or advisable steps to have the Reorganized Board in place immediately before the Effective Date. The occurrence of the Effective Date shall serve as ratification of the appointment of the Reorganized Board.

On the Effective Date, the terms of the current members of the Parent board of directors shall expire, and the Reorganized Board shall include those members set forth in the list of directors or managing members included in the Plan Supplement. Each independent director of the Debtors, in such capacity, shall not have any of his/her respective privileged and confidential documents, communications, or information transferred (or deemed transferred) to the Reorganized Debtors, Reorganized Parent, or any other Entity without such director's prior written consent.

The Reorganized Board shall initially consist of five (5) members, comprising the Chief Executive Officer of the Reorganized Debtors, three (3) directors to be selected by the DIP Backstop Parties, and one (1) director to be selected by Project Swift LLC. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors shall disclose in advance of Confirmation, solely to the extent such Persons are known and determined, the identity and affiliations of any Person proposed to serve on the Reorganized Board.

The occurrence of the Effective Date shall have no effect on the composition of the board of directors or managers of each of the subsidiary Debtors.

2. Senior Management

The existing officers of the Debtors as of the Effective Date shall remain in their current capacities as officers of the Reorganized Debtors, subject to their right to resign and the ordinary rights and powers of the Reorganized Board to remove or replace them in accordance with the New Organizational Documents and any applicable employment agreements that are assumed pursuant to this Plan.

3. Management Incentive Plan

After the Effective Date, the Reorganized Board shall adopt the Management Incentive Plan in accordance with the Transaction Term Sheet.

N. *Preservation of Causes of Action*

In accordance with section 1123(b) of the Bankruptcy Code, but subject to the releases and exculpation set forth in this section and in Article IX below, all Causes of Action that a Debtor may hold against any Entity shall vest in the applicable Reorganized Debtor on the Effective Date. Thereafter, the Reorganized Debtors 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, whether arising before or after the Petition Date, 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 this Plan, the Plan Supplement, or the Disclosure Statement to any specific Cause of Action as any indication that the Debtors or the Reorganized Debtors shall not pursue any and all available Causes of Action. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in this Plan,** 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 any Cause of Action upon, after, or as a consequence of the Confirmation or the occurrence of the Effective Date. In addition, the Debtors and the Reorganized Debtors expressly reserve the right to pursue or adopt any claims alleged in any lawsuit in which any of the Debtors are a plaintiff, defendant, or an interested party, against any Person or Entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits. For the avoidance of doubt, in no instance shall any Cause of Action preserved pursuant to this Article IV.P include any Claim or Cause of Action released or exculpated under this Plan (including, without limitation, by the Debtors).

O. *Corporate Action*

Each of the Debtors and the Reorganized Debtors may take any and all actions to execute, deliver, File or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the provisions of this Plan, and without further notice to or order of the Bankruptcy Court, any act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, officers, or directors of the Debtors or the Reorganized Debtors or by any other Person (except for those expressly required pursuant hereto or by the Definitive Documents).

Upon the Effective Date, all actions contemplated by this Plan shall be deemed authorized, approved, and, to the extent taken before the Effective Date, ratified without any requirement for further action by Holders of Claims or Interests, directors, managers, or officers of the Debtors, the Reorganized Debtors, or any other Entity, including: (1) assumption and rejection (as applicable) of Executory Contracts and Unexpired Leases; (2) selection of the directors, managers, and officers for the Reorganized Debtors; (3) the execution of the New Organizational Documents and the Exit Facilities Documents; (4) the issuance and delivery of the New Equity Interests and the Exit Facilities; (5) implementation of the Restructuring Transactions, and (6) all other acts or actions contemplated, or reasonably necessary or appropriate to promptly consummate the transactions contemplated by this Plan (whether to occur before, on, or after the Effective Date). All matters provided for in this Plan involving the company structure of the Debtors, and any company action required by the Debtors in connection therewith, shall be deemed to have occurred on, and shall be in effect as of, the Effective Date, without any requirement of further action by the security holders, directors, managers, authorized persons, or officers of the Debtors.

Before, on, and after the Effective Date, the appropriate officers, directors, managers, or authorized persons of the Debtors, the Reorganized Parent, or any direct or indirect subsidiaries of the Reorganized Parent (including any president, vice-president, chief executive officer, treasurer, general counsel, secretary, or chief financial officer thereof) shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, memoranda and articles of association, certificates of incorporation, certificates of formation, bylaws, operating agreements, other organization documents, and instruments contemplated by this Plan (or necessary or desirable to effect the transactions contemplated by this Plan) in the name of and on behalf of the applicable Debtors or applicable Reorganized Debtors, including the (1) New Organizational Documents, (2) Exit Facilities Documents, and (3) any and all other agreements, documents, securities, and instruments relating to or contemplated by the foregoing. Before or on the Effective Date, each of the Debtors is authorized, in its sole discretion, to change its name or corporate form and to take such other action as required to effectuate a change of name or corporate form in the jurisdiction of incorporation of the applicable Debtor or Reorganized Debtor. To the extent the Debtors change their names or corporate form before the closing of the Chapter 11 Cases, the Debtors shall change the case captions accordingly.

P. *Prepetition Intercreditor Agreements*

Notwithstanding anything to the contrary in this Plan, the treatment of, and distributions (including rights to adequate protection and participation in the DIP Facility) made to Holders of ABL Claims, FILO Claims, and Term Loan Claims shall not be subject to the Existing Intercreditor Agreement or the terms thereof (including any turnover and disgorgement provisions), and the Existing Intercreditor Agreement shall be deemed so amended to the extent necessary to effectuate same; *provided*, that nothing in this Plan shall affect the application of the FILO Intercreditor Agreement or the terms thereof.

Q. *Effectuating Documents; Further Transactions*

Before, on, and after the Effective Date, the Debtors and the Reorganized Debtors and the directors, managers, officers, authorized persons, and members of the boards of directors or managers and directors or managers thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, securities, notes, instruments, certificates, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and provisions of this Plan, the New Organizational Documents, the Exit Facilities Documents, and any Securities issued pursuant to this Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, actions, or consents except for those expressly required pursuant to this Plan or the Transaction Support Agreement.

R. *Authority of the Debtors*

Effective on the Confirmation Date, the Debtors shall be empowered and authorized to take or cause to be taken, before the Effective Date, all actions necessary or appropriate to achieve the Effective Date and enable the Reorganized Debtors to implement effectively the provisions of this Plan, the Combined Order, the Definitive Documents, and the Restructuring Transactions.

S. *No Substantive Consolidation*

This Plan is being proposed as a joint chapter 11 plan of the Debtors for administrative purposes only and constitutes a separate chapter 11 plan for each Debtor. This Plan is not premised upon the substantive consolidation of the Debtors with respect to the Classes of Claims or Interests set forth in this Plan.

T. *Continuing Effectiveness of Final Orders*

Payment authorization granted to the Debtors under any prior Final Order entered by the Bankruptcy Court shall continue in effect after the Effective Date. Accordingly, the Debtors or the Reorganized Debtors may pay or otherwise satisfy any Claim to the extent permitted by, and subject to, the applicable Final Order without regard to the treatment that would otherwise be applicable to such Claim under this Plan.

Article V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES; EMPLOYEE BENEFITS; AND INSURANCE POLICIES

A. *Assumption of Executory Contracts and Unexpired Leases*

On the Effective Date, except as otherwise provided in this Plan, each of the Executory Contracts and Unexpired Leases not previously rejected, assumed, or assumed and assigned pursuant to an order of the Bankruptcy Court shall be deemed assumed as of the Effective Date pursuant to sections 365 and 1123 of the Bankruptcy Code *except* any Executory Contract or Unexpired Lease (1) identified on the Rejected Executory Contract/Unexpired Lease List (which shall initially be filed with the Bankruptcy Court on the Plan Supplement Filing Date) as an Executory Contract or Unexpired Lease to be rejected (if any), (2) that is the subject of a separate motion or notice to reject pending as of the Effective Date, or (3) that previously expired or terminated pursuant to its own terms (disregarding any terms the effect of which is invalidated by the Bankruptcy Code).

Entry of the Combined Order by the Bankruptcy Court shall constitute an order approving the assumption of the Transaction Support Agreement pursuant to sections 365 and 1123 of the Bankruptcy Code and effective on the occurrence of the Effective Date. The Transaction Support Agreement shall be binding and enforceable against the applicable parties thereto in accordance with its terms. For the avoidance of doubt, the assumption of the Transaction Support Agreement shall not otherwise modify, alter, amend, or supersede any of the terms or conditions thereof including, without limitation, any termination events or provisions thereunder.

Entry of the Combined Order by the Bankruptcy Court shall constitute an order approving the assumption of the Executory Contracts and Unexpired Leases pursuant to sections 365(a) and 1123 of the Bankruptcy Code, effective on the occurrence of the Effective Date. Each Executory Contract and Unexpired Lease assumed pursuant to this Plan or by Bankruptcy Court order, and not assigned to a third party on or before the Effective Date, shall re-vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as such terms may have been modified by order of the Bankruptcy Court. To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed pursuant to this Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption of such Executory Contract or Unexpired Lease or the execution of any other Restructuring Transaction (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by this Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto. For the avoidance of doubt, consummation of the Restructuring Transactions shall not be deemed an assignment of any Executory Contract or Unexpired Lease of the Debtors, notwithstanding any change in name, organizational form, or jurisdiction of organization of any Debtor in connection with the occurrence of the Effective Date.

Notwithstanding anything to the contrary in this Plan, but subject to the *Consent Rights* in Article I.C, the Debtors or Reorganized Debtors, as applicable, reserve the right to amend or supplement the Rejected Executory Contract/Unexpired Lease List in their discretion before the Effective Date (or such later date as may be permitted by Article V below); *provided*, that the Debtors shall give prompt notice of any such amendment or supplement to any affected counterparty and such counterparty shall have no less than seven (7) days to object thereto on any grounds.

B. *Payments on Assumed Executory Contracts and Unexpired Leases*

Any monetary default under an Executory Contract or Unexpired Lease to be assumed pursuant to this Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitation described below, or on such other terms as the parties to such Executory Contract or Unexpired Lease may otherwise agree. In the event of a dispute regarding (1) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365(b) of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (2) any other matter pertaining to assumption, the Bankruptcy Court shall hear such dispute before the assumption becoming effective; *provided*, that the Debtors, with the reasonable consent of the Required DIP Lenders for settlements exceeding $250,000, or Reorganized Debtors may settle any such dispute and shall pay any agreed upon cure amount without any further notice to any party or any action, order, or approval. The cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order(s) resolving the dispute and approving the assumption and shall not prevent or delay implementation of this Plan or the occurrence of the Effective Date.

Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, including pursuant to the Combined Order, shall be deemed disallowed and expunged as of the Effective Date without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.

C. *Claims Based on Rejection of Executory Contracts and Unexpired Leases*

Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Executory Contracts and Unexpired Leases pursuant to this Plan or otherwise must be filed with the Notice and Claims Agent within twenty-one (21) days of the effective date of the rejection of the applicable Executory Contract or Unexpired Lease (which shall be the Confirmation Date unless otherwise provided in an order of the Bankruptcy Court providing for the rejection of an Executory Contract or Unexpired Lease). **Any Proofs of Claim arising from the rejection of the Executory Contracts and Unexpired Leases that are not timely filed shall be automatically disallowed without further order of the Bankruptcy Court.** All Allowed Claims arising from the rejection of the Executory Contracts and Unexpired Leases shall constitute General Unsecured Claims and shall be treated in accordance with Article III.B of this Plan.

D. *Contracts and Leases Entered into After the Petition Date*

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by any Debtor, shall be performed by such Debtor or Reorganized Debtor, as applicable, liable thereunder in the ordinary course of business. Accordingly, such contracts and leases (including any Executory Contracts and Unexpired Leases assumed or assumed and assigned pursuant to section 365 of the Bankruptcy Code) that have not been rejected as of the Confirmation Date shall survive and remain unaffected by entry of the Combined Order.

E. *Reservation of Rights*

Nothing contained in this Plan shall constitute an admission by the Debtors that any contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor 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, the Debtors or Reorganized Debtors, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease. If there is a dispute regarding a Debtor's or Reorganized Debtor's liability under an assumed Executory Contract or Unexpired Lease, the Reorganized Debtors shall be authorized to move to have such dispute heard by the Bankruptcy Court pursuant to Article X of this Plan.

F. *Directors and Officers Insurance Policies*

On the Effective Date the Reorganized Debtors shall be deemed to have assumed all of the Debtors' D&O Insurance Policies (including any "tail coverage" and all agreements, documents, or instruments related thereto) in effect before the Effective Date pursuant to sections 105 and 365(a) of the Bankruptcy Code, without the need for any further notice to or action, order, or approval of the Bankruptcy Court. Confirmation of this Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Insurance Policies, and each such indemnity obligation shall be deemed and treated as an Executory Contract that has been assumed by the Debtors under this Plan as to which no Proof of Claim need be Filed. The Debtors and, after the Effective Date, the Reorganized Debtors shall retain the ability to supplement such D&O Insurance Policies as the Debtors or Reorganized Debtors, as applicable, may deem necessary. For the avoidance of doubt, entry of the Combined Order shall constitute the Bankruptcy Court's approval of the Reorganized Debtors' foregoing assumption of each of the unexpired D&O Insurance Policies.

In addition, on or after the Effective Date, none of the Reorganized Debtors shall terminate or otherwise reduce the coverage under any D&O Insurance Policies (including any "tail policy" and all agreements, documents, or instruments related thereto) in effect on or before the Effective Date, with respect to conduct occurring prior thereto, and all current and former directors, officers, and managers of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policies for the full term of such policies regardless of whether such current and former directors, officers, and managers remain in such positions after the Effective Date, all in accordance with and subject in all respects to the terms and conditions of the D&O Insurance Policies, which shall not be altered.

G. *Other Insurance Contracts*

On the Effective Date, each of the Debtors' Insurance Contracts in existence as of the Effective Date shall be Reinstated and continued in accordance with their terms and, to the extent applicable, shall be deemed assumed by the applicable Reorganized Debtor pursuant to section 365 of the Bankruptcy Code and Article V of this Plan. Nothing in this Plan shall affect, impair, or prejudice the rights of the insurance carriers, the insureds, or the Reorganized Debtors under the Insurance Contracts in any manner, and such insurance carriers, the insureds, and Reorganized Debtors shall retain all rights and defenses under such Insurance Contracts. The Insurance Contracts shall apply to and be enforceable by and against the insureds and the Reorganized Debtors in the same manner and according to the same terms and practices applicable to the Debtors, as existed before the Effective Date.

H. *Indemnification Provisions and Reimbursement Obligations*

On and as of the Effective Date, and except as prohibited by applicable law and subject to the limitations set forth herein, the Indemnification Provisions shall be assumed and irrevocable and shall survive the effectiveness of this Plan, and the New Organizational Documents shall provide to the fullest extent provided by law for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to the Debtors' and the Reorganized Debtors' current and former directors, officers, equity holders, managers, members, employees, accountants, investment bankers, attorneys, other professionals, agents of the Debtors, and such current and former directors', officers', equity holders', managers', members', and employees' respective Affiliates (each of the foregoing solely in their capacity as such) at least to the same extent as the Indemnification Provisions, against any Claims or Causes of Action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted. Notwithstanding anything in this Plan to the contrary, none of the Reorganized Debtors shall amend and/or restate the New Organizational Documents before or after the Effective Date to terminate or adversely affect any of the Indemnification Provisions.

I. *Employee Compensation and Benefits*

1. Compensation and Benefits Programs

Subject to the provisions of this Plan, all Compensation and Benefits Programs (other than awards of stock options, restricted stock, restricted stock units, and other equity awards) shall be treated as Executory Contracts under this Plan and deemed assumed on the Effective Date pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code. All Proofs of Claim Filed for amounts due under any Compensation and Benefits Program shall be considered satisfied by the applicable agreement and/or program and agreement to assume and cure in the ordinary course as provided in this Plan. All collective bargaining agreements to which any Debtor is a party, and all Compensation and Benefits Programs which are maintained pursuant to such collective bargaining agreements or to which contributions are made or benefits provided pursuant to a current or past collective bargaining agreement, shall be deemed assumed on the Effective Date pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code and the Reorganized Debtors reserve all of their rights under such agreements. For the avoidance of doubt, the Debtors and Reorganized Debtors, as applicable, shall honor all their obligations under section 1114 of the Bankruptcy Code.

None of the Restructuring, the Restructuring Transactions, or any assumption of Compensation and Benefits Programs pursuant to the terms herein shall be deemed to trigger any applicable change of control, vesting, termination, acceleration, or similar provisions therein; *provided* that the Assumed Employee Agreements shall be assumed and governed by the terms thereof. Subject to the preceding sentence, no counterparty shall have rights under a Compensation and Benefits Program assumed pursuant to this Plan other than those applicable immediately before such assumption.

2. Workers' Compensation Programs

As of the Effective Date, except as set forth in the Plan Supplement, the Debtors and the Reorganized Debtors shall continue to honor their obligations under: (a) all applicable state workers' compensation laws; and (b) the Workers' Compensation Contracts. All Proofs of Claims filed by the Debtors' current or former employees on account of workers' compensation shall be deemed withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court based upon the treatment provided for herein; *provided*, that nothing in this Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to the Workers' Compensation Contracts; *provided*, *further*, that nothing herein shall be deemed to impose any obligations on the Debtors in addition to what is provided for under applicable non-bankruptcy law and/or the Workers' Compensation Contracts.

Article VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. *Timing and Calculation of Amounts to Be Distributed*

Unless otherwise provided in this Plan, on the Effective Date (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim shall receive the full amount of the distributions that this Plan provides for Allowed Claims in the applicable Class; *provided*, that any Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors before the Effective Date shall be paid or performed in the ordinary course of business.

In the event that any payment or act under this 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 the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII hereof. Except as otherwise provided herein, Holders of Claims shall not be entitled to postpetition interest, dividends, or accruals on the distributions provided for herein, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. *Special Rules for Distributions to Holders of Disputed Claims*

Except as otherwise agreed by the relevant parties: (1) no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order; and (2) any Entity that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on the Allowed Claim unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order or such Claims or Interests have been Allowed or expunged.

C. *Rights and Powers of Distribution Agent*

1. Powers of the Distribution Agent

The Distribution Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under this Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Distribution Agent by order of the Bankruptcy Court, pursuant to this Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred on or After the Effective Date and Indemnification

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Distribution Agent on or after the Effective Date (including taxes in connection with this Plan, but excluding any income, franchise, or similar taxes), and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses), made by the Distribution Agent shall be paid in Cash by the Reorganized Debtors.

D. *Delivery of Distributions*

1. Record Date for Distributions

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date. The Distribution Record Date shall not apply to distributions in respect of Securities deposited with DTC, the Holders of which shall receive distributions, if any, in accordance with the customary exchange procedures of DTC or this Plan. For the avoidance of doubt, in connection with a distribution through the facilities of DTC (if any), DTC shall be considered a single Holder for purposes of distributions.

2. Delivery of Distributions in General

Except as otherwise provided herein, the Distribution Agent shall make distributions to Holders of Allowed Claims as of the Distribution Record Date, or, if applicable, to such Holder's designee, as appropriate: (a) at the address for each such Holder as indicated on the Debtors' records as of the Distribution Record Date; (b) to the signatory set forth on any Proof of Claim Filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no Proof of Claim is Filed or if the Debtors have not been notified in writing of a change of address); (c) at the addresses set forth in any written notices of address changes delivered to the Reorganized Debtors or the applicable Distribution Agent, as appropriate, after the date of any related Proof of Claim; or (d) on any counsel that has appeared in the Chapter 11 Cases on the Holder's behalf; *provided*, that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors.

All distributions to Holders of DIP Claims shall be made to the DIP Agent or the Exit Facility Agent, as applicable, and the DIP Agent or the Exit Facility Agent shall be, and shall act as, the Distribution Agent with respect to the DIP Claims in accordance with the terms and conditions of this Plan and the applicable debt documents.

All distributions to Holders of Term Loan Claims shall be made to the Term Loan Agent, and the Term Loan Agent shall be, and shall act as, the Distribution Agent with respect to the Term Loan Claims in accordance with the terms and conditions of this Plan and the applicable debt documents.

3. Minimum Distributions

Notwithstanding any provision in this Plan to the contrary, no Distribution Agent shall be required to make distributions or payments of less than $100 (whether in Cash or otherwise) with respect to Impaired Claims. No fractional shares of New Equity Interests shall be distributed and no Cash shall be distributed in lieu of such fractional amounts. When any distribution pursuant to this Plan on account of an Allowed Claim would otherwise result in the issuance of a number of shares of New Equity Interests that is not a whole number, the actual distribution of shares of New Equity Interests shall be rounded as follows: (a) fractions of one-half (½) or greater shall be rounded to the next higher whole number and (b) fractions of less than one-half (½) shall be rounded to the next lower whole number with no further payment therefore. The total number of authorized shares of New Equity Interests to be distributed under this Plan shall be adjusted as necessary to account for the foregoing rounding. For distribution purposes (including rounding), DTC shall be treated as a single Holder.

4. Undeliverable Distributions

In the event that any distribution to any Holder of Allowed Claims is returned as undeliverable, no distribution to such Holder shall be made unless and until the Distribution Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one (1) year from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder of Claims to such property or interest in property shall be discharged and forever barred.

E. *Compliance with Tax Requirements; Allocations*

In connection with this Plan and all distributions hereunder, the Reorganized Debtors and any other applicable Distribution Agent (including for purposes of this Article IV.E, the Debtors) shall comply with all applicable withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions hereunder and under all related agreements shall be subject to any such withholding and reporting requirements. Notwithstanding any provision in this Plan to the contrary, the Reorganized Debtors and any other applicable Distribution Agent shall have the right, but not the obligation, to take any and all actions that may be necessary or appropriate to comply with such applicable withholding and reporting requirements, including (a) withholding distributions and amounts therefrom pending receipt of information necessary to facilitate such distributions, including properly executed withholding certification forms, and (2) in the case of a non-Cash distribution that is subject to withholding, withholding an appropriate portion of such property and either liquidating such withheld property to generate sufficient funds to pay applicable withholding taxes (or reimburse the distributing party for any advance payment of the withholding tax) or pay the withholding tax using its own funds and retain such withheld property. Notwithstanding any provision in this Plan to the contrary, upon the request of the Reorganized Debtors or any other applicable Distribution Agent, all Persons and Entities holding Claims shall be required to provide any information necessary to effect information reporting and the withholding of such taxes (or establish eligibility for an exclusion for the withholding of taxes), and each Holder of an Allowed Claim shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit, including income, withholding, and other tax obligations, on account of such distribution. Any amounts withheld or reallocated pursuant to this Article IV.E shall be treated as if distributed to the Holder of the Allowed Claim.

Any Person or Entity entitled to receive any property as an issuance or distribution under this Plan shall, upon request, deliver to the applicable Reorganized Debtor or any other applicable Distribution Agent, or such other Person designated by the Reorganized Debtor or the Distribution Agent, an IRS Form W-9 or, if the payee is a foreign Person or Entity, an applicable IRS Form W-8, or any other forms or documents reasonably requested by a Reorganized Debtor or Distribution Agent to reduce or eliminate any withholding required by any Governmental Unit.

The Reorganized Debtors reserve the right to allocate all distributions made under this Plan in compliance with all applicable wage garnishments, alimony, child support and other spousal awards, Liens, and encumbrances.

F. *Applicability of Insurance Contracts*

Notwithstanding anything to the contrary in this Plan, the Plan Supplement, the Disclosure Statement, or the Combined Order (including, without limitation, any provision that purports to be preemptory or supervening, confers Bankruptcy Court jurisdiction, or requires a party to opt out of any releases):

1. on and after the Effective Date, all Insurance Contracts (a) are found to be and shall be treated as, Executory Contracts under this Plan and shall be assumed pursuant to sections 105 and 365 of the Bankruptcy Code by the applicable Debtor, and/or (b) shall vest in the Reorganized Debtors and ride through and continue in full force and effect in accordance with their respective terms in either case such that the Reorganized Debtors shall become and remain jointly and severally liable in full for, and shall satisfy, any premiums, deductibles, self-insured retentions, and/or any other amounts or obligations arising in any way out of the receipt of payment from an Insurer in respect of the Insurance Contracts and as to which no Proof of Claim, Administrative Claim, or Cure Cost claim need be filed; and

2. solely with respect to Insurance Contracts, the automatic stay of section 362(a) of the Bankruptcy Code and the injunctions set forth in this Plan, if and to the extent applicable, shall be deemed lifted without further order of this Bankruptcy Court, solely to permit (a) claimants with valid workers' compensation claims or direct action claims against Insurers under applicable non-bankruptcy law to proceed with their claims; (b) Insurers to administer, handle, defend, settle, and/or pay, in the ordinary

course of business and without further order of this Bankruptcy Court, (i) workers' compensation claims, (ii) claims where a claimant asserts a direct claim against an Insurer under applicable non-bankruptcy law, or an order has been entered by this Bankruptcy Court granting a claimant relief from the automatic stay or the injunctions set forth in this Plan to proceed with its claim, and (iii) all costs in relation to each of the foregoing; and (c) the Insurers to collect from any or all of the collateral or security provided by or on behalf of the Debtors (or the Reorganized Debtors) at any time and to hold the proceeds thereof as security for the obligations of the Debtors (or the Reorganized Debtors) and/or apply such proceeds to the obligations of the Debtors (or the Reorganized Debtors) under the applicable Insurance Contracts, in such order as the applicable Insurer may determine.

Nothing contained in this Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including Insurers under any Insurance Contracts, nor shall anything contained herein constitute or be deemed a waiver by such Insurers of any rights or defenses, including coverage defenses, held by such Insurers under the Insurance Contracts and/or applicable non-bankruptcy law.

G. *Allocation of Distributions Between Principal and Interest*

Except as otherwise required by law (as reasonably determined by the Reorganized Debtors), distributions with respect to an Allowed Claim shall be allocated first to the principal portion of such Allowed Claim (as determined for United States federal income tax purposes) and, thereafter, to the remaining portion of such Allowed Claim, if any.

H. *No Postpetition Interest on Claims*

Unless otherwise specifically provided for in this Plan, any other Definitive Document, the Combined Order, the DIP/Cash Collateral Orders, or any other Final Order of the Bankruptcy Court, or required by applicable bankruptcy law (including, without limitation, as required pursuant to section 506(b) or section 511 of the Bankruptcy Code), postpetition interest shall not accrue or be paid on any Claims and no Holder of a Claim or Interest shall be entitled to interest accruing on or after the Petition Date on any Claim.

I. *Means of Cash Payment*

Payments of Cash made pursuant to this Plan shall be in United States dollars and shall be made, at the option of the Debtors or the Reorganized Debtors (as applicable), by checks drawn on, or wire transfer from, a domestic bank selected by the Debtors or the Reorganized Debtors. Cash payments to foreign creditors may be made, at the option of the Debtors or the Reorganized Debtors, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

J. *Setoffs and Recoupment*

Except as otherwise provided herein, each Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable bankruptcy or non-bankruptcy law, or as may be agreed to by the Holder of an Allowed Claim, may set off or recoup against any Allowed Claim and the distributions to be made pursuant to this Plan on account of such Allowed Claim, any Claims, rights, and Causes of Action of any nature that the applicable Debtor or Reorganized Debtor may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action have not been otherwise compromised, settled, or assigned on or before the Effective Date (whether pursuant to this Plan, a Final Order or otherwise); *provided*, that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim pursuant to this Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action.

K. *Claims Paid or Payable by Third Parties*

1. Claims Paid by Third Parties

A Claim shall be correspondingly reduced, and the applicable portion of such Claim shall be disallowed 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 that the Holder of such Claim receives a payment on account of such Claim from a party that is not a Debtor or Reorganized Debtor. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such Holder shall, within fourteen (14) days of receipt thereof, repay or return the distribution to the Reorganized Debtors to the extent the Holder's total recovery on account of such Claim from the third party and under this Plan exceeds the amount of such Claim as of the date of any such distribution under this Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the Reorganized Debtors annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the fourteen (14) day grace period specified above until the amount is repaid.

2. Claims Payable by Insurers

No distributions under this Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' Insurance Contracts until the Holder of such Allowed Claim has exhausted all remedies with respect to such Insurance Contract. To the extent that one or more of the 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 Insurers' agreement, the applicable portion of such Claim may be expunged without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court

3. Insurance Contracts

Except as otherwise provided in this Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable Insurance Contract. Notwithstanding anything to the contrary herein, nothing contained in this Plan shall constitute or be deemed a release, settlement, satisfaction, compromise, or waiver of any Cause of Action that the Debtors or any other Entity may hold against any other Entity, including Insurers, under any Insurance Contracts or applicable indemnity, nor shall anything contained herein constitute or be deemed a waiver by such Insurers of any defenses, including coverage defenses, held by such Insurers.

Article VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. *No Filings of Proofs of Claim*

Except as otherwise provided in this Plan, Holders of Claims shall not be required to File a Proof of Claim, and except as provided in this Plan, no parties should File a proof of Claim. The Debtors do not intend to object in the Bankruptcy Court to the allowance of Claims Filed; *provided*, that the Debtors and the Reorganized Debtors, as applicable, reserve the right to object to any Claim that is entitled, or deemed to be entitled, to a distribution under this Plan or is rendered Unimpaired under this Plan. Instead, the Debtors intend to make distributions, as required by this Plan, in accordance with the books and records of the Debtors. Unless disputed by a Holder of a Claim, the amount set forth in the books and records of the Debtors shall constitute the amount of the Allowed Claim of such Holder except that (unless expressly waived pursuant to this Plan) the Allowed amount of such Claim shall be subject to the limitations or

maximum amounts permitted by the Bankruptcy Code, including sections 502 and 503 of the Bankruptcy Code, to the extent applicable. If any such Holder of a Claim disagrees with the Debtors' books and records with respect to the Allowed amount of such Holder's Claim, such Holder must so advise the Debtors in writing within thirty (30) days of receipt of any distribution on account of such Holder's Claim, in which event the Claim shall become a Disputed Claim. The Debtors intend to attempt to resolve any such disputes consensually or through judicial means outside the Bankruptcy Court. Nevertheless, the Debtors may, in their discretion, File with the Bankruptcy Court (or any other court of competent jurisdiction) an objection to the allowance of any Claim or any other appropriate motion or adversary proceeding with respect thereto. All such objections shall be litigated to Final Order; *provided*, that the Debtors may compromise, settle, withdraw, or resolve by any other method approved by the Bankruptcy Court any objections to Claims.

All Proofs of Claim Filed in the Chapter 11 Cases shall be considered objected to and Disputed without further action by the Debtors. Upon the Effective Date, all Proofs of Claim Filed against the Debtors, regardless of the time of filing, and including Proofs of Claim Filed after the Effective Date, shall be deemed withdrawn and expunged, other than as provided below. Notwithstanding anything in this Plan to the contrary, disputes regarding the amount of any Cure Cost pursuant to section 365 of the Bankruptcy Code and Claims that the Debtors seek to have determined by the Bankruptcy Court, shall in all cases be determined by the Bankruptcy Court. **Except as otherwise provided herein, all Proofs of Claim Filed after the Effective Date shall be disallowed and forever barred, estopped, and enjoined from assertion, and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any further notice to or action, order, or approval of the Bankruptcy Court**.

B. *Allowance and Disallowance of Claims*

After the Effective Date, and except as otherwise provided in this Plan, the Reorganized Debtors shall have and shall retain any and all available rights and defenses that the Debtors had with respect to any Claim immediately before the Effective Date, including, without limitation, the right to assert any objection to Claims based on the limitations imposed by section 502 of the Bankruptcy Code. The Debtors and the Reorganized Debtors may, but are not required to, contest the amount and validity of any Disputed Claim or contingent or unliquidated Claim in the ordinary course of business in the manner and venue in which such Claim would have been determined, resolved or adjudicated if the Chapter 11 Cases had not been commenced.

All Claims and Interests of any Entity from which property is sought by the Debtors under sections 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer that is avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be disallowed if: (1) the Entity, on the one hand, and the Debtors or the Reorganized Debtors, as applicable, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code; and (2) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

C. *Claims Administration Responsibilities*

Except as otherwise specifically provided in this Plan, after the Effective Date, the Reorganized Debtors shall have the sole authority: (1) to File, withdraw, or litigate to judgment, objections to Claims or Interests; (2) to settle or compromise any Disputed Claim or Interest without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to 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. For the avoidance of doubt, except as otherwise provided herein, from and after the Effective Date, each Reorganized Debtor shall have and retain any and all rights and defenses such Debtor had immediately before the Effective Date with respect to any Disputed Claim or Interest, including the Causes of Action retained pursuant to this Plan.

Any objections to Claims and Interests other than General Unsecured Claims must be served and Filed on or before the 120th day after the Effective Date or by such later date as ordered by the Bankruptcy Court. All Claims and Interests other than General Unsecured Claims not objected to by the end of such 120-day period shall be deemed Allowed unless such period is extended upon approval of the Bankruptcy Court.

Notwithstanding the foregoing, the Debtors and Reorganized Debtors shall be entitled to dispute and/or otherwise object to any General Unsecured Claim in accordance with applicable non-bankruptcy law. If the Debtors or Reorganized Debtors dispute any General Unsecured Claim, such dispute shall be determined, resolved, or adjudicated, as the case may be, in the manner as if the Chapter 11 Cases had not been commenced. In any action or proceeding to determine the existence, validity, or amount of any General Unsecured Claim, any and all claims or defenses that could have been asserted by the applicable Debtor(s) or the Entity holding such General Unsecured Claim are preserved as if the Chapter 11 Cases had not been commenced.

D. *Adjustment to Claims or Interests without Objection*

Any duplicate Claim or Interest or any Claim or Interest that has been paid, satisfied, amended, or superseded may be adjusted or expunged on the Claims Register by the Reorganized Debtors without the Reorganized Debtors 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.

E. *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 this Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Reorganized Debtors shall provide to the Holder of such Claim the distribution (if any) to which such Holder is entitled under this Plan as of the Effective Date, without any postpetition interest to be paid on account of such Claim.

Article VIII.
CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

A. *Conditions Precedent to the Effective Date*

The following are conditions precedent to the Effective Date that must be satisfied or waived pursuant to the provisions of Article VIII.B hereof:

1. The Transaction Support Agreement shall be in full force and effect, no termination event or event that would give rise to a termination event under the Transaction Support Agreement upon the expiration of any applicable grace period shall have occurred and remain occurring, and the Transaction Support Agreement shall not have been validly terminated before the Effective Date.

2. The Bankruptcy Court shall have entered the Final DIP/Cash Collateral Order on a final basis.

3. The final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein shall have been filed in a manner consistent in all material respects with the Transaction Support Agreement, the Transaction Term Sheet, the ABL/FILO Exit Commitment Letters, and this Plan and in form and substance reasonably acceptable to the ABL Facility Agent, FILO Term Loan Agent, FILO Lenders, and Required DIP Lenders.

4. No Termination Declaration shall be in effect, subject to any applicable Remedies Determination (each as defined in the Interim DIP/Cash Collateral Order).

5. The Bankruptcy Court shall have entered the Combined Order, which shall be in form and substance consistent in all material respects with the Transaction Term Sheet and the Transaction Support Agreement and shall:

a. authorize the Debtors to take all actions necessary to enter into, implement, and consummate the contracts, instruments, releases, leases, indentures, and other agreements or documents created in connection with this Plan;

b. be in form and substance reasonably acceptable to the ABL Facility Agent, FILO Term Loan Agent, FILO Lenders, and Required DIP Lenders;

c. authorize the assumption, assumption and assignment, and/or rejection of the Executory Contracts and Unexpired Leases by the Debtors as contemplated in this Plan and the Plan Supplement;

d. decree that the provisions in the Combined Order and this Plan are nonseverable and mutually dependent;

e. authorize the Debtors to: (i) implement the Restructuring Transactions; (ii) distribute the New Equity Interests pursuant to the exemption from registration under the Securities Act provided by section 1145 of the Bankruptcy Code or other exemption from such registration or pursuant to one or more registration statements; (iii) make all distributions and issuances as required under this Plan consistent with the Transaction Term Sheet, including the New Equity Interests; and (iv) enter into any agreements, transactions, and sales of property as contemplated by this Plan and the Plan Supplement, including the Management Incentive Plan;

f. authorize the implementation of this Plan in accordance with its terms; and

g. provide that, pursuant to section 1146 of the Bankruptcy Code, the assignment or surrender of any lease or sublease, and the delivery of any deed or other instrument or transfer order, in furtherance of, or in connection with this Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition or transfer of assets contemplated under this Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

6. Each document or agreement constituting the applicable Definitive Documents shall have been executed and/or effectuated, shall be in form and substance consistent with the Transaction Support Agreement or the ABL/FILO Exit Commitment Letters, as applicable, including the consent rights provided therein, and any conditions precedent related thereto or contained therein shall have been satisfied before or contemporaneously with the occurrence of the Effective Date or otherwise waived in accordance with the terms of the applicable Definitive Documents.

7. The Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Restructuring Transactions, and all applicable regulatory or government imposed waiting periods shall have expired or been terminated.

8. All governmental and third-party approvals and consents that may be necessary in connection with the Restructuring Transactions shall have been obtained, not be subject to unfulfilled conditions, and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on the Restructuring Transactions.

9. No court of competent jurisdiction or other competent governmental or regulatory authority shall have issued any order making illegal or otherwise restricting, limiting, preventing, or prohibiting the consummation of any of the Restructuring Transactions.

10. The Debtors shall have paid in full all professional fees and expenses of the Retained Professionals that require the Bankruptcy Court's approval or amounts sufficient to pay such fees and expenses after the Effective Date shall have been placed in Professional Fee Escrow Account pending the Bankruptcy Court's approval of such fees and expenses.

11. The Restructuring Fees and Expenses shall have been paid in full (subject to any order of the Bankruptcy Court).

12. The restructuring to be implemented on the Effective Date shall be consistent with this Plan, the Transaction Support Agreement, and the ABL/FILO Exit Commitment Letters.

13. Such other conditions precedent to the Effective Date that are customary and otherwise requested by the Required Consenting Term Lenders and the Required DIP Lenders and agreed to by the Debtors, the ABL Facility Agent, the FILO Term Loan Agent, and the FILO Lenders (such agreement not to be unreasonably withheld).

14. There shall not have been instituted or threatened or be pending any material action, proceeding, application, claim, counterclaim, or investigation (whether formal or informal) (or there shall not have been any material adverse development to any action, application, claim, counterclaim, or proceeding currently instituted, threatened, or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, domestic or foreign, or by any other person, domestic or foreign, in connection with the Restructuring Transactions that, in the reasonable judgment of the Debtors and the Required Consenting Stakeholders would prohibit, prevent, or restrict consummation of the Restructuring Transactions in a materially adverse manner.

Following the satisfaction or waiver of the foregoing, concurrently with or immediately following effectiveness of this Plan on the Effective Date:

1. The Existing Equity Interests shall have been canceled and the New Equity Interests shall have been issued by Reorganized Parent.

2. All Exit Facilities and all other financing agreements and arrangements contemplated hereunder, as applicable, shall be or have been, as applicable, funded and closed and be in full force and effect.

3. The Releases set forth in this Plan shall be in full force and effect.

4. The Debtors shall have paid in full to the relevant Parties all payments and fees provided for in the Transaction Support Agreement, the Transaction Term Sheet, and applicable Definitive Documents that are payable on, before, or in connection with the occurrence of the Effective Date.

The Reorganized Debtors shall complete the termination of registration of all Securities under sections 13 and 15(d) of the Exchange Act such that the Reorganized Debtors shall be a private company as soon as reasonably practicable after the Effective Date.

B. *Waiver of Conditions*

Subject to section 1127 of the Bankruptcy Code, the conditions to Confirmation and consummation of this Plan set forth in this Article VIII may be waived by the Debtors, with the consent of the Required DIP Lenders, the ABL Facility Agent, the FILO Term Loan Agent, and the FILO Lenders (not to be unreasonably withheld or delayed), without notice, leave, or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate this Plan. The failure of the Debtors or Reorganized Debtors to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each right shall be deemed an ongoing right that may be asserted at any time.

C. *Effect of Non-Occurrence of Conditions to the Effective Date*

If the Confirmation of this Plan or the Effective Date does not occur with respect to one or more of the Debtors on or before the termination of the Transaction Support Agreement, then this Plan shall, with respect to such applicable Debtor or Debtors, be null and void in all respects and nothing contained in this Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any claims by or Claims against or Interests in the Debtors; (2) prejudice in any manner the rights of the Debtors, any Holders, or any other Person or Entity; (3) constitute an allowance of any Claim or Interest; or (4) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders, or any other Person or Entity in any respect.

D. *Substantial Consummation*

"Substantial consummation" of this Plan, as defined in section 1102(2) of the Bankruptcy Code, shall be deemed to occur on the Effective Date.

Article IX.
DISCHARGE, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. *Discharge of Claims and Termination of Interests*

Pursuant to and to the fullest extent permitted by section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in this Plan, the Definitive Documents, or in any contract, instrument, or other agreement or document created or entered into, the distributions, rights, and treatment that are provided in this Plan shall be in full and final satisfaction, settlement, release, and discharge, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), 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, demands against, Liens on, obligations of, rights against, and Interests in, the Debtors, the Reorganized Debtors, the Estates, or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to this 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 employees of the Debtors before 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 based upon such debt or right 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 this Plan. The Combined Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to this Plan, the provisions of this Plan shall constitute a good-faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Combined Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, the Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of this Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against the Debtors and the Estates and Causes of Action against other Entities.

B. ***Releases by the Debtors***

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS PLAN OR THE COMBINED ORDER, PURSUANT TO SECTION 1123(B) OF THE BANKRUPTCY CODE, AS OF THE EFFECTIVE DATE, IN EXCHANGE FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, EACH RELEASED PARTY, IN EACH CASE ON BEHALF OF ITSELF AND ITS RESPECTIVE SUCCESSORS, ASSIGNS, AND REPRESENTATIVES, AND ANY AND ALL OTHER ENTITIES WHO MAY PURPORT TO ASSERT ANY CLAIM OR CAUSE OF ACTION, DIRECTLY OR DERIVATIVELY, BY, THROUGH, FOR, OR BECAUSE OF THE FOREGOING ENTITIES, IS AND IS DEEMED TO BE, FOREVER AND UNCONDITIONALLY RELEASED, ABSOLVED, ACQUITTED, AND DISCHARGED BY EACH DEBTOR, REORGANIZED DEBTOR, AND THE ESTATES FROM ANY AND ALL CLAIMS AND CAUSES OF ACTION, WHETHER KNOWN OR UNKNOWN, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED OR ASSERTABLE ON BEHALF OF THE DEBTORS, THE ESTATES, OR THE REORGANIZED DEBTORS THAT SUCH ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN ITS OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM AGAINST, OR INTEREST IN, A DEBTOR OR OTHER ENTITY, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, (1) THE MANAGEMENT, OWNERSHIP, OR OPERATION OF THE DEBTORS OR THE NON-DEBTOR AFFILIATES, (2) THE PURCHASE, SALE, OR RESCISSION OF ANY SECURITY OF THE DEBTORS OR THE NON-DEBTOR AFFILIATES, (3) THE SUBJECT MATTER OF, OR THE TRANSACTIONS, EVENTS, CIRCUMSTANCES, ACTS OR OMISSIONS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE RESTRUCTURING TRANSACTIONS, INCLUDING THE NEGOTIATION, FORMULATION, OR PREPARATION OF THE RESTRUCTURING TRANSACTIONS, (4) THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN ANY DEBTOR OR NON-DEBTOR AFFILIATE AND ANY OTHER ENTITY, (5) THE DEBTORS' AND NON-DEBTOR AFFILIATES' IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS, (6) INTERCOMPANY TRANSACTIONS, (7) THE TRANSACTION SUPPORT AGREEMENT, THE DEFINITIVE DOCUMENTS, THE ABL FACILITY DOCUMENTS, THE TERM LOAN DOCUMENTS, THE DIP FACILITY

DOCUMENTS, THE EXIT FACILITIES DOCUMENTS (AND ANY FINANCING PERMITTED THEREUNDER), THE CHAPTER 11 CASES, OR ANY RESTRUCTURING TRANSACTION, (8) ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THE TRANSACTION SUPPORT AGREEMENT, THE DEFINITIVE DOCUMENTS, OR THE RESTRUCTURING TRANSACTIONS, INCLUDING THE ISSUANCE OR DISTRIBUTION OF SECURITIES PURSUANT TO THIS PLAN, (9) THE DISTRIBUTION, INCLUDING ANY DISBURSEMENTS MADE BY A DISTRIBUTION AGENT, OF PROPERTY UNDER THIS PLAN OR ANY OTHER RELATED AGREEMENT, OR (10) ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE RELATED TO ANY OF THE FOREGOING AND TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE; *PROVIDED*, THAT THE DEBTORS DO NOT RELEASE CLAIMS OR CAUSES OF ACTION ARISING OUT OF, OR RELATED TO, ANY ACT OR OMISSION OF A RELEASED PARTY THAT IS DETERMINED BY FINAL ORDER OF THE BANKRUPTCY COURT OR ANY OTHER COURT OF COMPETENT JURISDICTION TO HAVE CONSTITUTED ACTUAL FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT (IT BEING AGREED THAT ANY RELEASED PARTIES' CONSIDERATION, APPROVAL, OR RECEIPT OF ANY DISTRIBUTION DID NOT ARISE FROM OR RELATE TO ACTUAL FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT). NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE RELEASES SET FORTH ABOVE DO NOT RELEASE (1) ANY POST EFFECTIVE DATE OBLIGATIONS OF ANY PARTY OR ENTITY UNDER THIS PLAN, THE COMBINED ORDER, ANY OTHER DEFINITIVE DOCUMENT, ANY RESTRUCTURING TRANSACTION, ANY DOCUMENT, INSTRUMENT, OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT) EXECUTED TO IMPLEMENT THIS PLAN, OR ANY CLAIM OR OBLIGATION ARISING UNDER THIS PLAN OR (2) ANY CAUSES OF ACTION SPECIFICALLY RETAINED BY THE DEBTORS PURSUANT TO THE SCHEDULE OF RETAINED CAUSES OF ACTION.

ENTRY OF THE COMBINED ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE DEBTOR RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED IN THIS PLAN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE DEBTOR RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE RELEASED PARTIES, INCLUDING THE RELEASED PARTIES' SUBSTANTIAL CONTRIBUTIONS TO FACILITATING THE RESTRUCTURING TRANSACTIONS AND IMPLEMENTING THIS PLAN; (2) A GOOD-FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE DEBTOR RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTORS AND ALL HOLDERS OF CLAIMS AND INTERESTS; (4) FAIR, EQUITABLE, AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR TO ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, OR THE DEBTORS' ESTATES ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO THE DEBTOR RELEASE.

C. ***Releases by Holders of Claims and Interests***

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS PLAN OR THE COMBINED ORDER, AS OF THE EFFECTIVE DATE, IN EXCHANGE FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, EACH RELEASING PARTY, IN EACH CASE ON BEHALF OF ITSELF AND ITS RESPECTIVE SUCCESSORS, ASSIGNS, AND REPRESENTATIVES, AND ANY AND ALL OTHER ENTITIES

WHO MAY PURPORT TO ASSERT ANY CLAIM OR CAUSE OF ACTION, DIRECTLY OR DERIVATIVELY, BY, THROUGH, FOR, OR BECAUSE OF THE FOREGOING ENTITIES, HAS AND IS DEEMED TO HAVE, FOREVER AND UNCONDITIONALLY, RELEASED, ABSOLVED, ACQUITTED, AND DISCHARGED EACH DEBTOR, REORGANIZED DEBTOR, AND RELEASED PARTY FROM ANY AND ALL CLAIMS AND CAUSES OF ACTION, WHETHER KNOWN OR UNKNOWN, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED OR ASSERTABLE ON BEHALF OF THE DEBTORS, THE ESTATES, OR THE REORGANIZED DEBTORS THAT SUCH ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN ITS OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM AGAINST, OR INTEREST IN, A DEBTOR, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, (1) THE MANAGEMENT, OWNERSHIP, OR OPERATION OF THE DEBTORS OR THE NON-DEBTOR AFFILIATES, (2) THE PURCHASE, SALE, OR RESCISSION OF ANY SECURITY OF THE DEBTORS OR THE NON-DEBTOR AFFILIATES, (3) THE SUBJECT MATTER OF, OR THE TRANSACTIONS, EVENTS, CIRCUMSTANCES, ACTS OR OMISSIONS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE RESTRUCTURING TRANSACTIONS, INCLUDING THE NEGOTIATION, FORMULATION, OR PREPARATION OF THE RESTRUCTURING TRANSACTIONS, (4) THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN ANY DEBTOR OR NON-DEBTOR AFFILIATE AND ANY OTHER ENTITY, (5) THE DEBTORS' AND NON-DEBTOR AFFILIATES' IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS, (6) INTERCOMPANY TRANSACTIONS, (7) THE TRANSACTION SUPPORT AGREEMENT, THE DEFINITIVE DOCUMENTS, THE ABL FACILITY DOCUMENTS, THE TERM LOAN DOCUMENTS, THE DIP FACILITY DOCUMENTS, THE EXIT FACILITIES DOCUMENTS (AND ANY FINANCING PERMITTED THEREUNDER), THE CHAPTER 11 CASES, OR ANY RESTRUCTURING TRANSACTION, (8) ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THE TRANSACTION SUPPORT AGREEMENT, THE DEFINITIVE DOCUMENTS, OR THE RESTRUCTURING TRANSACTIONS, INCLUDING THE ISSUANCE OR DISTRIBUTION OF SECURITIES PURSUANT TO THIS PLAN, (9) THE DISTRIBUTION, INCLUDING ANY DISBURSEMENTS MADE BY A DISTRIBUTION AGENT, OF PROPERTY UNDER THIS PLAN OR ANY OTHER RELATED AGREEMENT, OR (10) ANY OTHER ACT, OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE RELATING TO ANY OF THE FOREGOING AND TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE; *PROVIDED*, THAT THE RELEASING PARTIES DO NOT RELEASE CLAIMS OR CAUSES OF ACTION ARISING OUT OF, OR RELATED TO, ANY ACT OR OMISSION OF A RELEASED PARTY THAT IS DETERMINED BY FINAL ORDER OF THE BANKRUPTCY COURT OR ANY OTHER COURT OF COMPETENT JURISDICTION TO HAVE CONSTITUTED ACTUAL FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT (IT BEING AGREED THAT ANY RELEASED PARTIES' CONSIDERATION, APPROVAL, OR RECEIPT OF ANY DISTRIBUTION DID NOT ARISE FROM OR RELATE TO ACTUAL FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT). NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE RELEASES SET FORTH ABOVE DO NOT RELEASE (1) ANY POST EFFECTIVE DATE OBLIGATIONS OF ANY PARTY OR ENTITY UNDER THIS PLAN, THE COMBINED ORDER, ANY OTHER DEFINITIVE DOCUMENT, ANY RESTRUCTURING TRANSACTION, OR ANY DOCUMENT, INSTRUMENT, OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT) EXECUTED TO IMPLEMENT THIS PLAN, OR ANY CLAIM OR OBLIGATION ARISING UNDER THIS PLAN OR (2) ANY CAUSES OF ACTION SPECIFICALLY RETAINED BY THE DEBTORS PURSUANT TO THE SCHEDULE OF RETAINED CAUSES OF ACTION.

ENTRY OF THE COMBINED ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE THIRD-PARTY RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED IN THIS PLAN, AND, FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE THIRD-PARTY RELEASE IS: (1) CONSENSUAL; (2) ESSENTIAL TO THE CONFIRMATION OF THIS PLAN; (3) GIVEN IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE RELEASED PARTIES, INCLUDING THE RELEASED PARTIES' SUBSTANTIAL CONTRIBUTIONS TO FACILITATING THE RESTRUCTURING TRANSACTIONS AND IMPLEMENTING THIS PLAN; (4) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE THIRD-PARTY RELEASE; (5) IN THE BEST INTERESTS OF THE DEBTORS AND THE ESTATES; (6) FAIR, EQUITABLE, AND REASONABLE; (7) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (8) A BAR TO ANY OF THE RELEASING PARTIES ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO THE THIRD-PARTY RELEASE.

D. *Exculpation*

EFFECTIVE AS OF THE EFFECTIVE DATE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE EXCULPATED PARTIES SHALL NEITHER HAVE NOR INCUR ANY LIABILITY TO ANY PERSON OR ENTITY FOR ANY CLAIMS OR CAUSES OF ACTION ARISING BEFORE OR ON THE EFFECTIVE DATE FOR ANY ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH, OR RELATED TO, FORMULATING, NEGOTIATING, PREPARING, DISSEMINATING, IMPLEMENTING, ADMINISTERING, CONFIRMING OR EFFECTING THE CONFIRMATION OR CONSUMMATION (AS APPLICABLE) OF THIS PLAN, THE TRANSACTION SUPPORT AGREEMENT, AND THE DISCLOSURE STATEMENT INCLUDING ANY DISBURSEMENTS MADE BY A DISTRIBUTION AGENT IN CONNECTION WITH THIS PLAN, THE DISCLOSURE STATEMENT, THE DEFINITIVE DOCUMENTS, THE PLAN SUPPLEMENT, THE ABL FACILITY DOCUMENTS, THE TERM LOAN DOCUMENTS, THE DIP FACILITY DOCUMENTS, THE EXIT FACILITIES DOCUMENTS (AND ANY FINANCING PERMITTED THEREUNDER), OR ANY RESTRUCTURING TRANSACTION, CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THIS PLAN OR ANY OTHER POSTPETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR IN CONTEMPLATION OF THE RESTRUCTURING OF THE DEBTORS, THE APPROVAL OF THE DISCLOSURE STATEMENT OR CONFIRMATION OR CONSUMMATION OF THIS PLAN; *PROVIDED*, THAT THE FOREGOING PROVISIONS OF THIS EXCULPATION SHALL NOT OPERATE TO WAIVE OR RELEASE: (1) ANY CLAIMS OR CAUSES OF ACTION ARISING FROM WILLFUL MISCONDUCT, ACTUAL FRAUD, OR GROSS NEGLIGENCE OF SUCH APPLICABLE EXCULPATED PARTY AS DETERMINED BY FINAL ORDER OF THE BANKRUPTCY COURT OR ANY OTHER COURT OF COMPETENT JURISDICTION; AND/OR (2) THE RIGHTS OF ANY PERSON OR ENTITY TO ENFORCE THIS PLAN AND THE CONTRACTS, INSTRUMENTS, RELEASES, INDENTURES, AND OTHER AGREEMENTS AND DOCUMENTS DELIVERED UNDER OR IN CONNECTION WITH THIS PLAN OR ASSUMED PURSUANT TO THIS PLAN OR FINAL ORDER OF THE BANKRUPTCY COURT; *PROVIDED*, FURTHER, THAT EACH EXCULPATED PARTY SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL CONCERNING ITS RESPECTIVE DUTIES PURSUANT TO, OR IN CONNECTION WITH, THE ABOVE REFERENCED DOCUMENTS, ACTIONS, OR INACTIONS.

THE EXCULPATED PARTIES HAVE, AND UPON CONSUMMATION OF THIS PLAN SHALL BE DEEMED TO HAVE, PARTICIPATED IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE LAWS WITH REGARD TO THE SOLICITATION OF VOTES AND DISTRIBUTION OF CONSIDERATION PURSUANT TO THIS PLAN AND, THEREFORE, ARE NOT, AND ON ACCOUNT OF SUCH DISTRIBUTIONS SHALL NOT BE, LIABLE AT ANY TIME FOR THE VIOLATION OF ANY APPLICABLE LAW, RULE, OR REGULATION GOVERNING THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THIS PLAN OR SUCH DISTRIBUTIONS MADE PURSUANT TO THIS PLAN.

THE FOREGOING EXCULPATION SHALL BE EFFECTIVE AS OF THE EFFECTIVE DATE WITHOUT FURTHER NOTICE TO OR ORDER OF THE BANKRUPTCY COURT, ACT, OR ACTION UNDER APPLICABLE LAW, REGULATION, ORDER, OR RULE OR THE VOTE, CONSENT, AUTHORIZATION, OR APPROVAL OF ANY PERSON OR ENTITY.

E. ***Permanent Injunction***

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS PLAN OR THE COMBINED ORDER, FROM AND AFTER THE EFFECTIVE DATE, ALL PERSONS AND ENTITIES ARE, TO THE FULLEST EXTENT PROVIDED UNDER SECTION 524 AND OTHER APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, PERMANENTLY ENJOINED FROM (1) COMMENCING OR CONTINUING, IN ANY MANNER OR IN ANY PLACE, ANY SUIT, ACTION OR OTHER PROCEEDING OF ANY KIND; (2) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING IN ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER; (3) CREATING, PERFECTING, OR ENFORCING ANY LIEN OR ENCUMBRANCE; (4) ASSERTING A RIGHT OF SETOFF OR SUBROGATION OF ANY KIND; OR (5) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND, IN EACH CASE ON ACCOUNT OF OR WITH RESPECT TO ANY CLAIM, DEMAND, LIABILITY, OBLIGATION, DEBT, RIGHT, CAUSE OF ACTION, INTEREST, OR REMEDY RELEASED OR TO BE RELEASED, EXCULPATED OR TO BE EXCULPATED, SETTLED OR TO BE SETTLED, OR DISCHARGED OR TO BE DISCHARGED PURSUANT TO THIS PLAN OR THE COMBINED ORDER AGAINST ANY PERSON OR ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED (OR THE PROPERTY OR ESTATE OF ANY PERSON OR ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED). ALL INJUNCTIONS OR STAYS PROVIDED FOR IN THE CHAPTER 11 CASES UNDER SECTION 105 OR SECTION 362 OF THE BANKRUPTCY CODE, OR OTHERWISE, AND IN EXISTENCE ON THE CONFIRMATION DATE, SHALL REMAIN IN FULL FORCE AND EFFECT UNTIL THE EFFECTIVE DATE.

Article X.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Combined Order and the occurrence of the Effective Date, except to the extent set forth herein or under applicable federal law, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and this Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

A. 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;

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

C. resolve any matters related to: (1) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure Costs arising therefrom, including Cure Costs pursuant to section 365 of the Bankruptcy Code; (2) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; and (3) any dispute regarding whether a contract or lease is or was executory or expired;

D. ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of this Plan and the Combined Order;

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

F. adjudicate, decide, or resolve any and all matters related to Causes of Action;

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

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

I. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of this Plan, the Combined Order, and all contracts, instruments, releases, and other agreements or documents created in connection with this Plan, the Combined Order, or the Disclosure Statement, including the Transaction Support Agreement;

J. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

K. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the interpretation or enforcement of this Plan, the Combined Order, or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to this Plan or the Combined Order, or any Entity's rights arising from or obligations incurred in connection with this Plan or the Combined Order;

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

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

N. 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 the Holder of a Claim or Interest for amounts not timely repaid;

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

P. determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Combined Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with this Plan, the Combined Order, or the Disclosure Statement;

Q. enter an order or final decree concluding or closing the Chapter 11 Cases;

R. adjudicate any and all disputes arising from or relating to distributions to Holders of Claims and Interests under this Plan;

S. consider any modification of this Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Combined Order;

T. determine requests for payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;

U. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan, or the Combined Order, including disputes arising under agreements, documents, or instruments executed in connection with this Plan;

V. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

W. hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge, including without limitation any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;

X. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the releases, injunctions, and exculpations provided under Article IX of this Plan;

Y. resolve any disputes concerning whether a Person had sufficient notice of the Chapter 11 Cases, the Disclosure Statement, any solicitation conducted in connection with the Chapter 11 Cases, in each case, for the purpose of determining whether a Claim or Interest is discharged hereunder or for any other purpose;

Z. enforce all orders previously entered by the Bankruptcy Court; and

AA. hear any other matter not inconsistent with the Bankruptcy Code, this Plan, or the Combined Order.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in this Article X, the provisions of this Article X shall have no effect on and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

Notwithstanding anything to the contrary in this Plan: (1) the Bankruptcy Court's jurisdiction to hear and determine disputes concerning Claims against or Interests in the Debtors that arose before the Effective Date, including, without limitation, any Claims based in whole or in part on any conduct of the Debtors occurring on or before the Effective Date, shall be non-exclusive; (2) any dispute arising under or in connection with the Exit Facility Documents, New Governance Documents, and New Stockholders Agreement shall be dealt with in accordance with the provisions of the applicable document; and (3) as of the Effective Date, the Exit Facility Amendment shall be governed by the jurisdictional provisions therein.

Article XI.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF PLAN

A. *Modification of Plan*

Subject to the terms of the Transaction Support Agreement and the limitations contained in this Plan, the Debtors or Reorganized Debtors reserve the right to, in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Transaction Support Agreement: (1) amend or modify this Plan before the entry of the Combined Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; (2) amend or modify this Plan after the entry of the Combined Order in accordance with section 1127(b) of the Bankruptcy Code and the Transaction Support Agreement upon order of the Bankruptcy Court; and (3) remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan upon order of the Bankruptcy Court.

B. *Effect of Confirmation on Modifications*

Entry of the Combined Order shall mean that all modifications or amendments to this 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.

C. *Revocation of Plan; Reservation of Rights if Effective Date Does Not Occur*

Subject to the conditions to the Effective Date, the Debtors reserve the right, subject to the terms of the Transaction Support Agreement, to revoke or withdraw this Plan before the entry of the Combined Order and to File subsequent plans of reorganization. If the Debtors revoke or withdraw this Plan, or if entry of the Combined Order or the Effective Date does not occur, or if the Transaction Support Agreement terminates in accordance with its terms before the Effective Date, then: (1) this Plan shall be null and void in all respects; (2) any settlement or compromise embodied in this Plan, assumption or rejection of Executory Contracts or Unexpired Leases effected by this Plan, and any document or agreement executed pursuant hereto shall be deemed null and void; and (3) nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims by or against, or any Interests in, such Debtor or any other Entity; (b) prejudice in any manner the rights of the Debtors or any other Entity; or (c) constitute an admission of any sort by the Debtors or any other Entity; *provided*, that any Restructuring Fees and Expenses that have been paid as of the date of revocation or withdrawal of this Plan shall remain paid and shall not be subject to disgorgement or repayment without further order of the Bankruptcy Court.

Article XII.
MISCELLANEOUS PROVISIONS

A. *Immediate Binding Effect*

Notwithstanding Bankruptcy Rules 3020(e), 6004(g), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of this Plan and the documents and instruments contained in the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims and Interests (irrespective of whether Holders of such Claims or Interests are deemed to have accepted this Plan), all Entities that are parties to or are subject

to the settlements, compromises, releases, discharges, and injunctions described in this Plan, each Entity acquiring property under this Plan and any and all non-Debtor parties to Executory Contracts and Unexpired Leases, and notwithstanding whether or not such Person or Entity (1) shall receive or retain any property, or interest in property, under this Plan, (2) has filed a Proof of Claim in the Chapter 11 Cases (if applicable) or (3) failed to vote to accept or reject this Plan, affirmatively voted to reject this Plan, or is conclusively presumed to reject this Plan. The Combined Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Bankruptcy Rule 3020(e) and 7062.

B. *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 this Plan. The Debtors or Reorganized Debtors, as applicable, and all Holders of Claims and Interests receiving distributions pursuant to this 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 the provisions and intent of this Plan or the Combined Order.

C. *Payment of Statutory Fees*

All fees payable pursuant to section 1930(a) of the Judicial Code, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code or as agreed to by the United States Trustee and the Reorganized Debtors, shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

D. *Reservation of Rights*

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

E. *Successors and Assigns*

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

F. *No Successor Liability*

Except as otherwise expressly provided in this Plan and the Combined Order, each of the Reorganized Debtors (1) is not, and shall not be deemed to assume, agree to perform, pay, or otherwise have any responsibilities for any liabilities or obligations of the Debtors or any other Person relating to or arising out of the operations or the assets of the Debtors on or before the Effective Date, (2) is not, and shall not be, a successor to the Debtors by reason of any theory of law or equity or responsible for the knowledge or conduct of any Debtor before the Effective Date, and (3) shall not have any successor or transferee liability of any kind or character.

G. *Service of Documents*

After the Effective Date, any pleading, notice, or other document required by this Plan to be served on or delivered to the Reorganized Debtors shall also be served on:

Debtors
JOANN Inc.
5555 Darrow Road
Hudson, Ohio 44236
Attn: Ann Aber

Counsel to the Debtors
Young Conaway Stargatt & Taylor LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Attn: Michael R. Nestor and Kara Hammond Coyle

and

Latham & Watkins LLP
1271 Avenue of the Americas
New York, New York 10020
Attn: George A. Davis and Alexandra M. Zablocki

and

Latham & Watkins LLP
355 South Grand Avenue, Suite 100
Los Angeles, California 90071
Attn: Ted A. Dillman and Nicholas J. Messana

and

Latham & Watkins LLP
330 North Wabash Avenue, Suite 2800,
Chicago, Illinois 60611
Attn: Ebba Gebisa

United States Trustee
Office of the United States Trustee for the District of Delaware
844 King Street, Suite 2207
Wilmington, Delaware 19801
Attn: Timothy J. Fox, Jr. and Malcolm M. Bates

Counsel to the Ad Hoc Group
Morris, Nichols, Arsht & Tunnell LLP
1201 North Market Street, 16th Floor, P.O. Box 1347
Wilmington, Delaware 19899-1347
Attn: Robert Dehney, Matthew Harvey, and Brenna Dolphin

and

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166-0193
Attention: Scott J. Greenberg, Joshua Brody, and Kevin Liang

Counsel to the ABL Facility Agent
Morgan, Lewis & Bockius LLP
One Federal Street
Boston, Massachusetts 02110
Attn: Marjorie S. Crider and Christopher L. Carter

Counsel to the FILO Term Loan Agent
Choate, Hall & Stewart LLP
Two International Place
Boston, Massachusetts 02110
Attn: John F. Ventola, Seth D. Mennillo, and Jonathan Marshall

and

Reed Smith LLP
1201 Market Street, Suite 1500
Wilmington, Delaware 19801
Attn: Kurt F. Gwynne

Counsel to Certain FILO Lenders
Proskauer Rose LLP
Eleven Times Square
New York, NY 10036
Attn: Andrew Bettwy and Megan Volin

and

Proskauer Rose LLP
One International Place
Boston, MA 02110
Attn: Charles Dale

and

DLA Piper LLP (US)
1201 North Market Street, Suite 2100
Wilmington, Delaware 19801
Attn: Stuart M. Brown

Counsel to the Consenting Stockholder Parties
Richards, Layton & Finger, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Attn: Mark D. Collins and Michael J. Merchant

H. *Term of Injunctions or Stays*

Unless otherwise provided in this Plan or in the Combined Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in this Plan or the Combined Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in this Plan or the Combined Order shall remain in full force and effect in accordance with their terms.

I. *Entire Agreement*

On the Effective Date, this 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 this Plan.

J. *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 New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of this Plan, the Plan Supplement, and any agreements, documents, instruments, or contracts executed or entered into in connection with this Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control), and corporate governance matters; *provided*, that corporate governance matters relating to Debtors or Reorganized Debtors, as applicable, not incorporated in New York shall be governed by the laws of the jurisdiction of incorporation of the applicable Debtor or Reorganized Debtor, as applicable.

K. *Exhibits*

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of this Plan as if set forth in full in this Plan. Except as otherwise provided in this Plan, such exhibits and documents included in the Plan Supplement shall initially be Filed with the Bankruptcy Court on or before the Plan Supplement Filing Date. After the exhibits and documents are Filed, copies of such exhibits and documents shall have been available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Debtors' restructuring website at https://cases.ra.kroll.com/JOANN or the Bankruptcy Court's website at www.deb.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of this Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of this Plan shall control.

L. *Nonseverability of Plan Provisions upon Confirmation*

If, before Confirmation, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted; *provided*, that any such alteration or interpretation shall be acceptable to the Debtors and the Required Consenting Stakeholders. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Combined Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to this Plan and may not be deleted or modified without the consent of the Debtors; and (3) nonseverable and mutually dependent.

M. *Closing of Chapter 11 Cases*

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases.

N. *Conflicts*

To the extent that any provision of the Disclosure Statement, or any order entered before Confirmation (for avoidance of doubt, not including the Combined Order) referenced in this Plan (or any exhibits, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of this Plan, this Plan shall govern and control. To the extent that any provision of this Plan conflicts with or is in any way inconsistent with any provision of the Combined Order, the Combined Order shall govern and control.

O. *No Strict Construction*

This Plan is the product of extensive discussions and negotiations between and among, *inter alia*, the Debtors, the Consenting Stakeholders, and their respective professionals. Each of the foregoing was represented by counsel of its choice who either participated in the formulation and documentation of, or was afforded the opportunity to review and provide comments on, this Plan and the Disclosure Statement, the exhibits and schedules thereto, and the other agreements and documents ancillary or related thereto. Accordingly, unless explicitly indicated otherwise, the general rule of contract construction known as "contra proferentem" or other rule of strict construction shall not apply to the construction or interpretation of any provision of this Plan and the Disclosure Statement, the exhibits and schedules thereto, and the other agreements and documents ancillary or related thereto.

P. *Section 1125(e) Good Faith Compliance*

The Debtors, the Reorganized Debtors, the Consenting Stakeholders, and each of their respective current and former officers, directors, members (including *ex officio* members), managers, employees, partners, advisors, attorneys, professionals, accountants, investment bankers, investment advisors, actuaries, Affiliates, financial advisors, consultants, agents, and other representatives of each of the foregoing Entities (whether current or former, in each case in his, her or its capacity as such) have, and upon Confirmation shall be deemed to have, solicited votes on this Plan from the Voting Classes in compliance with the applicable provisions of the Bankruptcy Code, and any applicable non-bankruptcy law, rule or regulation governing the adequacy of disclosure in connection with the solicitation, and acted in "good faith" under section 1125(e) of the Bankruptcy Code; and therefore, no such parties, individuals, or the Debtors or the Reorganized Debtors shall have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on this Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under this Plan.

Q. *2002 Notice Parties*

After the Effective Date, the Debtors and the Reorganized Debtors, as applicable, are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed a renewed request after the Confirmation Hearing to receive documents pursuant to Bankruptcy Rule 2002.

Respectfully submitted, as of the date first set forth above,

JOANN Inc.
(on behalf of itself and all other Debtors)

By: /s/
Name: Scott Sekella
Title: Executive Vice President and Chief Financial Officer

Exhibit 10.2

March 15, 2024

Private and Confidential

Jo-Ann Stores, LLC
5555 Darrow Road
Hudson, OH 44236
Attention: Scott Sekella, Chief Financial Officer

$500 million Senior Secured Asset-Based Revolving Facility Commitment Letter

Ladies and Gentlemen:

Jo-Ann Stores, LLC (the "Company" or "you") has (i) advised the parties listed on the signature pages hereto (each, a "Revolving Credit Lender" and, collectively, the "Revolving Credit Lenders", "we", "us" or "our"), that the Company and certain of its subsidiaries and affiliates (collectively with the Company, the "Debtors") have filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (as amended, the "Bankruptcy Code"), and (ii) in connection with the foregoing, requested that the Revolving Credit Lenders agree (x) to the consensual use by the Debtors of Cash Collateral (as such term is defined in, and subject to the terms and conditions of, that certain *Interim Order Under Bankruptcy Code Sections 105, 361, 362, 363, 364, 503, 506, 507, and 552, and Bankruptcy Rules 2002, 4001, 6003, 6004, and 9014 (I) Authorizing Debtors to (A) Obtain Postpetition Financing and (B) use Cash Collateral, (II) Granting (A) Liens and Providing Superpriority Administrative Expense Status and (B) Adequate Protection of Prepetition Secured Creditors, (III) Modifying Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the "DIP Order")) and (y) to commit to convert the Revolving Credit Commitments under the Debtors' Pre-Petition ABL Credit Agreement, subject only to the satisfaction (or waiver) of the conditions precedent set forth under the caption "Conditions Precedent to the Effective Date" and, to the extent that any borrowing of Exit Revolving Loans or Swing Line Loans, or the issuance of any Letter of Credit, occurs on the Effective Date, the caption "Conditions to all Borrowings" (collectively, the "Specified Conditions") in the term sheet attached hereto as Exhibit A (the "Exit Facility Term Sheet") to a senior secured, asset-based revolving credit facility (the "Exit Revolving Facility"), which terms and conditions will be memorialized in a credit agreement, or in an amendment to the Pre-Petition ABL Credit Agreement, that will govern the Exit Revolving Facility on the terms set forth in the Exit Facility Term Sheet. Capitalized terms used herein without definition shall have the meaning assigned thereto in the Exit Facility Term Sheet or the Pre-Petition ABL Credit Agreement, as applicable.

To provide assurance that the Exit Revolving Facility shall be available on the terms and conditions set forth herein and in the Exit Facility Term Sheet, each Revolving Credit Lender is pleased to advise the Company of its commitment to convert the amount of its Revolving Credit Commitment and its portion of the outstanding Revolving Obligations under the Pre-Petition ABL Credit Agreement into a Revolving Credit Commitment and Revolving Obligations under the Exit Revolving Facility, in each case in the amounts set forth on Schedule 1 hereto, on the terms and subject only to the satisfaction (or waiver by all of the Revolving Credit Lenders) of the Specified Conditions set forth in the Exit Facility Term Sheet. It is understood and agreed that the commitments of the Revolving Credit Lenders under this Commitment Letter shall be several and not joint.

We hereby agree that there are no conditions (implied or otherwise) to our commitments in respect of the closing of the Exit Revolving Facility on the Effective Date other than the Specified Conditions. Upon satisfaction (or waiver by all of the Revolving Credit Lenders) of the Specified Conditions, each party hereto will execute and deliver the definitive documentation for the Exit Revolving Facility to which it is a party, and the closing of the Exit Revolving Facility on the Effective Date shall occur.

You hereby engage Bank of America, N.A. to act as the administrative agent in respect of the Exit Revolving Facility (in such capacity, the "Administrative Agent").

You hereby represent that (a) all written information (other than projections, financial estimates, forecasts and other forward-looking information (collectively, the "Projections") or information of a general economic or industry nature) (the "Information") that has been or will be made available to the Revolving Credit Lenders in connection with the Exit Revolving Facility and the transactions contemplated hereby, by or on behalf of you, or any of your representatives, is or will be, when furnished and taken as a whole (and as the same may be supplemented from time to time), complete and correct in all material respects and does not or will not, when furnished and taken as a whole (and as the same may be supplemented from time to time), contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, taken as a whole, not materially misleading in light of the circumstances under which such statements are made and (b) the Projections, if any, that have been or will be made available to the Revolving Credit Lenders by or on behalf of you or any of your representatives have been or will be prepared in good faith based upon assumptions that are believed by you to be reasonable at the time made and at the time the related Projections are made available to the Revolving Credit Lenders (it being understood that the Projections are as to future events and are not to be viewed as facts, the Projections are subject to uncertainties and contingencies, many of which are beyond your control, no assurance can be given that any particular Projections will be realized and actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material). You agree that if at any time prior to the closing of the Exit Revolving Facility you become aware that any of the representations in the preceding sentence would be incorrect or incomplete in any material respect if the Information and Projections were being furnished, and such representations were being made, at such time, then you will promptly supplement the Information and the Projections so that such representations will be correct and complete in all material respects under those circumstances. In providing commitments for the Exit Revolving Facility, each Revolving Credit Lender will be entitled to use and rely primarily on the Information and the Projections without responsibility for independent verification thereof.

In addition, you agree, whether or not the Effective Date occurs, to reimburse the Administrative Agent for all reasonable and documented out-of-pocket expenses (in the case of legal fees and expenses, limited to the reasonable and documented fees and disbursements of Morgan, Lewis & Bockius LLP, and of one local bankruptcy or other counsel in each relevant jurisdiction to the Revolving Credit Lenders) incurred in connection with the Exit Revolving Facility, the preparation of this Commitment Letter and the definitive documentation for the Exit

Revolving Facility in connection therewith. You acknowledge that we may receive a benefit, including without limitation, a discount, credit or other accommodation, from any of such counsel based on the fees such counsel may receive on account of their relationship with us, including, without limitation, fees paid pursuant hereto.

You agree that, once paid, the fees and expense reimbursement or any part thereof payable hereunder will not be refundable under any circumstances. All fees payable hereunder will be paid in immediately available funds and shall not be subject to reduction by way of setoff or counterclaim (and will be made with appropriate gross-up for withholding taxes to the extent that the applicable recipient has provided a properly completed and duly executed IRS Form W-9 or other certification establishing complete exemption from U.S. federal backup withholding). The foregoing provisions with respect to expense reimbursements in this paragraph shall be superseded by the applicable provisions contained in the definitive documentation for the Exit Revolving Facility upon execution thereof and thereafter shall have no further force and effect.

You agree to indemnify and hold harmless the Revolving Credit Lenders, the Administrative Agent, their respective affiliates and the respective officers, directors, employees, agents, advisors, and successors and permitted assigns of each of the foregoing (each, an "Indemnified Person") from and against any and all losses (other than lost profits of such Indemnified Persons), claims, damages, liabilities and reasonable and documented expenses, joint or several, to which any such Indemnified Person may become subject arising out of or relating to any claim, litigation, investigation or proceeding (each, a "Proceeding") relating to this Commitment Letter, the Exit Revolving Facility (including the use of proceeds therefrom) or the other transactions contemplated hereby, regardless of whether any such Indemnified Person is a party thereto (and regardless of whether such matter is initiated by a third party or by you or any of your affiliates), and to reimburse each such Indemnified Person within ten business days after presentation of a summary statement for any reasonable and documented out-of-pocket legal or other expenses incurred in connection with investigating or defending any of the foregoing (but limited in the case of legal fees and expenses to a single counsel and of one local counsel in each relevant jurisdiction, in each case for all Indemnified Persons (provided that, in the event of an actual or perceived conflict of interest, the Company will be required to pay for one additional counsel for each similarly affected group of Indemnified Persons taken as a whole and of one local counsel in each relevant jurisdiction, for each similarly affected group of Indemnified Persons taken as a whole); provided that the foregoing indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent (a) they are found in a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such Indemnified Person or a material breach of the obligations of such Indemnified Person or (b) arising from disputes solely between and among Indemnified Persons to the extent such disputes do not arise from any act or omission of the Company or any of its controlled affiliates (other than claims against an Indemnified Person acting in its capacity as an agent or arranger or similar role under the Exit Revolving Facility). Notwithstanding any other provision of this Commitment Letter, no Indemnified Person shall be liable for any damages arising from the unauthorized use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent that such damages have resulted from the willful misconduct or gross negligence of such Indemnified Person (as determined by a court of competent jurisdiction in a final and non-appealable decision). No party hereto (including each party's subsidiaries or affiliates) shall be liable for any indirect, special, punitive or consequential damages in connection with its activities related to the Exit Revolving Facility; provided that this sentence shall not limit your indemnification obligations to the extent such indirect, special, punitive or consequential damages are included in any claim by a third party with respect to which the applicable Indemnified Person is otherwise entitled to indemnification under this paragraph.

You shall not be liable for any settlement of any Proceedings if the amount of such settlement was effected without your consent (which consent shall not be unreasonably withheld or delayed), but if settled with your written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction for the plaintiff against any Indemnified Person in any such Proceedings, you agree to indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with the preceding paragraph. You shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened Proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless (a) such settlement includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability on claims that are the subject matter of such Proceedings and (b) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person or any injunctive relief or other non-monetary remedy.

In connection with this Commitment Letter and subject to the conditions precedent set forth in the Exit Facility Term Sheet, each Revolving Credit Lender agrees to the proposed treatment of ABL Claims under the ABL Acceptable Plan and that it will vote to accept the ABL Acceptable Plan in accordance with the terms thereof. Each Revolving Credit Lender agrees that it will not file any motion, pleading, or other document with any court (including any modifications or amendments to any motion, pleadings, or other documents with any court) that, in whole or in part, is inconsistent with the Transactions contemplated in the ABL Acceptable Plan and this Commitment Letter.

This Commitment Letter contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto. This Commitment Letter may not be amended or modified except by a writing executed by each of the parties hereto. This Commitment Letter is solely for the benefit of the Debtors and the Revolving Credit Lenders, and no other person (except for affiliates and Indemnified Persons to the extent set forth above) shall acquire or have any rights under or by virtue of this Commitment Letter. This Commitment Letter may not be assigned by the Company without the prior written consent of each Revolving Credit Lender or by any Revolving Credit Lender without the Company's prior written consent.

This Commitment Letter (including the Exit Facility Term Sheet) and any claim, controversy or dispute arising under or related to this Commitment Letter and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflict of laws principles thereof, and the Bankruptcy Code. EACH OF THE PARTIES HERETO IRREVOCABLY AGREES TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER

(INCLUDING THE SUMMARY OF TERMS), THE PERFORMANCE OF SERVICES HEREUNDER AND THE TRANSACTIONS CONTEMPLATED HEREBY. Each of the parties hereto irrevocably agrees that, except as otherwise set forth in this paragraph, any state or federal court sitting in the City of New York, Borough of Manhattan and any appellate court from any thereof, and the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute arising out of or relating to this Commitment Letter (including the Exit Facility Term Sheet) and the transactions contemplated hereby and, for such purposes, irrevocably submits to the jurisdiction of such courts. Each of you and each Revolving Credit Lender waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court, and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

This Commitment Letter (including the Exit Facility Term Sheet) is delivered to you on the understanding that, and you agree that, neither this Commitment Letter (including the Exit Facility Term Sheet) nor any of its terms or substance nor the activities of the Revolving Credit Lenders in connection therewith shall be disclosed, directly or indirectly, by you to any other person (including, without limitation, other potential providers or arrangers of financing) except (a) as required by applicable law, regulation or legal process or in any legal, judicial or administrative proceeding, (b) on a confidential basis to your affiliates, subsidiaries, and your and their directors, officers, employees, agents, attorneys, accountants, advisors and controlling persons who have a need to know such information in connection with any of the transactions contemplated hereby, (c) to the office of the U.S. Trustee, the Term Facility Lenders, the lenders in respect of the Exit FILO Facility any *ad-hoc* or statutorily appointed committee of unsecured creditors, and their respective representatives and professional advisors on a confidential and "need to know" basis, (d) to the Court to the extent required to obtain Court approval in connection with any acts or obligations to be taken pursuant to this Commitment Letter or the transactions contemplated hereby, (e) to any rating agency in connection with any refinancing of term loan facilities or similar transaction, (f) in connection with the enforcement of your rights or remedies hereunder or (g) with our prior written consent; provided that you may disclose the aggregate fee amount contained in this Commitment Letter (and any fee letter agreement executed in connection herewith) as part of Projections, pro forma information or a generic disclosure of aggregate sources and uses related to fee amounts related to the Exit Revolving Facility to the extent customary or required in offering and marketing materials for the Exit Revolving Facility, in any public or regulatory filing requirement or to your and the Company's auditors and accounting and tax advisers for customary accounting and tax purposes, including accounting for deferred financing costs.

Each Revolving Credit Lender and its affiliates shall use all confidential information provided to it by or on behalf of you hereunder solely for the purpose of providing the services which are the subject of this Commitment Letter (including the Exit Facility Term Sheet) and otherwise in connection with the Exit Revolving Facility and the transactions contemplated hereby and thereby and shall treat confidentially all such information; provided, however, that nothing herein shall prevent any Revolving Credit Lender or its affiliates from disclosing any such information (a) pursuant to the order of any court or administrative agency or otherwise as required by applicable law or compulsory legal process (in which case such Revolving Credit Lender agrees to inform you promptly thereof prior to such disclosure to the extent practicable and not prohibited

by law, rule or regulation and to only disclose that information necessary to fulfill such legal requirement), (b) upon the request or demand of any regulatory authority having jurisdiction over such Revolving Credit Lender or any of its affiliates, (c) to the extent that such information becomes publicly available other than by reason of disclosure in violation of this Commitment Letter by any Revolving Credit Lender, any of its affiliates, or its or such affiliates' respective directors, employees, legal counsel, independent auditors and other experts or agents, (d) to the affiliates of each Revolving Credit Lender and its and such affiliates' respective directors, employees, legal counsel, independent auditors and other experts or agents who need to know such information in connection with the Exit Revolving Facility and are informed of the confidential nature of such information and have agreed to receive such information subject to the terms of this paragraph or are otherwise bound by similar confidentiality obligations, (e) for purposes of establishing a "due diligence" or similar defense, (f) to rating agencies, in connection with obtaining ratings for any term loan facility, (g) to the extent that such information is or was received by any Revolving Credit Lender from a third party that is not to the knowledge of the such Revolving Credit Lender subject to confidentiality obligations to you, (h) to the extent that such information is independently developed by any Revolving Credit Lender or any of its affiliates without the use of any information that is required to be kept confidential in accordance with the terms hereof or (i) to potential participants or permitted assignees, in each case, who agree to be bound by the terms of this paragraph (or language substantially similar to this paragraph or as otherwise reasonably acceptable to you and the Administrative Agent). This paragraph shall terminate on the earlier of (a) the first anniversary of the date hereof and (b) the Effective Date (it being understood that in the case of this clause (b) the confidentiality provisions of this paragraph shall be superseded in their entirety by the applicable provisions contained in the definitive documentation for the Exit Revolving Facility).

We hereby notify you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "Patriot Act"), we are and each Revolving Credit Lender is required to obtain, verify and record information that identifies the Company and the Debtors party to the Exit Revolving Facility, which information includes the name, address, tax identification number and other information regarding the Company and such Debtors that will allow us to identify the Company and such Debtors in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective as to each Revolving Credit Lender.

This Commitment Letter may be executed in counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. Such counterparts may be delivered by facsimile, ".tif" file or ".pdf" file and shall have the same effect as the original.

If the foregoing correctly sets forth our agreement, please indicate the Company's acceptance of the terms of this Commitment Letter by returning to the Administrative Agent executed counterparts of this Commitment Letter not later than 11:59 p.m., New York City time, on March 15, 2024. This offer will automatically expire at such time if the Administrative Agent has not received such executed counterparts in accordance with the preceding sentence. This Commitment Letter and the commitments and agreements hereunder shall automatically terminate on the earliest of (a) the Effective Date, (b) unless the Revolving Credit Lenders shall, in their sole discretion, agree in writing to an extension (which agreement may be evidenced by

email of counsel), May 20, 2024, and (c) the date, if any, upon which the Administrative Agent delivers an ABL Termination Declaration under the DIP Order. The provisions of this Commitment Letter relating to the payment and/or reimbursement of expenses, non-refundability and payment of fees, indemnification, governing law and submission to jurisdiction (in each case, except as expressly contemplated in such provisions) will survive any termination or expiration of this Commitment Letter; *provided* that your obligations under this Commitment Letter relating to the payment and/or reimbursement of expenses, non-refundability and payment of fees not then due and payable, and indemnification shall automatically terminate and be superseded by the provisions of the definitive documentation in respect of the Exit Revolving Facility, and you shall automatically be released from all liability in connection therewith at such time.

[Remainder of Page Intentionally Left Blank]

Accepted and agreed to as of
the date first above written:

JO-ANN STORES, LLC

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Treasurer

Schedule 1

EXIT REVOLVING FACILITY COMMITMENTS

Exhibit A
Exit Facility Term Sheet
[see attached]

Exhibit A

Exit Facility Term Sheet

Capitalized terms used but not defined in this Exhibit A (the "**Exit Facility Term Sheet**") shall have the meanings set forth in the DIP Order. In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit A shall be determined by reference to the context in which it is used.

Borrower:	Reorganized Jo-Ann Stores, LLC (the "**Borrower**").
Administrative Agent:	Bank of America, N.A. ("**Administrative Agent**").
Revolving Credit Lenders:	Bank of America, N.A., Wells Fargo Bank, National Association, BMO Harris Bank, N.A., U.S. Bank National Association, PNC Bank, National Association, TD Bank, N.A. and Huntington National Bank (collectively, the "**Revolving Credit Lenders**").
Swingline Lender:	Bank of America, N.A., as the swing line lender (in such capacity, the "**Swing Line Lender**").
Exit Revolving Facility:	A $500,000,000 senior secured revolving credit facility available from time to time from the Effective Date (as defined below) until the Maturity Date (as defined below) (as the same may be increased or decreased in accordance with the terms therein, the "**Exit Revolving Facility**", the commitments thereunder, the "**Exit Revolving Commitments**" and the loans thereunder, the "**Exit Revolving Loans**"), which shall include a $125,000,000 sublimit for the issuance of standby and documentary letters of credit (each, a "**Letter of Credit"**) and a $30,000,000 sublimit for swing line loans (each, a "**Swing Line Loan**"). Letters of Credit will be issued by Bank of America, N.A. and Swing Line Loans will be made available by the Swing Line Lender, and each of the Revolving Credit Lenders under the Exit Revolving Facility will purchase an irrevocable and unconditional participation in each Letter of Credit and each Swing Line Loan.
Definitive Documentation:	The definitive documentation for the Exit Revolving Facility (the "**Definitive Documentation**") shall, except as otherwise set forth herein, be the same as the Amended and Restated Credit Agreement, dated as of October 21, 2016 (as amended on November 25, 2020, December 22, 2021, and March 10, 2023, and as otherwise modified prior to the Effective Date), by and among Jo-Ann Stores, LLC (the "**Company**"), Needle Holdings, LLC ("**Holdings**"), Bank of America, N.A., as the administrative agent and the collateral agent, and certain lenders party thereto from time to time (the "**Pre-Petition ABL Credit Agreement**") but with changes and modifications as set forth in this term sheet (but in no event more favorable to the Loan Parties in any material respect unless set forth in this term sheet or otherwise agreed by all of the Revolving Credit Lenders) and otherwise that (i) give due regard to the Borrower's updated business plan, (ii) give due regard to

	the Borrower's change in ownership structure and status as a private company as of the Effective Date, (iii) conform where customary and appropriate for transactions of this type to corresponding baskets and thresholds in the Exit Term Loan Facility, and (iv) give due regard to the inclusion of the Exit FILO Facility (as defined in the commitment letter dated as of the date hereof and made between the Borrower, 1903P Loan Agent, LLC, 1903 Loan Partners, LLC and Centerbridge Credit CS, L.P.) within the Exit Credit Agreement. The Definitive Documentation shall be negotiated in good faith within a reasonable time period to be determined based on the expected date of the Court's entry into an order (the "**Confirmation Order**") confirming a plan of reorganization substantially in the form attached to the Commitment Letter as Exhibit B, without any adverse modification as to the treatment of the ABL Claims and without any other material modification except as approved in writing by all of the Revolving Credit Lenders (the "**ABL/FILO Acceptable Plan**"). This paragraph, collectively, is referred to herein as the "**Documentation Principles**".
Purpose:	The proceeds of the Exit Revolving Facility will be used by the Borrower (a) on the Effective Date, together with the proceeds of borrowings under the Exit Term Loan Facility in connection with the ABL/FILO Acceptable Plan, (i) to pay the consideration for the reorganization that is consummated in accordance with the ABL/FILO Acceptable Plan (the "**Reorganization**"), (ii) for the refinancing of the Prepetition Loan Facilities and the indebtedness under the DIP Credit Agreement, (iii) for the payment of any accrued and unpaid interest, to consummate the Reorganization and other transactions contemplated by the ABL/FILO Acceptable Plan (collectively, the "**Transactions**") and (iv) to pay fees, costs and expenses related to the Transactions and for other general corporate purposes and (b) on and after the Effective Date, to finance the working capital needs and other general corporate purposes of Holdings and its subsidiaries as permitted in the Definitive Documentation.
Incremental Facility:	Same as under the Pre-Petition ABL Credit Agreement.
Maturity Date:	June 22, 2027.
Availability:	Exit Revolving Loans and Letters of Credit (subject to the Letter of Credit sublimit set forth above) under the Exit Revolving Facility may be made to the Borrower on a revolving basis up to the lesser of (i) Exit Revolving Commitments and (ii) the Borrowing Base then in effect (the lesser of (i) and (ii) being hereinafter referred to as the "**Maximum Credit**"). The "**Borrowing Base**" shall be the same as under the Pre-Petition ABL Credit Agreement; *provided that* the definitions of "*In-Transit Advance Rate*" and "*Inventory Advance Rate***"** will be restated in their entirety as follows: "*In-Transit Advance Rate*" means (a) during the period from September 1, 2024 through and including November 30, 2024, 92.5%, and (b) at all other times, 90%.

	"*Inventory Advance Rate*" means (a) during the period from September 1, 2024 through and including November 30, 2024, 92.5%, and (b) at all other times, 90%.
Voluntary Prepayments and Commitment Reductions:	Same as under the Pre-Petition ABL Credit Agreement; *provided that* no voluntary prepayments of the FILO Loans shall be permitted during the term of the Exit Revolving Facility unless consented to by all, but not less than all, of the Revolving Credit Lenders.
Mandatory Prepayments:	Same as under the Pre-Petition ABL Credit Agreement.
Interest Rates and Fees:	The Exit Revolving Facility shall bear interest and accrue fees at the rates set forth on Annex I hereto.
Guarantees:	All obligations of the Borrower under the definitive credit agreement for the Exit Revolving Facility (the "**Exit Credit Agreement**") and the related collateral documents (together with the Exit Credit Agreement, the "**Loan Documents**") (collectively, the "**Borrower Obligations**") will be unconditionally guaranteed jointly and severally on a senior basis (the "**Guarantees**") by Holdings, any other holding company guarantor that guarantees the Exit Term Loan Facility, and each existing and subsequently acquired or organized direct or indirect domestic wholly-owned subsidiary of the Borrower (other than customary excluded subsidiaries as set forth in the Pre-Petition ABL Credit Agreement) (the "**Guarantors**", together with the Borrower, the "**Loan Parties**").
Security:	Subject to the intercreditor agreement described below under "**Intercreditor Agreement**" and consistent with the limitations and exclusions set forth in the Pre-Petition ABL Credit Agreement and the security agreement referenced therein, the Borrower Obligations and the Guarantees (collectively the "**Secured Obligations**") will be secured on a first priority basis by substantially all assets of the Loan Parties (collectively, the "**Collateral**"). All of the foregoing described in this section and the "Guarantees" section above, the "**Collateral and Guarantee Requirement**".
Conditions Precedent to the Effective Date:	The availability of the Exit Revolving Facility and any extension of credit thereunder on the closing date thereof (the "**Effective Date**") will be subject to satisfaction (or waiver by all, but not less than all, of the Revolving Credit Lenders) of the following conditions: • execution and delivery by the Borrower and Holdings of the Exit Credit Agreement;

- delivery of promissory notes to the Revolving Credit Lenders, if requested at least one (1) Business Day before the Effective Date;
- delivery of board resolutions and organizational documents of the Loan Parties;
- delivery of incumbency/specimen signature certificate of the Loan Parties;
- delivery of customary legal opinions by counsel to the Loan Parties;
- there shall not have occurred since the Petition Date any event or condition that has had or would be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect (for purposes of this condition, defined in a manner consistent with the Pre-Petition ABL Credit Agreement, subject to a carveout with respect to the filing of the Chapter 11 Cases and customary events or circumstances which resulted from the commencement of the Chapter 11 Cases);
- the DIP Order shall have been approved by the Court substantially in the form attached to the Commitment Letter as Exhibit C (without any adverse modification as to the treatment of the obligations and liens under the Pre-Petition ABL Credit Agreement or any material adverse change to the DIP Budget referred to therein, and otherwise without material modification adverse to the Revolving Credit Lenders except as approved in writing by all of the Revolving Credit Lenders) and shall be in full force and effect, and no Cash Collateral Termination Event shall have occurred thereunder;
- the Administrative Agent shall have received a certificate (in substantially the same form as the corresponding certificate delivered in connection with the Pre-Petition ABL Credit Agreement) of the chief financial officer (or financial officer in a similar role) of Holdings or the Borrower, stating that it and its subsidiaries, taken as a whole, as of the Effective Date, are solvent, in each case, after giving effect to the consummation of the ABL/FILO Acceptable Plan;
- all fees due to the Administrative Agent and the Revolving Credit Lenders shall have been paid (or shall have been caused to be paid), and all expenses to be paid or reimbursed to the Administrative Agent and the Revolving Credit Lenders that have been invoiced at least three (3) Business Days prior to the Effective Date shall have been paid (or shall have been caused to be paid);

- the Loan Parties shall have provided the documentation and other information to the Revolving Credit Lenders that are required by regulatory authorities under applicable "know-your-customer" rules and regulations, including the Patriot Act, at least three (3) Business Days prior to the Effective Date (or such later date agreed to by the Administrative Agent) to the extent requested ten (10) days prior to the Effective Date;
- on or before the date that is fifty (50) days following the Petition Date, the Court shall have entered (A) the Confirmation Order and (B) one or more orders, which may be the Confirmation Order, authorizing and approving the extensions of credit in respect of the Exit Credit Agreement, each in the amounts and on the terms set forth herein, and all transactions contemplated by the Exit Credit Agreement, and, in each case, such orders shall be in full force and effect and shall not have been stayed, reversed, vacated or otherwise modified;
- the Loan Parties shall have delivered a security agreement and guarantee agreement consistent with those delivered for the Pre-Petition ABL Credit Agreement, subject to the Documentation Principles;
- the Intercreditor Agreement shall have been executed and delivered and be in full force and effect;
- the effective date under the ABL/FILO Acceptable Plan shall have occurred, or shall occur contemporaneously with the effectiveness of the Exit Revolving Facility and all conditions precedent thereto as set forth therein shall have been satisfied or waived, including, without limitation, the satisfaction in full of the indebtedness under the Pre-Petition ABL Credit Agreement;
- the FILO Obligations under the Pre-Petition ABL Credit Agreement shall have been refinanced in accordance with the requirements of the ABL/FILO Acceptable Plan and shall be Obligations under the Exit Credit Agreement to the same extent as set forth in the Pre-Petition ABL Credit Agreement, subject to the Documentation Principles;
- the Prepetition Term Loan Credit Agreement and the DIP Credit Agreement shall have been replaced with a new credit agreement providing a term credit facility on terms and conditions reasonably acceptable to the Administrative Agent and the Revolving Credit Lenders (it being agreed that the terms and conditions set forth in the Transaction Support Agreement dated on or about the date hereof are acceptable to the Administrative Agent and the Revolving Credit Lenders) (the term loan facility in place as of the Effective Date, the "**Exit Term Loan Facility**"), and the Administrative Agent and the agent under the Exit Term Loan Facility shall have entered into the Intercreditor Agreement (as defined below);

- the accuracy of representations and warranties in all material respects (without duplication of any materiality qualifier) on the Effective Date (except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall be true and correct in all material respects (without duplication of any materiality qualifier) as of such earlier date); provided, the definition of Material Adverse Effect shall be defined in a manner consistent with the Pre-Petition ABL Credit Agreement, subject to a carve-out with respect to the filing of the Chapter 11 Cases and customary events or circumstances which resulted from the commencement of the Chapter 11 Cases;
- the absence of the existence of any default or event of default under the Loan Documents;
- the receipt by the Administrative Agent and the Revolving Credit Lenders of an updated business plan in form reasonably consistent with the business plan received prior to the filing of the Chapter 11 Cases; and
- Liquidity as of the Effective Date shall be no less than $65,000,000, after giving effect to all amounts advanced under the Exit Revolving Facility on the Effective Date and all payments authorized to be made pursuant to the ABL Approved Plan on or about the Effective Date. For purposes hereof, "*Liquidity*" shall mean, at any time of calculation, the amount of Excess Availability plus unrestricted cash of the Loan Parties; *provided that* Excess Availability (together with cash held in the Segregated Cash Collateral Account (as such term is defined in the DIP Order) shall comprise not less than $40,000,000 of such calculation; and provided further that the amount of any cash held in the Segregated Cash Collateral Account (as such term is defined in the DIP Order) shall not be duplicative of unrestricted cash used in such calculation.

Conditions to All Borrowings: Same as under the Pre-Petition ABL Credit Agreement.

Representations and Warranties: Consistent with the Pre-Petition ABL Credit Agreement, subject to the Documentation Principles.

Affirmative Covenants: Consistent with the Pre-Petition ABL Credit Agreement, subject to the Documentation Principles; *provided that* the following modifications will be made:

1. The definition of "*Cash Dominion Period*" shall be amended and restated in its entirety as follows:

"*Cash Dominion Period*" means (a) each period beginning on the date that Excess Availability shall have been less than the greater of (x) 10% of the Modified Maximum Credit and (y) (i) from the Effective Date through September 30, 2024, $35,000,000, and (ii) thereafter, $45,000,000, and ending on the date Excess Availability shall have been equal to or greater than the greater of (x) 10% of the Modified Maximum Credit and (y) (i) from the Effective Date through September 30, 2024, $35,000,000, and (ii) thereafter, $45,000,000, in each case, for twenty (20) consecutive calendar days or (b) upon the occurrence of a Specified Event of Default, the period that such Specified Event of Default shall be continuing; *provided that* a Cash Dominion Period shall be deemed continuing (even if Excess Availability exceeds the required amounts for twenty (20) consecutive calendar day) if a Cash Dominion Period has occurred and been discontinued on five (5) occasions in any twelve month period. The termination of a Cash Dominion Period as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Cash Dominion Period in the event that the conditions set forth in this definition again arise.

2. The definition of "*Weekly Monitoring Event*" shall be amended and restated in its entirety as follows:

"*Weekly Monitoring Event*" means (a) a Specified Event of Default has occurred and is continuing or (b) the Borrower fails to maintain Excess Availability equal the greater of (i) $45,000,000 and (ii) 12.5% of the Modified Maximum Credit; *provided* that a Weekly Monitoring Event shall be deemed continuing until the date on which, as applicable, in the case of the foregoing *clause (a)*, such Specified Event of Default is waived in accordance with *Section 12.1*, or, in the case of the foregoing *clause (b)*, Excess Availability has been greater than or equal to the greater of (i) $45,000,000 and (ii) 12.5% of the Modified Maximum Credit, in each case under *clauses (i)* and *(ii)*, for at least twenty (20) consecutive calendar days.

3. Section 7.4 of the Pre-Petition ABL Credit Agreement shall be modified (x) to reflect that a Weekly Monitoring Event shall be deemed to exist at all times from the Effective Date through September 30, 2024 and (y) to require weekly delivery of an updated cash flow forecast on a rolling 13-week basis, together with a variance report, in form satisfactory to the Administrative Agent, showing comparisons for receipts and disbursements on a line items basis for the immediately preceding week to projected receipts and disbursements for such week, in each case through September 30, 2024.

4. Section 7.4(c) of the Pre-Petition ABL Credit Agreement shall be modified to require that the Administrative Agent may conduct two (2) inventory appraisals each year at the Company's expense, regardless of the amount of Excess Availability.

5. The delivery of financial statements shall accommodate "fresh start" accounting, including reasonable (i) additional time and/or (ii) changes to the financial statements delivered during the fiscal month, fiscal quarter, and fiscal year in which such accounting changes are made, in each case as the Borrower and the Administrative Agent may agree.

Negative Covenants: Same as the Pre-Petition ABL Credit Agreement, subject to the Documentation Principles.

In addition, the following modifications will be made:

1. No Restricted Payments consisting of cash dividends or distributions to shareholders (other than Restricted Payments of the type permitted pursuant to clauses (e), (g), (h), (j), (m) and (n) of the Pre-petition ABL Credit Agreement) shall be permitted during the term of the Exit Revolving Facility without the consent of all, but not less than all, of the Revolving Credit Lenders.

2. No repayments or prepayments of the Term Facility (other than amortization payments set forth in the Transaction Support Agreement as in effect on the date hereof) and mandatory prepayments made from the proceeds of Term Loan Priority Collateral (as defined in the Intercreditor Agreement) shall be permitted during the term of the Exit Revolving Facility without the consent of all, but not less than all, of the Revolving Credit Lenders.

3. The definition of "*Payment Conditions*" shall be amended and restated in its entirety as follows:

"*Payment Conditions*" means, at any time of determination, (a) with respect to any Permitted Acquisition or Specified Payment under clause (i) of the definition thereof, that (x) no Event of Default exists or would arise as a result of the making of the subject Specified Payment or Permitted Acquisition, as the case may be, and (y) after giving Pro Forma Effect to such Specified Payment or Permitted Acquisition, as the case may be, and for the six-month period immediately preceding such Specified Payment or Permitted Acquisition, as the case may be and on a projected basis for the six-month period immediately following such Specified Payment or Permitted Acquisition, as the case may be, Excess Availability shall be greater than the greater of (A) 15% of the Modified Maximum Credit and (B) $75,000,000 and (b) with respect to any Specified Payment under clause (ii) of the definition thereof, that (x) no Event of Default exists or would arise as a result of the making of the subject Specified Payment and (y) after giving Pro Forma Effect to such Specified Payment, and for the six-month period immediately preceding such Specified Payment and on a projected basis for the six-month period immediately following such Specified Payment, Excess Availability shall be greater than the greater of (A) 25% of the Modified Maximum Credit and (B) $112,000,000. In each case with respect to the above conditions, the Borrower shall have delivered in accordance with *Section 7.2(f)* hereof, to the Administrative Agent evidence reasonably satisfactory to the Administrative Agent that the conditions in the foregoing clauses *(a)* and *(b)*, as applicable, have been satisfied.

	4. The definition of "*Specified Payment*" shall be amended and restated in its entirety as follows: "*Specified Payment*" means (i) any Investment, incurrence of Indebtedness, incurrence of Liens, or Disposition, or (ii) any Restricted Payment or payments made pursuant to *Sections 2.8* or *9.11* that, in each case, is subject to the satisfaction of the Payment Conditions.
Financial Covenant:	1. From the Effective Date until the date immediately following the completion of four full fiscal quarters of the Company after the Effective Date, the Loan Parties will not permit Excess Availability at any time to be less than (x) from the Effective Date through September 30, 2024, $25,000,000, and (y) from October 1, 2024 through the date immediately following the completion of four full fiscal quarters of the Company after the Effective Date, $45,000,000. 2. From and after the last day of the fourth full fiscal quarter after the Effective Date, the financial covenant shall revert to the requirements set forth in Section 6.1 of the Pre-Petition ABL Credit Agreement; *provided that* (a) the dollar floor set forth in the definition of "*Covenant Trigger Event*" shall be changed to $45,000,000, (b) the definition of "Consolidated Fixed Charge Coverage Ratio" and component definitions thereof will be modified in a manner to be agreed between the Borrower and the Administrative Agent (but in any event in a manner that is not adverse to the Revolving Credit Lenders), and (c) the equity cure provisions shall be deleted in their entirety.
Events of Default:	Same as under the Pre-Petition ABL Credit Agreement, subject to the Documentation Principles. The definition of "*Change of Control*" will be modified to reflect the ownership structure of the Company as contemplated under the ABL Approved Plan.
Voting:	Usual and customary for transactions of this type, subject to the Documentation Principles.
Required Lenders:	Consistent with the Pre-Petition ABL Credit Agreement, subject to the Documentation Principles.
Required Revolving Credit Lenders:	Same as under the Pre-Petition ABL Credit Agreement.
Intercreditor Agreement:	Substantially consistent with the Intercreditor Agreement (as such term is defined in the Pre-Petition ABL Credit Agreement).

Cost and Yield Protection:	Consistent with the Pre-Petition ABL Credit Agreement, subject to the Documentation Principles.
Defaulting Lenders:	Consistent with the Pre-Petition ABL Credit Agreement, subject to the Documentation Principles.
Assignments and Participations:	Same as the Pre-Petition ABL Credit Agreement, subject to the Documentation Principles.
Expenses and Indemnification:	Consistent with the Pre-Petition ABL Credit Agreement, subject to the Documentation Principles (including the reasonable fees and expenses of no more than one primary counsel to the Lenders and the Administrative Agent, which counsel shall be Morgan Lewis & Bockius LLP, and local bankruptcy counsel).
Governing Law and Forum:	New York.

Interest Rates:	Same as under the Pre-Petition ABL Credit Agreement.
Applicable Margin:	From and after the Effective Date, each level of the pricing grid set forth in the definition of "*Applicable Margin*" applicable to Exit Revolving Loans and Letter of Credit Fees will be increased by 1.00%, respectively.
Applicable Unused Commitment Fee Rate:	The definition of "*Applicable Unused Commitment Fee Rate*" shall be amended and restated in its entirety as follows: "*Applicable Unused Commitment Fee Rate*" means, for any day, a percentage per annum equal to 0.25% per annum.

Exhibit B
ABL Acceptable Plan
[see attached]

Exhibit C
DIP Order
[see attached]

Exhibit 10.3

March 15, 2024

Private and Confidential

Jo-Ann Stores, LLC
5555 Darrow Road
Hudson, OH 44236
Attention: Scott Sekella, Chief Financial Officer

$100 million Senior Secured FILO Facility Commitment Letter

Ladies and Gentlemen:

Jo-Ann Stores, LLC (the "Company" or "you") has (i) advised the parties listed on the signature pages hereto (each, a "FILO Lender" and, collectively, the "FILO Lenders", "we", "us" or "our"), that the Company and certain of its subsidiaries and affiliates (collectively with the Company, the "Debtors") have filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (as amended, the "Bankruptcy Code"), and (ii) in connection with the foregoing, requested that the FILO Lenders agree (x) to the consensual use by the Debtors of Cash Collateral (as such term is defined in, and subject to the terms and conditions of, that certain *Interim Order Under Bankruptcy Code Sections 105, 361, 362, 363, 364, 503, 506, 507, and 552, and Bankruptcy Rules 2002, 4001, 6003, 6004, and 9014 (I) Authorizing Debtors to (A) Obtain Postpetition Financing and (B) use Cash Collateral, (II) Granting (A) Liens and Providing Superpriority Administrative Expense Status and (B) Adequate Protection of Prepetition Secured Creditors, (III) Modifying Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the "DIP Order")) and (y) to commit to convert the FILO Loans under (and as defined in) the Pre-Petition ABL/FILO Credit Agreement, subject only to the satisfaction (or waiver by all of the FILO Lenders) of the conditions precedent set forth under the caption "Conditions Precedent to the Effective Date" (the "Specified Conditions") set forth in the term sheet attached hereto as Exhibit A (the "Exit FILO Facility Term Sheet"), to senior secured, last out term loans (the "Exit FILO Facility"), which terms and conditions will be memorialized in a credit agreement, or in an amendment to the Pre-Petition ABL/FILO Credit Agreement referred to in the Exit FILO Facility Term Sheet, that will govern the Exit FILO Facility on the terms set forth in the Exit FILO Facility Term Sheet. Capitalized terms used herein without definition shall have the meaning assigned thereto in the Exit FILO Facility Term Sheet or the Pre-Petition ABL/FILO Credit Agreement, as applicable.

To provide assurance that the Exit FILO Facility shall be available on the terms and conditions set forth herein and in the Exit FILO Facility Term Sheet, each FILO Lender is pleased to advise the Company of its commitment to convert the amount of its FILO Loan and its portion of the outstanding FILO Obligations under the Pre-Petition ABL/FILO Credit Agreement into a FILO Loan and FILO Obligations under the Exit FILO Facility, in each case in the amounts set forth on Schedule 1 hereto, on the terms set forth in the Exit FILO Facility Term Sheet and subject only to the satisfaction (or waiver by all of the FILO Lenders) of the Specified Conditions. It is understood and agreed that the commitments of the FILO Lenders under this Commitment Letter shall be several and not joint.

We hereby agree that there are no conditions (implied or otherwise) to our commitments in respect of the closing of the Exit FILO Facility on the Effective Date other than the Specified Conditions. Upon satisfaction (or waiver by all of the FILO Lenders) of the Specified Conditions, each party thereto will execute and deliver the definitive documentation for the Exit FILO Facility to which it is a party, and the closing of the Exit FILO Facility on the Effective Date shall occur.

You have engaged Bank of America, N.A. to act as the administrative agent and collateral agent in respect of the Exit FILO Facility (in such capacities, the "Administrative Agent").

You hereby engage 1903P Loan Agent, LLC to act as the FILO documentation agent in respect of the Exit FILO Facility (in such capacity, the "FILO Documentation Agent").

You hereby represent that (a) all written information (other than projections, financial estimates, forecasts and other forward-looking information (collectively, the "Projections") or information of a general economic or industry nature) (the "Information") that has been or will be made available to the FILO Lenders in connection with the Exit FILO Facility and the transactions contemplated hereby, by or on behalf of you, or any of your representatives, is or will be, when furnished and taken as a whole (and as the same may be supplemented from time to time), complete and correct in all material respects and does not or will not, when furnished and taken as a whole (and as the same may be supplemented from time to time), contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, taken as a whole, not materially misleading in light of the circumstances under which such statements are made and (b) the Projections, if any, that have been or will be made available to the FILO Lenders by or on behalf of you or any of your representatives have been or will be prepared in good faith based upon assumptions that are believed by you to be reasonable at the time made and at the time the related Projections are made available to the FILO Lenders (it being understood that the Projections are as to future events and are not to be viewed as facts, the Projections are subject to uncertainties and contingencies, many of which are beyond your control, no assurance can be given that any particular Projections will be realized and actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material). You agree that if at any time prior to the closing of the Exit FILO Facility you become aware that any of the representations in the preceding sentence would be incorrect or incomplete in any material respect if the Information and Projections were being furnished, and such representations were being made, at such time, then you will promptly supplement the Information and the Projections so that such representations will be correct and complete in all material respects under those circumstances. In connection with each FILO Lender's commitment hereunder, such FILO Lender will be entitled to use and rely primarily on the Information and the Projections without responsibility for independent verification thereof.

In addition, you agree, whether or not the Effective Date (as defined in the Exit FILO Facility Term Sheet) occurs, to reimburse the Administrative Agent and FILO Documentation Agent for all reasonable and documented out-of-pocket expenses (in the case of legal fees and expenses, limited to the reasonable and documented fees and disbursements of (i) one primary counsel to the Administrative Agent, which counsel shall be Morgan Lewis & Bockius LLP, and local bankruptcy counsel to the Administrative Agent, and (ii) one primary counsel to the FILO Documentation Agent and the FILO Lenders, which counsel shall be Choate, Hall &

Stewart LLP, and local bankruptcy counsel to the FILO Documentation Agent and the FILO Lenders, and one additional counsel to Centerbridge Credit CS, L.P., which counsel shall be Proskauer Rose LLP) incurred in connection with the Exit FILO Facility, the preparation of this Commitment Letter and the definitive documentation for the Exit FILO Facility in connection therewith. You acknowledge that we may receive a benefit, including without limitation, a discount, credit or other accommodation, from any of such counsel based on the fees such counsel may receive on account of their relationship with us, including, without limitation, fees paid pursuant hereto.

You agree that, once paid, the fees and expense reimbursement or any part thereof payable hereunder will not be refundable under any circumstances. All fees payable hereunder will be paid in immediately available funds and shall not be subject to reduction by way of setoff or counterclaim (and will be made with appropriate gross-up for withholding taxes to the extent that the applicable recipient has provided a properly completed and duly executed IRS Form W-9 or other certification establishing complete exemption from U.S. federal backup withholding). The foregoing provisions with respect to expense reimbursements in this paragraph shall be superseded by the applicable provisions contained in the definitive documentation for the Exit FILO Facility upon execution thereof and thereafter shall have no further force and effect.

You agree to indemnify and hold harmless the FILO Lenders, the Administrative Agent, the FILO Documentation Agent, their respective affiliates and the respective officers, directors, employees, agents, advisors, and successors and permitted assigns of each of the foregoing (each, an "Indemnified Person") from and against any and all losses (other than lost profits of such Indemnified Persons), claims, damages, liabilities and reasonable and documented expenses, joint or several, to which any such Indemnified Person may become subject arising out of or relating to any claim, litigation, investigation or proceeding (each, a "Proceeding") relating to this Commitment Letter, the Exit FILO Facility (including the use of proceeds therefrom) or the other transactions contemplated hereby, regardless of whether any such Indemnified Person is a party thereto (and regardless of whether such matter is initiated by a third party or by you or any of your affiliates), and to reimburse each such Indemnified Person within ten business days after presentation of a summary statement for any reasonable and documented out-of-pocket legal or other expenses incurred in connection with investigating or defending any of the foregoing (but limited in the case of legal fees and expenses to a single counsel and of one local counsel in each relevant jurisdiction, in each case for all Indemnified Persons (provided that, in the event of an actual or perceived conflict of interest, the Company will be required to pay for one additional counsel for each similarly affected group of Indemnified Persons taken as a whole and of one local counsel in each relevant jurisdiction, for each similarly affected group of Indemnified Persons taken as a whole); provided that the foregoing indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent (a) they are found in a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such Indemnified Person or a material breach of the obligations of such Indemnified Person or (b) arising from disputes solely between and among Indemnified Persons to the extent such disputes do not arise from any act or omission of the Company or any of its controlled affiliates (other than claims against an Indemnified Person acting in its capacity as an agent or arranger or similar role under the Exit FILO Facility). Notwithstanding any other provision of this Commitment Letter, no Indemnified Person shall be liable for any damages arising from the unauthorized use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent that such damages have resulted from the willful misconduct or gross

negligence of such Indemnified Person (as determined by a court of competent jurisdiction in a final and non-appealable decision). No party hereto (including each party's subsidiaries or affiliates) shall be liable for any indirect, special, punitive or consequential damages in connection with its activities related to the Exit FILO Facility; provided that this sentence shall not limit your indemnification obligations to the extent such indirect, special, punitive or consequential damages are included in any claim by a third party with respect to which the applicable Indemnified Person is otherwise entitled to indemnification under this paragraph.

You shall not be liable for any settlement of any Proceedings if the amount of such settlement was effected without your consent (which consent shall not be unreasonably withheld or delayed), but if settled with your written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction for the plaintiff against any Indemnified Person in any such Proceedings, you agree to indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with the preceding paragraph. You shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened Proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless (a) such settlement includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability on claims that are the subject matter of such Proceedings and (b) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person or any injunctive relief or other non-monetary remedy.

In connection with this Commitment Letter and subject to the conditions precedent set forth in the Exit FILO Facility Term Sheet, each FILO Lender agrees to the proposed treatment of FILO Claims under (and as defined in) the ABL/FILO Acceptable Plan and that it will vote to accept the ABL/FILO Acceptable Plan in accordance with the terms thereof. Each FILO Lender agrees that it will not file any motion, pleading, or other document with any court (including any modifications or amendments to any motion, pleadings, or other documents with any court) that, in whole or in part, is inconsistent with the transactions contemplated in the ABL/FILO Acceptable Plan and this Commitment Letter.

This Commitment Letter contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto. This Commitment Letter may not be amended or modified except by a writing executed by each of the parties hereto. This Commitment Letter is solely for the benefit of the Debtors and the FILO Lenders, and no other person (except for affiliates and Indemnified Persons to the extent set forth above) shall acquire or have any rights under or by virtue of this Commitment Letter. This Commitment Letter may not be assigned by the Company without the prior written consent of each FILO Lender or by any FILO Lender without the Company's prior written consent.

This Commitment Letter (including the Exit FILO Facility Term Sheet) and any claim, controversy or dispute arising under or related to this Commitment Letter and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflict of laws principles thereof, and the Bankruptcy Code. EACH OF THE PARTIES HERETO IRREVOCABLY AGREES TO WAIVE

TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER (INCLUDING THE SUMMARY OF TERMS), THE PERFORMANCE OF SERVICES HEREUNDER AND THE TRANSACTIONS CONTEMPLATED HEREBY. Each of the parties hereto irrevocably agrees that, except as otherwise set forth in this paragraph, any state or federal court sitting in the City of New York, Borough of Manhattan and any appellate court from any thereof, and the Court (as defined in the DIP Order) shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute arising out of or relating to this Commitment Letter (including the Exit FILO Facility Term Sheet) and the transactions contemplated hereby and, for such purposes, irrevocably submits to the jurisdiction of such courts. Each of you and each FILO Lender waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court, and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

This Commitment Letter (including the Exit FILO Facility Term Sheet) is delivered to you on the understanding that, and you agree that, neither this Commitment Letter (including the Exit FILO Facility Term Sheet) nor any of its terms or substance nor the activities of the FILO Lenders in connection therewith shall be disclosed, directly or indirectly, by you to any other person (including, without limitation, other potential providers or arrangers of financing) except (a) as required by applicable law, regulation or legal process or in any legal, judicial or administrative proceeding, (b) on a confidential basis to your affiliates, subsidiaries, and your and their directors, officers, employees, agents, attorneys, accountants, advisors and controlling persons who have a need to know such information in connection with any of the transactions contemplated hereby, (c) to the office of the U.S. Trustee, the lenders under the DIP Facility and the Exit Facilities (each as defined in the ABL/FILO Acceptable Plan referred to in the Exit FILO Facility Term Sheet), any *ad-hoc* or statutorily appointed committee of unsecured creditors, and their respective representatives and professional advisors on a confidential and "need to know" basis, (d) to the Court to the extent required to obtain Court approval in connection with any acts or obligations to be taken pursuant to this Commitment Letter or the transactions contemplated hereby, (e) to any rating agency in connection with any refinancing of term loan facilities or similar transaction, (f) in connection with the enforcement of your rights or remedies hereunder or (g) with our prior written consent; provided that you may disclose the aggregate fee amount contained in this Commitment Letter (and any fee letter agreement executed in connection herewith) as part of Projections, pro forma information or a generic disclosure of aggregate sources and uses related to fee amounts related to the Exit FILO Facility to the extent customary or required in offering and marketing materials for the Exit FILO Facility, in any public or regulatory filing requirement or to your and the Company's auditors and accounting and tax advisers for customary accounting and tax purposes, including accounting for deferred financing costs.

Each FILO Lender and its affiliates shall use all confidential information provided to it by or on behalf of you hereunder solely for the purpose of providing the services which are the subject of this Commitment Letter (including the Exit FILO Facility Term Sheet) and otherwise in connection with the Exit FILO Facility and the transactions contemplated hereby and thereby and shall treat confidentially all such information; provided, however, that nothing herein shall prevent any FILO Lender or its affiliates from disclosing any such information (a) pursuant to the

order of any court or administrative agency or otherwise as required by applicable law or compulsory legal process (in which case such FILO Lender agrees to inform you promptly thereof prior to such disclosure to the extent practicable and not prohibited by law, rule or regulation and to only disclose that information necessary to fulfill such legal requirement), (b) upon the request or demand of any regulatory authority having jurisdiction over such FILO Lender or any of its affiliates, (c) to the extent that such information becomes publicly available other than by reason of disclosure in violation of this Commitment Letter by any FILO Lender, any of its affiliates, or its or such affiliates' respective directors, employees, legal counsel, independent auditors and other experts or agents, (d) to the affiliates of each FILO Lender and its and such affiliates' respective directors, employees, legal counsel, independent auditors and other experts or agents who need to know such information in connection with the Exit FILO Facility and are informed of the confidential nature of such information and have agreed to receive such information subject to the terms of this paragraph or are otherwise bound by similar confidentiality obligations, (e) for purposes of establishing a "due diligence" or similar defense, (f) to rating agencies, in connection with obtaining ratings for any term loan facility, (g) to the extent that such information is or was received by any FILO Lender from a third party that is not to the knowledge of the such FILO Lender subject to confidentiality obligations to you, (h) to the extent that such information is independently developed by any FILO Lender or any of its affiliates without the use of any information that is required to be kept confidential in accordance with the terms hereof or (i) to potential participants or permitted assignees, in each case, who agree to be bound by the terms of this paragraph (or language substantially similar to this paragraph or as otherwise reasonably acceptable to you and the FILO Documentation Agent). This paragraph shall terminate on the earlier of (a) the first anniversary of the date hereof and (b) the Effective Date (it being understood that in the case of this clause (b) the confidentiality provisions of this paragraph shall be superseded in their entirety by the applicable provisions contained in the definitive documentation for the Exit FILO Facility).

We hereby notify you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "Patriot Act"), we and each FILO Lender may be required to obtain, verify and record information that identifies the Company and the Debtors party to the Exit FILO Facility, which information includes the name, address, tax identification number and other information regarding the Company and such Debtors that will allow us to identify the Company and such Debtors in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective as to each FILO Lender.

This Commitment Letter may be executed in counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. Such counterparts may be delivered by facsimile, ".tif" file or ".pdf" file and shall have the same effect as the original.

If the foregoing correctly sets forth our agreement, please indicate the Company's acceptance of the terms of this Commitment Letter by returning to the Administrative Agent and the FILO Documentation Agent executed counterparts of this Commitment Letter not later than 11:59 p.m., New York City time, on March 15, 2024. This offer will automatically expire at such time if the Administrative Agent and the FILO Documentation Agent have not received such executed counterparts in accordance with the preceding sentence. This Commitment Letter and

the commitments and agreements hereunder shall automatically terminate on the earliest of (a) the Effective Date, (b) unless the FILO Lenders shall, in their sole discretion, agree in writing to an extension (which agreement may be evidenced by email of counsel), May 20, 2024, and (c) the date, if any, upon which an ABL Termination Declaration (as defined in the DIP Order) is delivered. The provisions of this Commitment Letter relating to the payment and/or reimbursement of expenses, non-refundability and payment of fees, indemnification, governing law and submission to jurisdiction (in each case, except as expressly contemplated in such provisions) will survive any termination or expiration of this Commitment Letter; *provided* that your obligations under this Commitment Letter relating to the payment and/or reimbursement of expenses, non-refundability and payment of fees not then due and payable, and indemnification shall automatically terminate and be superseded by the provisions of the definitive documentation in respect of the Exit FILO Facility, and you shall automatically be released from all liability in connection therewith at such time.

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Accepted and agreed to as of the date first above written:

JO-ANN STORES, LLC

By: /s/ Scott Sekella
Name: Scott Sekella
Title: Treasurer

Schedule 1

Exit FILO Facility

Exhibit A
Exit FILO Facility Term Sheet
[see attached]

Exhibit A

Exit FILO Facility Term Sheet

Capitalized terms used but not defined in this Exhibit A (this "**Exit FILO Facility Term Sheet**") shall have the meanings set forth in the DIP Order (as defined in the commitment letter to which this Exit FILO Facility Term Sheet is attached (the "**Exit FILO Facility Commitment Letter**")). In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit A shall be determined by reference to the context in which it is used.

Borrower:	Reorganized Jo-Ann Stores, LLC (the "**Borrower**").
Administrative Agent and Collateral Agent:	Bank of America, N.A. (the "**Administrative Agent**").
FILO Documentation Agent:	1903P Loan Agent, LLC (the "**FILO Documentation Agent**").
FILO Lenders:	1903 Partners, LLC and Centerbridge Credit CS, L.P. (the "**FILO Lenders**").
Exit FILO Facility:	A $100,000,000 senior secured, last out term loan facility (the "**Exit FILO Facility**", and the loans thereunder, the "**Exit FILO Loans**").
Definitive Documentation:	The definitive documentation for the Exit FILO Facility (the "**Definitive Documentation**") shall, except as otherwise set forth herein, be the same as the Amended and Restated Credit Agreement, dated as of October 21, 2016 (as amended on November 25, 2020, December 22, 2021, and March 10, 2023, and as otherwise modified prior to the Effective Date), by and among Jo-Ann Stores, LLC (the "**Company**"), Needle Holdings, LLC ("**Holdings**"), Bank of America, N.A., as the administrative agent and the collateral agent, and certain lenders party thereto from time to time (the "**Pre-Petition ABL/FILO Credit Agreement**"), but with changes and modifications as set forth in this Exit FILO Facility Term Sheet and otherwise reasonably acceptable to the FILO Lenders (but in no event more favorable to the Loan Parties in any material respect unless set forth in this Exit FILO Facility Term Sheet or otherwise agreed by the FILO Lenders) that (i) give due regard to the Borrower's updated business plan, (ii) give due regard to the Borrower's change in ownership structure and status as a private company as of the Effective Date, (iii) conform where customary and appropriate for transactions of this type to corresponding baskets and thresholds in the Exit Term Loan Facility, and (iv) give due regard to the inclusion of the Exit Revolving Facility (as defined in the commitment letter dated as of the date hereof and made between the Borrower, the Administrative Agent and the revolving lenders party thereto) within the Exit Credit Agreement. The Definitive Documentation shall be negotiated in good faith within a reasonable time period to be determined based on the expected date of the Court's entry into an order (the "**Confirmation Order**") confirming a plan of reorganization substantially in the form attached as Exhibit B to the Exit

	FILO Facility Commitment Letter, without any adverse modification as to the treatment of the FILO Claims referred to therein and without any other material modification except as approved in writing by all of the FILO Lenders (the "**ABL/FILO Acceptable Plan**"). This paragraph, collectively, is referred to herein as the "**Documentation Principles**".
FILO Maturity Date:	Same as under the Pre-Petition ABL/FILO Credit Agreement; *provided that* the scheduled maturity date of the FILO Loans shall be extended to June 22, 2027.
FILO Borrowing Base:	Same as under the Pre-Petition ABL/FILO Credit Agreement; provided that the definitions of "*FILO In-Transit Advance Rate*" and "*FILO Inventory Advance Rate*" will be restated in their entirety as follows: "*FILO In-Transit Advance Rate*" means (a) during the period from September 1, 2024 through and including November 30, 2024, 12.5% and (b) at all other times, 15%; *provided*, in each case, that such applicable advance rate shall be reduced by 2.5% (i.e., from 12.5% to 10%, or from 15% to 12.5%, as applicable) at all times when Excess Availability (calculated without giving effect to such reduction or any corresponding reduction under any other component of the FILO Borrowing Base) is less than 20% of the Global Borrowing Base. "*FILO Inventory Advance Rate*" means (a) during the period from September 1, 2024 through and including November 30, 2024, 17.5% and (b) at all other times, 20%; *provided*, in each case, that such applicable advance rate shall be reduced by 2.5% (i.e., from 17.5% to 15%, or from 20% to 17.5%, as applicable) at all times when Excess Availability (calculated without giving effect to such reduction or any corresponding reduction under any other component of the FILO Borrowing Base) is less than 20% of the Global Borrowing Base.
Voluntary Prepayments:	Same as under the Pre-Petition ABL/FILO Credit Agreement; *provided that* no voluntary prepayments of the FILO Loans shall be permitted during the term of the Exit Revolving Facility unless consented to by all, but not less than all, of the lenders under the Exit Revolving Facility.
Mandatory Prepayments:	Same as under the Pre-Petition ABL/FILO Credit Agreement.
Amortization:	None.
Interest Rates and Fees:	The Exit FILO Facility shall bear interest and accrue fees as set forth on Annex I hereto.
Guarantees:	All obligations of the Borrower under the definitive credit agreement for the Exit FILO Facility (the "**Exit Credit Agreement**") and the related collateral documents (together with the Exit Credit Agreement, the "**Loan Documents**") (collectively, the "**Borrower Obligations**") will be unconditionally guaranteed jointly and severally on a senior

	basis (the "**Guarantees**") by Holdings, any other holding company guarantor that guarantees the Exit Term Loan Facility (a "**Parent Guarantor**"), and each existing and subsequently acquired or organized direct or indirect domestic wholly-owned subsidiary of the Borrower and any other guarantors consistent with the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles (other than customary excluded subsidiaries as set forth in the Pre-Petition ABL/FILO Credit Agreement) (the "**Guarantors**", together with the Borrower, the "**Loan Parties**").
Security:	Subject to the intercreditor agreement described below under "**Intercreditor Agreement**" and consistent with the limitations and exclusions set forth in the Pre-Petition ABL/FILO Credit Agreement and the security agreement referenced therein, subject to the Documentation Principles, the Borrower Obligations and the Guarantees (collectively the "**Secured Obligations**") will be secured on a first priority basis by substantially all assets of the Loan Parties (collectively, the "**Collateral**"). All of the foregoing described in this section and the "Guarantees" section above, the "**Collateral and Guarantee Requirement**".
Conditions Precedent to the Effective Date:	The effectiveness of the Exit FILO Facility on the closing date thereof (the "**Effective Date**") will be subject to satisfaction (or waiver by the FILO Lenders) of the following conditions: • execution and delivery by the Borrower, Holdings and any Parent Guarantor of the Exit Credit Agreement; • delivery of board resolutions and organizational documents of the Loan Parties; • delivery of incumbency/specimen signature certificate of the Loan Parties; • delivery of customary legal opinions by counsel to the Loan Parties; • there shall not have occurred since the Petition Date any event or condition that has had or would be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect (for purposes of this condition, defined in a manner consistent with the Pre-Petition ABL/FILO Credit Agreement, subject to a carveout with respect to the filing of the Chapter 11 Cases and customary events or circumstances which resulted from the commencement of the Chapter 11 Cases);

- the DIP Order shall have been approved by the Court substantially in the form attached to the Exit FILO Facility Commitment Letter as Exhibit C (without any adverse modification as to the treatment of the obligations and liens under the Pre-Petition ABL/FILO Credit Agreement and without any other material modification except as approved in writing by all of the FILO Lenders) and shall be in full force and effect, and no Cash Collateral Termination Event shall have occurred thereunder;
- the Administrative Agent shall have received a certificate (in substantially the same form as the corresponding certificate delivered in connection with the Pre-Petition ABL/FILO Credit Agreement) of the chief financial officer (or financial officer in a similar role) of Holdings or the Borrower, stating that it and its subsidiaries, taken as a whole, as of the Effective Date, are solvent, in each case, after giving effect to the consummation of the ABL/FILO Acceptable Plan;
- all fees due to the Administrative Agent, the FILO Documentation Agent, and the FILO Lenders shall have been paid (or shall have been caused to be paid), and all expenses to be paid or reimbursed to the Administrative Agent, the FILO Documentation Agent, and the FILO Lenders that have been invoiced at least one (1) Business Day prior to the Effective Date shall have been paid (or shall have been caused to be paid);
- the Loan Parties shall have provided the documentation and other information to the FILO Lenders that are required by regulatory authorities under applicable "know-your-customer" rules and regulations, including the Patriot Act, at least three (3) Business Days prior to the Effective Date (or such later date agreed to by the Administrative Agent and the FILO Documentation Agent) to the extent requested ten (10) days prior to the Effective Date;
- on or before the date that is fifty (50) days following the Petition Date, the Court shall have entered (A) the Confirmation Order and (B) one or more orders, which may be the Confirmation Order, authorizing and approving the extensions of credit in respect of the Exit Credit Agreement, each in the amounts and on the terms set forth herein, and all transactions contemplated by the Exit Credit Agreement, and, in each case, such orders shall be in full force and effect and shall not have been stayed, reversed, vacated or otherwise modified;
- the Loan Parties shall have delivered a security agreement and guarantee agreement substantially in the forms of those delivered for the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles;

- the Loan Parties shall have delivered a fee letter substantially in the form of the FILO Fee Letter (as defined in the Pre-Petition ABL/FILO Credit Agreement), subject to the changes set forth on Annex I hereto;
- the Intercreditor Agreement shall have been executed and delivered and be in full force and effect;
- the FILO Lenders shall have entered into an agreement among lenders substantially in the form of the agreement among lenders with respect to the Pre-Petition ABL/FILO Credit Agreement;
- the existing executory contracts between the Company and Gordon Brothers Retail Partners, LLC (as amended and supplemented in a manner reasonably acceptable to the Borrower, the FILO Lenders, the Administrative Agent, and the Required DIP Lenders (as defined in the DIP Order), and which amendments and supplements shall include a commercially reasonable agency agreement to be effective solely upon a Sale Event (as defined below)) and Gordon Brothers Realty Services, LLC shall be assumed on the effective date of the ABL/FILO Acceptable Plan (which contracts shall be maintained by the Company in full force and effect so long as the Exit FILO Loans remain outstanding);
- the effective date under the ABL/FILO Acceptable Plan shall have occurred, or shall occur contemporaneously with the effectiveness of the Exit FILO Facility and all conditions precedent thereto as set forth therein shall have been satisfied or waived;
- the Prepetition Revolving Obligations shall have been refinanced in accordance with the requirements of the ABL/FILO Acceptable Plan and shall be "Revolving Obligations" under the Exit Credit Agreement to the same extent as set forth in the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles;
- the Prepetition Term Loan Credit Agreement and the DIP Credit Agreement shall have been replaced with a new credit agreement providing a term credit facility on terms and conditions reasonably acceptable to the Administrative Agent, the FILO Documentation Agent, and the FILO Lenders (it being agreed that the terms and conditions set forth in the Transaction Support Agreement dated on or about the date hereof are acceptable to the Administrative Agent, the FILO Documentation Agent and the FILO Lenders) (the term loan facility in place as of the Effective Date, the "**Exit Term Loan Facility**"), and the Administrative Agent and the agent under the Exit Term Loan Facility shall have entered into the Intercreditor Agreement (as defined below);
- the accuracy of representations and warranties in all material respects (without duplication of any materiality qualifier) on the Effective Date (except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall be true and correct in all material respects (without duplication of any materiality qualifier) as of such earlier date; *provided that* the definition of Material Adverse Effect shall be defined in a manner consistent with the Pre-Petition ABL/FILO Credit Agreement, subject to a carveout with respect to the filing of the Chapter 11 Cases and customary events or circumstances which resulted from the commencement of the Chapter 11 Cases;

- the absence of the existence of any default or event of default under the Loan Documents;
- the receipt by the Administrative Agent, the FILO Documentation Agent, and the FILO Lenders of an updated business plan in form reasonably consistent with the business plan received prior to the filing of the Chapter 11 Cases; and
- Liquidity as of the Effective Date shall be no less than $65,000,000, after giving effect to all amounts advanced under the Exit Revolving Facility on the Effective Date and all payments authorized to be made pursuant to the ABL/FILO Approved Plan on or about the Effective Date. For purposes hereof, "*Liquidity*" shall mean, at any time of calculation, the amount of Excess Availability plus unrestricted cash of the Loan Parties; *provided that* Excess Availability (together with cash held in the Segregated Cash Collateral Account (as defined in the DIP Order)) shall comprise not less than $40,000,000 of such calculation; and *provided further that* the amount of any cash held in the Segregated Cash Collateral Account shall not be duplicative of unrestricted cash used in such calculation.

Representations and Warranties: Consistent with the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles.

Affirmative Covenants: Consistent with the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles; *provided that* the following modifications will be made:

1. The definition of "*Cash Dominion Period*" shall be amended and restated in its entirety as follows:

"*Cash Dominion Period*" means (a) each period beginning on the date that Excess Availability shall have been less than the greater of (x) 10% of the Modified Maximum Credit and (y) (i) from the Effective Date through September 30, 2024, $35,000,000, and (ii) thereafter, $45,000,000, and ending on the date Excess Availability shall have been equal to or greater than the greater of (x) 10% of the Modified Maximum Credit and (y) (i) from the Effective Date through September 30, 2024, $35,000,000, and (ii) thereafter, $45,000,000, in each case, for twenty (20) consecutive calendar days or (b) upon the occurrence of a Specified Event of Default, the period that such Specified Event of Default shall be continuing; *provided that* a Cash Dominion Period shall be deemed continuing (even if Excess Availability exceeds the required amounts for twenty (20) consecutive calendar day) if a Cash Dominion Period has occurred and been discontinued on five (5) occasions in any twelve month period. The termination of a Cash Dominion Period as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Cash Dominion Period in the event that the conditions set forth in this definition again arise.

2. The definition of "*Weekly Monitoring Event*" shall be amended and restated in its entirety as follows:

"*Weekly Monitoring Event*" means (a) a Specified Event of Default has occurred and is continuing or (b) the Borrower fails to maintain Excess Availability equal the greater of (i) $45,000,000 and (ii) 12.5% of the Modified Maximum Credit; *provided* that a Weekly Monitoring Event shall be deemed continuing until the date on which, as applicable, in the case of the foregoing *clause (a)*, such Specified Event of Default is waived in accordance with *Section 12.1*, or, in the case of the foregoing *clause (b)*, Excess Availability has been greater than or equal to the greater of (i) $45,000,000 and (ii) 12.5% of the Modified Maximum Credit, in each case under *clauses (i)* and *(ii)*, for at least twenty (20) consecutive calendar days.

3. Section 7.4 of the Pre-Petition ABL/FILO Credit Agreement shall be modified (x) to reflect that a Weekly Monitoring Event shall be deemed to exist at all times from the Effective Date through September 30, 2024 and (y) to require weekly delivery of an updated cash flow forecast on a rolling 13-week basis, together with a variance report, in form satisfactory to the Administrative Agent, showing comparisons for receipts and disbursements on a line items basis for the immediately preceding week to projected receipts and disbursements for such week, in each case through September 30, 2024.

4. Section 7.4(c) of the Pre-Petition ABL/FILO Credit Agreement shall be modified to require that the Administrative Agent may (and at the request of the FILO Documentation Agent shall) conduct two (2) inventory appraisals each year at the Company's expense, regardless of the amount of Excess Availability.

5. The delivery of financial statements shall accommodate "fresh start" accounting, including reasonable (i) additional time and/or (ii) changes to the financial statements delivered during the fiscal month, fiscal quarter, and fiscal year in which such accounting changes are made, in each case as the Borrower and the Administrative Agent and the FILO Lenders may agree.

Negative Covenants: Same as the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles.

In addition, the following modifications will be made:

1. No Restricted Payments consisting of cash dividends or distributions to shareholders (other than Restricted Payments of the type permitted pursuant to clauses (e), (g), (h), (j), (m) and (n) of the Pre-Petition ABL/FILO Credit Agreement) shall be permitted during the term of the Exit FILO Facility without the consent of all of the FILO Lenders.

2. No repayments or prepayments of the Term Facility (other than amortization payments set forth in the Transaction Support Agreement as in effect on the date hereof) and mandatory prepayments made from the proceeds of Term Loan Priority Collateral (as defined in the Intercreditor Agreement) shall be permitted during the term of the Exit FILO Facility without the consent of all of the FILO Lenders.

3. The definition of "*Payment Conditions*" shall be amended and restated in its entirety as follows:

"*Payment Conditions*" means, at any time of determination, (a) with respect to any Permitted Acquisition or Specified Payment under clause (i) of the definition thereof, that (x) no Event of Default exists or would arise as a result of the making of the subject Specified Payment or Permitted Acquisition, as the case may be, and (y) after giving Pro Forma Effect to such Specified Payment or Permitted Acquisition, as the case may be, and for the six-month period immediately preceding such Specified Payment or Permitted Acquisition, as the case may be and on a projected basis for the six-month period immediately following such Specified Payment or Permitted Acquisition, as the case may be, Excess Availability shall be greater than the greater of (A) 15% of the Modified Maximum Credit and (B) $75,000,000 and (b) with respect to any Specified Payment under clause (ii) of the definition thereof, that (x) no Event of Default exists or would arise as a result of the making of the subject Specified Payment and (y) after giving Pro Forma Effect to such Specified Payment, and for the six-month period immediately preceding such Specified Payment and on a projected basis for the six-month period immediately following such Specified Payment, Excess Availability shall be greater than the greater of (A) 25% of the Modified Maximum Credit and (B) $112,000,000. In each case with respect to the above conditions, the Borrower shall have delivered in accordance with *Section 7.2(f)* hereof, to the Administrative Agent evidence reasonably satisfactory to the Administrative Agent that the conditions in the foregoing clauses *(a)* and *(b)*, as applicable, have been satisfied.

4. The definition of "*Specified Payment*" shall be amended and restated in its entirety as follows:

"*Specified Payment*" means (i) any Investment, incurrence of Indebtedness, incurrence of Liens, or Disposition, or (ii) any Restricted Payment or payments made pursuant to *Sections 2.8* or *9.11* that, in each case, is subject to the satisfaction of the Payment Conditions.

Financial Covenant: 1. From the Effective Date until the date immediately following the completion of four full fiscal quarters of the Company after the Effective Date, the Loan Parties will not permit Excess Availability at any time to be less than (x) from the Effective Date through September 30, 2024, $25,000,000, and (y) from October 1, 2024 through the date immediately following the completion of four full fiscal quarters of the Company after the Effective Date, $45,000,000.

	2. From and after the last day of the fourth full fiscal quarter after the Effective Date, the financial covenant shall revert to the requirements set forth in Section 6.1 of the Pre-Petition ABL/FILO Credit Agreement; *provided that* (a) the dollar floor set forth in the definition of "*Covenant Trigger Event*" shall be changed to $45,000,000, (b) the definition of "Consolidated Fixed Charge Coverage Ratio" and component definitions thereof will be defined as set forth on Annex II hereto (subject to any further modification to such definitions as may be agreed between the Borrower and the Administrative Agent, so long as such further modifications are not more favorable to the Loan Parties than the definitions set forth on Annex II hereto), and (c) the equity cure provisions shall be deleted in their entirety.
Events of Default:	Same as under the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles. The definition of "*Change of Control*" will be modified to reflect the ownership structure of the Company as contemplated under the ABL/FILO Approved Plan. Following the occurrence of a payment or bankruptcy event of default, either the Administrative Agent or the FILO Documentation Agent shall have the right to direct the Loan Parties to commence a commercially reasonable process for the sale of the Loan Parties' assets on terms reasonably satisfactory to the Administrative Agent and the FILO Documentation Agent (a "Sale Event").
Voting:	Consistent with the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles.
Requisite Lenders:	Consistent with the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles.
Intercreditor Agreement:	Substantially consistent with the Intercreditor Agreement (as defined in the Pre-Petition ABL/FILO Credit Agreement).
Cost and Yield Protection:	Consistent with the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles.
Assignments and Participations:	Same as the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles.
Expenses and Indemnification:	Same as the Pre-Petition ABL/FILO Credit Agreement, subject to the Documentation Principles (but including, with respect to the preparation of the Exit FILO Facility Commitment Letter and the Definitive Documentation, the reasonable fees and expenses of (i) one primary counsel to the Administrative Agent, which counsel shall be Morgan Lewis & Bockius LLP, and local bankruptcy counsel to the Administrative Agent, and (ii) one primary counsel to the FILO

	Documentation Agent and the FILO Lenders, which counsel shall be Choate, Hall & Stewart LLP, and local bankruptcy counsel to the FILO Documentation Agent and the FILO Lenders, and one additional counsel to Centerbridge Credit CS, L.P., which counsel shall be Proskauer Rose LLP).
Governing Law and Forum:	New York.

Interest Rates: Same as under the Pre-Petition ABL/FILO Credit Agreement; *provided that* (i) from and after the Effective Date until the "FILO Adjustment Date" with respect to the fourth (4th) full fiscal quarter ending after the Effective Date, the "FILO Applicable Margin" shall be the applicable percentage set forth in Level II of the pricing grid set forth in the definition thereof, and (ii) thereafter, the "FILO Applicable Margin" shall be based upon "Consolidated EBITDA" for the applicable "Test Period" below, and the "FILO Applicable Margin EBITDA Thresholds" shall be as follows:

Test Period Ending On or About	Consolidated EBITDA
May 3, 2025	$155,600,000
August 2, 2025	$164,700,000
November 1, 2025	$163,700,000
January 31, 2026	$199,100,000
May 2, 2026	$205,100,000
August 1, 2026	$210,900,000
October 31, 2026	$218,100,000
January 30, 2027 and thereafter	$226,900,000

"Consolidated EBITDA" and "Consolidated Net Income" will be defined as set forth on Annex II hereto (subject to any further modification to such definitions as may be agreed between the Borrower and the Administrative Agent, so long as such further modifications are not more favorable to the Loan Parties than the definitions set forth on Annex II hereto).

Fees: Consistent with the fees set forth in the "FILO Fee Letter" referred to in the Pre-Petition ABL/FILO Credit Agreement; *provided that* (i) for avoidance of doubt, no additional "Closing Fee" or "Agency Fee" shall be payable in connection with the Exit FILO Facility, and (ii) the "FILO Prepayment Premium" provisions (including the "Make Whole Amount") shall be reinstated and extended by six (6) months (*i.e.*, from the second anniversary of the "Third Amendment Effective Date" to the date that is six (6) months after the second anniversary of the "Third Amendment Effective Date").

"*Consolidated EBITDA*" means, with respect to the Borrower and its Restricted Subsidiaries for any Test Period, the Consolidated Net Income of the Borrower and its Restricted Subsidiaries for such Test Period:

(a) increased by (without duplication):

(i) (A) provision for taxes based on income or profits or capital, plus state, provincial, franchise, property or similar taxes and foreign withholding taxes and foreign unreimbursed value added taxes, of such Person for such period (including, in each case, penalties and interest related to such taxes or arising from tax examinations) deducted in computing Consolidated Net Income and (B) amounts paid to Holdings or any direct or indirect parent of Holdings in respect of taxes in accordance with *Section 9.6(g)*, in each case under clauses (A) and (B), solely to the extent such amounts were deducted in computing Consolidated Net Income, plus

(ii) (A) total interest expense (including (A) imputed interest on Capitalized Lease Obligations and Attributable Indebtedness (which, in each case, will be deemed to accrue at the interest rate reasonably determined by a Responsible Officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligations or Attributable Indebtedness), (B) commissions, discounts and other fees, charges and expenses owed with respect to letters of credit, bankers' acceptance financing, surety and performance bonds and receivables financings, (C) amortization and write-offs of deferred financing fees, debt issuance costs, debt discounts, commissions, fees, premium and other expenses, as well as expensing of bridge, commitment or financing fees, (D) payments made in respect of hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, (E) cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than such Person or a wholly-owned Restricted Subsidiary) in connection with Indebtedness incurred by such plan or trust, (F) all interest paid or payable with respect to discontinued operations, (G) the interest portion of any deferred payment obligations and (H) all interest on any Indebtedness that is (x) Indebtedness of others secured by any Lien on property owned or acquired by such Person or its Restricted Subsidiaries, whether or not the obligations secured thereby have been assumed, but limited to the fair market value of such property, (y) contingent obligations in respect of Indebtedness; *provided* that such interest expense shall be calculated after giving effect to Hedge Agreements related to interest rates (including associated costs), but excluding unrealized gains and losses with respect to such Hedge Agreements or (z) fee and expenses paid to the Administrative Agent or the FILO Documentation Agent (in each case, in its capacity as such and for its own account) pursuant to the Loan Documents and fees and expenses paid to the administrative agent, the collateral agent, trustee or other similar Persons for any other Indebtedness

permitted by *Section 9.3*) of such Person for such period and (B) bank fees and costs of surety bonds, in each case under this clause (B), in connection with financing activities and, in each case under clauses (A) and (B), to the extent such amounts were deducted in computing Consolidated Net Income, plus

(iii) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent such depreciation and amortization were deducted in computing Consolidated Net Income, plus

(iv) any fees, expenses or charges related to any issuance of Equity Interests, Investment, acquisition, disposition, recapitalization or the incurrence or repayment of Indebtedness permitted to be incurred hereunder including a refinancing thereof (whether or not successful) and any amendment, restatement or modification to the terms of any such transactions, including such fees, expenses or charges incurred in connection with the First Amendment and any amendment or refinancing of the Term Facilities, in each case, deducted in computing Consolidated Net Income, plus

(v) (1) the amount of any charge, cost, loss, expense or reserve deducted in such period in computing Consolidated Net Income related to: (A) restructuring (including restructuring charges or reserves, whether or not classified as such under GAAP), severance, relocation, consolidation, integration or other similar items, (B) strategic and/or business initiatives, business optimization (including costs and expenses relating to business optimization programs, which, for the avoidance of doubt, shall include, without limitation, implementation of operational and reporting systems and technology initiatives; strategic initiatives; retention; severance; systems establishment costs; systems conversion and integration costs; contract termination costs; recruiting and relocation costs and expenses; costs, expenses and charges incurred in connection with curtailments or modifications to pension and post-retirement employee benefits plans; costs to start-up, pre-opening, opening, closure, transition and/or consolidation of distribution centers, operations, officers and facilities) including in connection with any Investment permitted hereunder, and new systems design and implementation, as well as consulting fees and any one-time expense relating to enhanced accounting function, (C) business or facilities (including greenfield facilities) start-up, opening, transition, consolidation, shut-down and closing, (D) signing, retention and completion bonuses, (E) severance, relocation or recruiting, (F) charges and expenses incurred in connection with litigation (including threatened litigation), any investigation or proceeding (or any threatened investigation or proceeding) by a regulatory, governmental or law enforcement body (including any attorney general), and (G) expenses incurred in connection with casualty events or asset sales outside the ordinary course of business and (2) any one-time costs, expenses or charges incurred in connection with (A) Permitted Acquisitions or other Investments permitted hereunder after the Effective Date or (B) the closing of any Stores or distribution centers after the Effective Date; provided that (1) amounts added back under this clause (v) shall be reasonable and documented in detail reasonably satisfactory to the Administrative Agent and the FILO Documentation Agent and (2) the aggregate amount added back pursuant to this clause (v), when taken

together with the aggregate amount added back to Consolidated EBITDA pursuant to clauses (vi) and (ix) below, shall not exceed 10% of Consolidated EBITDA for such Test Period (calculated after giving effect to any increase to Consolidated EBITDA pursuant to this clause (v) and clauses (vi) and (ix) below); plus

(vi) the amount of costs relating to pre-opening and opening costs for Stores, signing, retention and completion bonuses, costs incurred in connection with any strategic initiatives, transition costs, consolidation and closing costs for Stores and costs incurred in connection with non-recurring (without, in any such case, limitation on the calculation hereof by Item 10(e) of Regulation S-K promulgated by the SEC) product and intellectual property development after the First Amendment Effective Date, other business optimization expenses (including costs and expenses relating to business optimization programs), and new systems design and implementation costs and project start-up costs; provided that (1) amounts added back under this clause (vi) shall be reasonable and documented in detail reasonably satisfactory to the Administrative Agent and the FILO Documentation Agent and (2) the aggregate amount added back pursuant to this clause (vi), when taken together with the aggregate amount added back to Consolidated EBITDA pursuant to clause (v) above and clause (ix) below, shall not exceed 10% of Consolidated EBITDA for such Test Period (calculated after giving effect to any increase to Consolidated EBITDA pursuant to this clause (vi), clause (v) above and clause (ix) below), plus

(vii) any other non-cash charges including any write offs or write downs, to the extent reducing such Consolidated Net Income for such period (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (1) the Borrower may determine not to add back such non-cash charge in the current period and (2) to the extent the Borrower does decide to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period), including the following: (A) non-cash expenses in connection with, or resulting from, stock option plans, employee benefit plans or agreements or post-employment benefit plans or agreements, or grants or sales of stock, stock appreciation or similar rights, stock options, restricted stock, preferred stock or other similar rights, (B) non-cash currency translation losses related to changes in currency exchange rates (including re-measurements of Indebtedness (including intercompany Indebtedness) and any net non-cash loss resulting from hedge agreements for currency exchange risk), (C) non-cash losses, expenses, charges or negative adjustments attributable to the movement in the mark-to-market valuation of hedge agreements or other derivative instruments, including the effect of FASB Accounting Standards Codification 815 and International Accounting Standard No. 9 and their respective related pronouncements and interpretations, (D) non-cash charges for deferred tax asset valuation allowances, (E) any non-cash impairment charge or asset write-off or write-down related to intangible assets (including goodwill), long-lived assets, and Investments in debt and equity securities, (F) any non-cash charges or losses resulting from any purchase accounting adjustment or any step-ups with respect to re-valuing assets and

liabilities in connection with any Investments permitted hereunder, (G) all non-cash losses from Investments permitted hereunder recorded using the equity method and (H) the excess of GAAP rent expense over actual cash rent paid during such period due to the use of straight line rent for GAAP purposes; plus

(viii) the amount of any minority interest expense deducted in calculating Consolidated Net Income, plus

(ix) any net after-tax extraordinary, non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses, and fees and expenses in connection with relocation costs, integration costs, facility consolidation and closing costs, severance costs and expenses and non-recurring compensation charges (without, in any such case, limitation on the calculation hereof by Item 10(e) of Regulation S-K promulgated by the SEC); provided that (1) amounts added back under this clause (ix) shall be reasonable and documented in detail reasonably satisfactory to the Administrative Agent and the FILO Documentation Agent and (2) the aggregate amount added back pursuant to this clause (ix), when taken together with the aggregate amount added back to Consolidated EBITDA pursuant to clauses (v) and (vi) above, shall not exceed 10% of Consolidated EBITDA for such Test Period (calculated after giving effect to any increase to Consolidated EBITDA pursuant to this clause (ix) and clauses (v) and (vi) above), plus

(x) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (b) below for any previous period and not added back, plus

(xi) any costs or expenses incurred by the Borrower or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or stockholders agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of issuance of Equity Interests of the Borrower (other than Disqualified Equity Interests); plus

(xii) proceeds of business interruption insurance actually received (to the extent not counted in any prior period in anticipation of such receipt) or, to the extent not counted in any prior period, reasonably expected to be received, and

(b) decreased by (without duplication):

(i) any non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any gains that represent the reversal of any accrual of, or cash reserve for, anticipated cash charges in any prior period (other than such cash charges that have been added back to Consolidated Net Income in calculating Consolidated EBITDA in accordance with this definition), plus

(ii) any non-cash gains with respect to cash actually received in a prior period unless such cash did not increase Consolidated EBITDA in such prior period.

"*Consolidated Fixed Charge Coverage Ratio*" means, for any Test Period, the ratio of (a) (i) Consolidated EBITDA for such period, minus (ii) Capital Expenditures made during such period and not financed with the proceeds of Indebtedness, minus (iii) Cash Taxes during such period to (b) (i) Debt Service Charges of or by the Borrower and its Restricted Subsidiaries on a Consolidated basis for the most recently completed Test Period, plus (ii) Restricted Payments made in cash pursuant to clauses (f), (k) or (o) of Section 9.6 during such period, in each case in accordance with GAAP.

"*Consolidated Net Income*" means, with respect to the Borrower and its Restricted Subsidiaries for any Test Period, the aggregate of the Net Income of the Borrower and its Restricted Subsidiaries for such Test Period on a Consolidated basis and otherwise determined in accordance with GAAP; *provided*, *however*, that, without duplication,

(a) [reserved],

(b) the Net Income for such Test Period shall not include the cumulative effect of a change in accounting principles during such Test Period, whether effected through a cumulative effect adjustment or a retroactive application in each case in accordance with GAAP,

(c) effects of adjustments (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries) in such Person's Consolidated financial statements pursuant to GAAP (including in the inventory, property and equipment, software, goodwill, intangible assets, in-process research and development, deferred revenue and debt line items thereof) resulting from the application of recapitalization accounting or purchase accounting, as the case may be, in relation to any consummated Permitted Acquisition or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded,

(d) any net after-tax income (loss) from disposed or discontinued operations and any net after-tax gains or losses on disposal of disposed or discontinued operations shall be excluded,

(e) any net after-tax gains or losses (less all fees and expenses relating thereto) attributable to asset Dispositions or the other Disposition of any Equity Interests of any Person other than in the ordinary course of business, as determined in good faith by the Borrower, shall be excluded,

(f) the Net Income for such Test Period of any Person that is not a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; *provided* that Consolidated Net Income of the Borrower and its Restricted Subsidiaries shall include the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof in respect of such Test Period,

(g) (i) any net unrealized gain or loss (after any offset) resulting in such Test Period from obligations in respect of Swap Contracts and the application of Financial Accounting Standards Board Accounting Standards Codification 815 (Derivatives and Hedging), (ii) any net gain or loss resulting in such period from currency translation gains or losses related to currency remeasurements of Indebtedness (including the net loss or gain (A) resulting from Swap Contracts for currency exchange risk and (B) resulting from intercompany Indebtedness) and all other foreign currency translation gains or losses to the extent such gain or losses are non-cash items, and (iii) any net after-tax income (loss) for such Test Period attributable to the early extinguishment or conversion of (A) Indebtedness, (B) obligations under any Swap Contracts or (C) other derivative instruments, shall be excluded,

(h) any impairment charge or asset write-off, including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets, investments in debt and equity securities or as a result of a change in law or regulation, in each case pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded,

(i) any expenses, charges or losses that are covered by indemnification or other reimbursement provisions in connection with any Investment, Permitted Acquisition or any sale, conveyance, transfer or other Disposition of assets permitted under this Agreement, to the extent actually reimbursed, or, so long as the Borrower has made a determination that a reasonable basis exists for indemnification or reimbursement and only to the extent that such amount is in fact indemnified or reimbursed within 365 days of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so indemnified or reimbursed within such 365 days), shall be excluded,

(j) to the extent covered by insurance and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed within 365 days of the date of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so reimbursed within such 365 days), expenses, charges or losses with respect to liability or casualty events or business interruption shall be excluded, and

(k) any non-cash (for such period and all other periods) compensation charge or expense, including any such charge or expense arising from the grants of stock appreciation or similar rights, stock options, restricted stock or other rights or equity incentive programs shall be excluded, and any cash charges associated with the rollover, acceleration or payout of Equity Interests by, or to, management of the Borrower or any of its Restricted Subsidiaries, shall be excluded.

"*Debt Service Charges*" means for any Test Period, the sum of (a) Consolidated Interest Charges paid, or required to be paid, in cash for such Test Period, plus (b) scheduled principal payments made or required to be made on account of Indebtedness of the types set forth in clauses (a), (b), (c) and (f) of the definition of "Indebtedness" (excluding the Obligations but including, without limitation, Capitalized Lease Obligations) for such Test Period, plus (c) mandatory and voluntary prepayments of the Term Loan Facility made during such Test Period, in each case determined on a consolidated basis in accordance with GAAP.

Exhibit B
Acceptable ABL/FILO Plan
[see attached]

Exhibit C
Agreed Form of Interim DIP Order
[see attached]

Exhibit 10.4

SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT

Dated as of March [•], 2024
among

NEEDLE HOLDINGS LLC,
as the Borrower, a Debtor and a Debtor-in-Possession

JOANN INC.,
as Holdings, a Debtor and a Debtor-in-Possession,

WILMINGTON SAVINGS FUND SOCIETY, FSB,
as DIP Agent,

and

THE OTHER LENDERS PARTY HERETO

CREDIT AGREEMENT

This SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT ("**Agreement**") is entered into as of March [•], 2024, among NEEDLE HOLDINGS LLC, a Delaware limited liability company, a debtor and debtor-in-possession (the "**Borrower**"), JOANN INC., a Delaware corporation, a debtor and debtor-in-possession ("**Holdings**") and WILMINGTON SAVINGS FUND SOCIETY, FSB, as Administrative Agent and Collateral Agent (in such capacities, including any successor thereto, the **"DIP Agent**") under the Loan Documents, and each lender from time to time party hereto (collectively, the "**Lenders**" and individually, a "**Lender**").

PRELIMINARY STATEMENTS

WHEREAS, on March [•], 2024 (the "**Petition Date**"), Holdings, the Borrower and certain Subsidiaries of the Borrower (collectively, the "**Debtors**" and, each individually, a "**Debtor**") commenced cases (the "**Chapter 11 Cases**") under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") and the Debtors have retained possession of their assets and are authorized under the U.S. Bankruptcy Code to continue the operations of their businesses as debtors-in-possession.

WHEREAS, prior to the Petition Date, the Lenders (among other lenders) provided financing to the Borrower pursuant to that certain Credit Agreement dated October 21, 2016, among Holdings, the Borrower, as borrower, Bank of America, N.A., as Administrative Agent (the "**Pre-Petition Administrative Agent**"), and the lenders party thereto from time to time (the "**Pre-Petition Lenders**") (as so amended, and as further amended, restated, supplemented or otherwise modified from time to time through the Petition Date, the "**Pre-Petition Credit Agreement**").

WHEREAS, the Borrower has requested, and, upon the terms set forth in this Agreement, the Lenders have agreed to make available to the Borrower, a senior secured term loan credit facility (the "**DIP Facility**"), consisting of (i) a new money multiple-draw secured term loan in an aggregate principal amount of $97,000,000 (plus certain fees paid in kind as provided in the TSA) (the "**Tranche A DIP Loans**"), (ii) a new money secured term loan in an aggregate principal amount of $10,000,000 (plus certain fees paid in kind as provided in the TSA) (the"**Tranche B DIP Loans**"), (iii) a secured term loan equal to $25,000,000 of receivables held by the Tranche C DIP Lenders or their affiliates resulting from the reduction of such receivables (the "**Tranche C DIP Loans**" and together with the Tranche A DIP Loans and Tranche B DIP Loans, the "**Initial DIP Loans**") and (iv) an uncommitted additional tranche of senior secured term loans in an aggregate principal amount not to exceed $10,000,000 (the "**Incremental DIP Loans**" and, together with the Initial DIP Loans, the "**DIP Loans**") subject to the conditions set forth herein, pursuant to the DIP Order, the proceeds of which shall be used to fund the general corporate purposes and working capital requirements of the Borrower during the pendency of the Chapter 11 Cases pursuant to and in accordance with the Approved DIP Budget.

WHEREAS, subject to the terms hereof and the DIP Order, the Borrower and the Guarantors have agreed to secure all of their Obligations under the Loan Documents by granting to the DIP Agent, for the benefit of the DIP Agent and the other Secured Parties, a security interest in and lien upon all of their existing and after-acquired personal property.

WHEREAS, the Borrower and the Guarantors' business is a mutual and collective enterprise and the Borrower and the Guarantors believe that the loans and other financial accommodations to the Borrower under this Agreement will enhance the aggregate borrowing powers of the Borrower and facilitate the administration of the Chapter 11 Cases and their loan relationship with the DIP Agent and the Lenders, all to the mutual advantage of the Borrower and the Guarantors.

WHEREAS, the Borrower and each Guarantor acknowledges that it will receive substantial direct and indirect benefits by reason of the making of loans and other financial accommodations to the Borrower as provided in this Agreement.

WHEREAS, the Lenders' willingness to extend financial accommodations to the Borrower, and to administer the Borrower's and the Guarantors' collateral security therefor, on a combined basis as more fully set forth in this Agreement and the other Loan Documents, is done solely as an accommodation to the Borrower and the Guarantors and at the Borrower's and the Guarantors' request and in furtherance of the Borrower's and the Guarantors' mutual and collective enterprise.

WHEREAS, all capitalized terms used in this Agreement, including in these recitals, shall have the meanings ascribed to them in Section 1.01 below, and, for the purposes of this Agreement and the other Loan Documents, the rules of construction set forth in Section 1.02 shall govern. All Schedules, Exhibits, Annexes, and other attachments hereto, or expressly identified in this Agreement, are incorporated by reference, and taken together with this Agreement, shall constitute a single agreement. These recitals shall be construed as part of this Agreement.

NOW, THEREFORE, the Lenders are willing to extend such credit to the Borrower on the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions and Accounting Terms

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"**ABL Administrative Agent**" means Bank of America, N.A., in its capacity as administrative agent and collateral agent under the ABL Facilities Documentation, or any successor administrative agent and collateral agent under the ABL Facilities Documentation.

"**ABL Credit Agreement**" means that Amended and Restated Credit Agreement, dated as of October 21, 2016 among the Borrower, Holdings, the lenders party thereto and the ABL Administrative Agent, as amended, restated, modified, supplemented, extended, renewed, refunded, replaced or refinanced prior to the Closing Date.

"**ABL Facilities**" means the asset-based revolving credit facilities under the ABL Credit Agreement.

"**ABL Facilities Documentation**" means the ABL Credit Agreement and all security agreements, guarantees, pledge agreements and other agreements or instruments executed in connection therewith.

"**Actual Disbursements**" shall mean the Debtors' actual cash disbursements on a line-by-line and aggregate basis for the period commencing on the applicable date for such Approved DIP Budget Variance Report and ending on the applicable Testing Date.

"**Actual Receipts**" shall mean the Debtors' actual cash receipts on a line-by-line and aggregate basis for the period commencing on the applicable date for such Approved DIP Budget Variance Report and ending on the applicable Testing Date.

"**Ad Hoc Group of Lenders**" means those certain Lenders represented by the Specified Lender Advisors.

"**ABL Intercreditor Agreement**" means the amended and restated intercreditor agreement dated as of May 21, 2018 among the Administrative Agent, the Collateral Agent, the ABL Administrative Agent and certain of the Loan Parties.

"**Administrative Questionnaire**" means an Administrative Questionnaire in a form supplied by the DIP Agent.

"**Affected Financial Institution**" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"**Affiliate**" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto. For the avoidance of doubt, none of the DIP Agent or their respective lending affiliates shall be deemed to be an Affiliate of Holdings, the Borrower or any of their respective Subsidiaries.

"**Agent Parties**" has the meaning specified in Section 10.02(d).

"**Agent-Related Persons**" means the DIP Agent, together with its respective Affiliates, and the officers, directors, employees, agents, attorney-in-fact, partners, trustees and advisors of such Persons and of such Persons' Affiliates.

"**Agreement**" has the meaning provided in the introduction hereto.

"**Annual Financial Statements**" means the audited consolidated balance sheets of Holdings and its Subsidiaries as of the Saturday closest to January 31, 2022, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for Holdings for the fiscal year then ended.

"**Applicable Percentage**" means, at any time, with respect to any Lender, (a) when used in reference to payments and other matters relating to the Loans, a percentage equal to a fraction the numerator of which is the aggregate Outstanding Amount of the Loans of such Lender at such time and the denominator of which is the aggregate Outstanding Amount of the Loans of all Lenders at such time and (b) when used in reference to matters relating to the Commitments, a percentage equal to a fraction the numerator of which is the aggregate amount of the Commitments of such Lender at such time and the denominator of which is the aggregate amount of the Commitments of all Lenders at such time and (c) when used in reference to any Tranche of Loans, a percentage equal to a fraction the numerator of which is the aggregate Outstanding Amount of the Loans of such Lender under the applicable Tranche at such time and the denominator of which is the aggregate Outstanding Amount of the Loans of all Lenders under the applicable Tranche at such time.

"**Applicable Rate**" means, with respect to the Loans (including the Initial PIK Backstop Term Loan and any Converted Term Loans), a percentage per annum equal to (i) for Term SOFR Loans, 9.50% and (ii) for Base Rate Loans, 8.50%.

"**Approved DIP Budget**" means the then most current budget prepared by the Borrower and approved by the Required DIP Lenders in accordance with Section 6.16. As of the Closing Date, the Approved DIP Budget is attached hereto as Schedule 6.16.

"**Approved Fund**" means, with respect to any Lender, any Fund that is administered, advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender.

"**Assignee Group**" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"**Assignment and Assumption**" means an Assignment and Assumption substantially in the form of Exhibit D or any other form approved by the DIP Agent.

"**Attorney Costs**" means all reasonable and documented fees, expenses and disbursements of any law firm or other external legal counsel.

"**Attributable Indebtedness**" means, on any date, in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"**Bail-In Action**" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"**Bail-In Legislation**" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"**Bankruptcy Rules**" means the Federal Rules of Bankruptcy Procedure, as the same may be amended from time to time, in effect and applicable to the Chapter 11 Cases.

"**Base Rate**" means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1% (b) the rate of interest in effect for such day as publicly announced from time to time by the DIP Agent as its "prime rate," (c) Term SOFR *plus* 1.00% and (d) 1.75%. The "prime rate" is a rate set by DIP Agent based upon various factors including DIP Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by DIP Agent shall take effect at the opening of business on the day specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to Section 3.03 hereof, then Base Rate shall be the highest of clauses (a), (b) and (d) above and shall be determined without reference to clause (c) above.

"**Base Rate Loan**" means a Loan that bears interest based on the Base Rate.

"**Beneficial Ownership Certification**" means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

"**Beneficial Ownership Regulation**" means 31 C.F.R. § 1010.230.

"**Borrower**" has the meaning specified in the introductory paragraph to this Agreement.

"**Borrower Materials**" has the meaning specified in Section 6.02.

"**Borrowing**" means a borrowing consisting of Loans of the same Type made, converted or continued on the same date and, in the case of Term SOFR Loans, having the same Interest Period.

"**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 where the DIP Agent's Office is located.

"**Capitalized Lease Obligation**" means, at the time any determination thereof is to be made, the amount of the liability in respect of a Capitalized Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP.

"**Capitalized Leases**" means all leases the obligations under which are required to be classified and accounted for as finance leases on a balance sheet of such Person under GAAP.

"**Carve Out**" has the meaning assigned to such term in the DIP Order.

"**Cash Collateral Order**" means the order of the Bankruptcy Court entered in the Chapter 11 Cases after the "first day" hearing, together with all extensions, modifications and amendments thereto, in form and substance reasonably satisfactory to the DIP Agent and the Required DIP Lenders, which among other matters authorizes the Debtors use of cash collateral or such other arrangements as shall be reasonably acceptable to the Required DIP Lenders in all material respects.

"**Cash Equivalents**" means any of the following types of Investments, to the extent owned by the Borrower or any Subsidiary:

(a) Dollars;

(b) in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the ordinary course of business and not for speculation;

(c) readily marketable direct obligations issued or directly and fully and unconditionally guaranteed or insured by the United States government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 12 months or less from the date of acquisition;

(d) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, demand deposits, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any domestic or foreign commercial bank having capital and surplus of not less than $500,000,000;

(e) repurchase obligations for underlying securities of the types described in clauses (c) and (d) above or clause (g) below entered into with any financial institution meeting the qualifications specified in clause (d) above;

(f) commercial paper rated at least P-2 by Moody's or at least A-2 by S&P (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency) and in each case maturing within 12 months after the date of creation thereof;

(g) marketable short-term money market and similar highly liquid funds having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency);

(h) readily marketable direct obligations issued by any state, commonwealth or territory of the United States or any political subdivision or taxing authority thereof having an Investment Grade Rating from either Moody's or S&P (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency) with maturities of 12 months or less from the date of acquisition;

(i) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency); and

(j) investment funds investing substantially all of their assets in securities of the types described in clauses (a) through (i) above.

In the case of Investments by any Foreign Subsidiary or Investments made in a country outside the United States of America, Cash Equivalents shall also include (i) investments of the type and maturity described in clauses (a) through (j) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (ii) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (a) through (j) and in this paragraph.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clause (a) above, provided that such amounts are converted into Dollars as promptly as practicable and in any event within ten (10) Business Days following the receipt of such amounts.

"**Cash Management Bank**" means any Person that is a Lender or an Affiliate of a Lender on the Closing Date or at the time it provides any Cash Management Services, whether or not such Person subsequently ceases to be a Lender or an Affiliate of a Lender.

"**Cash Management Obligations**" means obligations owed by the Borrower or any Subsidiary to any Cash Management Bank in respect of or in connection with any Cash Management Services and designated by the Cash Management Bank and the Borrower in writing to the DIP Agent as "Cash Management Obligations."

"**Cash Management Order**" means, collectively, the orders entered by the Bankruptcy Court with respect to the Loan Parties in the Chapter 11 Cases authorizing and approving the Loan Parties' cash management arrangements and procedures, and which orders shall be in form and substance reasonably satisfactory to the Required DIP Lenders.

"**Cash Management Services**" means any agreement or arrangement to provide cash management services, including treasury, depository, overdraft, credit card processing, credit or debit card, purchase card, electronic funds transfer and other cash management arrangements.

"**Casualty Event**" means any event that gives rise to the receipt by the Borrower or any Subsidiary thereof of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair, or as compensation for the taking of, such equipment, fixed assets or real property.

"**Change in Law**" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty (excluding the taking effect after the date of this Agreement of a law, rule, regulation or treaty adopted prior to the date of this Agreement), (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"**Change of Control**" means the earliest to occur of:

(a) (1) any Person (other than a Permitted Holder) or (2) Persons (other than the Holdings or one or more Permitted Holders) constituting a "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person and its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), becomes the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under such Act), directly or

indirectly, of Equity Interests representing more than forty percent (40%) of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of Holdings and the percentage of aggregate ordinary voting power so held is greater than the percentage of the aggregate ordinary voting power represented by the Equity Interests of Holdings beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders unless, in any case, the Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of Holdings or the Borrower; or

(b) any "Change of Control" (or any comparable term) in any document pertaining to the ABL Facilities; or

(c) the Borrower ceases to be a direct wholly owned Subsidiary of Holdings (or any successor under 7.04(a)).

"**Chapter 11 Cases**" shall have the meaning set forth in the recitals to this Agreement.

"**Chapter 11 Order**" means any order entered in the Chapter 11 Cases.

"**Chapter 11 Plan**" means a chapter 11 plan of reorganization in the Chapter 11 Cases.

"**Class**" when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Initial DIP Loans or Incremental DIP Loans, (b) any Commitment, refers to whether such Commitment is a Commitment in respect of Initial DIP Loans or a Commitment in respect of a Class of Loans to be made pursuant to an Incremental Amendment and (c) any Lender, refers to whether such Lender has a Loan or Commitment with respect to a particular Class of Loans or Commitments.

"**Closing Date**" means March [•], 2024.

"**CME**" means CME Group Benchmark Administration Limited.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Co-Investor**" means (a) the assignees, if any, of the equity commitments of any Sponsor who became holders of Equity Interests in the Borrower (or any of the direct or indirect parent companies of the Borrower) on or around March 18, 2011 (the "**Original LBO Closing Date**") and (b) the transferees, if any, that acquired, within 60 days of the Original LBO Closing Date, any Equity Interests in the Borrower (or any of the direct or indirect parent companies of the Borrower) held by any Sponsor as of the Original LBO Closing Date.

"**Collateral**" means any and all assets of any Loan Party, whether now existing or hereafter acquired, that is or becomes subject (or purported to be subject) to a Lien pursuant to the DIP Order or under any Collateral Document, in each case, to secure the Obligations; provided, that in no event shall the Collateral include, and there shall be no Liens upon, any Excluded Assets.

"**Collateral Documents**" means, collectively, the DIP Order and each of the other agreements, instruments or documents that creates or purports to create a Lien on any Collateral as security for payment of the Obligations in favor of the DIP Agent for the benefit of the Secured Parties.

"**Commitment**" means with respect to any Lender, such Lender's Initial DIP Term Loan Commitment, Interim Term Loan Commitment and/or Final Term Loan Commitment, as such commitment may be increased from time to time pursuant to an Incremental Amendment, as context may require.

"**Committed Loan Notice**" means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Term SOFR Loans, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A or such other form as may be approved by the DIP Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the DIP Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

"**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. § 1 *et seq*.), as amended from time to time, and any successor statute.

"**Company Parties**" means the collective reference to Holdings and its Subsidiaries, including the Borrower, and "**Company Party**" means any one of them.

"**Compliance Certificate**" means a certificate substantially in the form of Exhibit C hereto.

"**Confirmation Order**" means the order of the Bankruptcy Court confirming the Plan under section 1129 of the Bankruptcy Code, which Confirmation Order shall be consistent with this Agreement and the definitive documentation in all material respects and shall not have been stayed.

"**Conforming Changes**" means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate or Term SOFR, as applicable, any conforming changes to the definitions of "Base Rate", "SOFR", "Term SOFR" and "Interest Period", timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of "Business Day" and "U.S. Government Securities Business Day", timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the DIP Agent determined in consultation with the Borrower, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the DIP Agent in a manner substantially consistent with market practice (or, if the DIP Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the DIP Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

"**Connection Income Taxes**" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Contractual Obligation**" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"**Control**" has the meaning specified in the definition of "Affiliate."

"**Converted Term Loans**" has the meaning specified in Section 2.07(d).

"**Current Asset Collateral**" means all the "ABL Priority Collateral" as defined in the ABL Intercreditor Agreement.

"**Daily Simple SOFR**" with respect to any applicable determination date means the SOFR published on such date on the Federal Reserve Bank of New York's website (or any successor source).

"**Debtor**" shall have the meaning assigned to such term in the recitals of this Agreement.

"**Debtor Relief Laws**" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**Default**" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"**Default Rate**" means for Loans and any other amounts due hereunder an interest rate equal to (a) the Base Rate plus (b) the Applicable Rate applicable to Base Rate Loans plus (c) 2.0% per annum; *provided* that with respect to the outstanding principal amount of any Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan (giving effect to Section 2.02(c)) plus 2.0% per annum, in each case, to the fullest extent permitted by applicable Laws.

"**Designated Jurisdiction**" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"**DIP Agent**" shall have the meaning assigned to such term in the introductory paragraph of this Agreement, together with its successors and permitted assigns in such capacity.

"**DIP Agent Counsel**" means ArentFox Schiff LLP in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents or in connection with the Loans made hereunder, and one counsel in each relevant jurisdiction, in each case retained by the DIP Agent.

"**DIP Agent Fee Letter**" means that certain fee letter, dated as of March [•], 2024 by and between the DIP Agent and the Borrower.

"**DIP Agent's Office**" means the DIP Agent's address and account as set forth on Schedule 10.02(a), or such other address or account as the DIP Agent may from time to time notify the Borrower and the Lenders.

"**DIP Facility**" has the meaning assigned to such term in the recitals.

"**DIP Loans**" has the meaning assigned to such term in the recitals to this Agreement.

"**DIP Order**" means the Interim Order, unless the Final Order shall have been entered, in which case it means the Final Order.

"**Direction of the Required DIP Lenders**" means a written direction or instruction from Lenders constituting the Required DIP Lenders which may be in the form of an email or other form of written communication, it being understood and agreed that the DIP Agent may conclusively rely on any such written direction or instruction from such Specified Lender Advisor or designated Lender Advisor at the direction of the Required DIP Lenders. For the avoidance of doubt, with respect to each reference herein to (i) documents, agreements or other matters being "satisfactory," "acceptable," "reasonably satisfactory" or "reasonably acceptable" (or any expression of similar import) to the Required DIP Lenders, such determination may be communicated by a Direction of the Required DIP Lenders as contemplated above and/or (ii) any matter requiring the consent or approval of, or a determination by, the Required DIP Lenders, such consent, approval or determination may be communicated by a Direction of the Required DIP Lenders as contemplated above.

"**Discharge of DIP Obligations**" shall mean the occurrence of (a) all Commitments shall have been terminated and (b) the principal of and interest on each Loan and all other expenses or amounts payable under any Loan Document shall have been paid in full in cash (other than in respect of contingent indemnification and expense reimbursement claims not then due).

"**Disposition**" or "**Dispose**" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction and any sale or issuance of Equity Interests in a Subsidiary) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"**Disqualified Equity Interests**" means any Equity Interest that, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is ninety-one (91) days after the Latest Maturity Date of the Loans at the time of issuance; *provided* that if such Equity Interests are issued pursuant to a plan for the benefit of employees of Holdings, the Borrower or the Subsidiaries or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because it may be required to be repurchased by Holdings, the Borrower or the Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

"**Disqualified Institution**" means:

(1) such Persons as are separately identified in writing by the Borrower and the Required DIP Lenders to the DIP Agent prior to the Closing Date;

(2) any Person that is a competitor of the Borrower and identified by the Borrower in good faith in writing to the DIP Agent from time to time after the Closing Date;

(3) those banks, financial institutions, other institutional lenders and investors and other entities that were identified by the Borrower as such in writing to the DIP Agent on or prior to the Closing Date; and

(4) any Affiliates of Persons described in the foregoing clauses (1) and (2) that are readily identifiable as such solely on the basis of their names (other than any such Affiliate that is a bank, financial institution or fund (other than a Person described in clause (2) above) that regularly invest in commercial loans or similar extensions of credit in the ordinary course of business and for which no personnel involved with the relevant competitor or Person referred to in clause (2) above make investment decisions);

provided that in no event shall any update to the list of Disqualified Institutions (A) be effective prior to two Business Days after receipt thereof by the DIP Agent or (B) apply retroactively to disqualify any Persons that have previously acquired an assignment or participation interest under this Agreement or that is party to a pending trade.

Notwithstanding anything in the Loan Documents to the contrary, the DIP Agent shall not be responsible (or have any liability) for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions thereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the DIP Agent shall not (1) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (2) have any liability with respect to or arising out of any assignment or participation of Loans or commitments, or disclosure of confidential information, to any Disqualified Institution. The list of Disqualified Institutions may be made available by the DIP Agent on the Platform and to prospective assignees and Participants (including Public Lenders).

"Division" has the meaning assigned to such term in Section 1.11.

"Division Successor" has the meaning assigned to such term in Section 1.11.

"**Dollar**" and "**$**" mean lawful money of the United States.

"**Domestic Subsidiary**" means any Subsidiary that is organized under the Laws of the United States, any state thereof or the District of Columbia.

"**EEA Financial Institution**" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"**EEA Resolution Authority**" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Eligible Assignee**" means any Person that meets the requirements to be an assignee under Section 10.07(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 10.07(b)(iii)).

"**Employee Benefit Plan**" means any material "employee benefit plan" (as such term is defined in Section 3(3) of ERISA), other than a Foreign Plan, established by any Loan Party or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any of their respective ERISA Affiliates.

"**Environmental Claim**" means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigations (other than internal reports prepared by any Loan Party or any of its Subsidiaries (a) in the ordinary course of such Person's business or (b) as required in connection with a financing transaction or an acquisition or disposition of real estate) or proceedings with respect to any Environmental Liability (hereinafter "**Claims**"), including (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief pursuant to any Environmental Law.

"**Environmental Laws**" means any and all Laws relating to the protection of the environment or, to the extent relating to exposure to Hazardous Materials, human health.

"**Environmental Liability**" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities) of any Loan Party or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"**Environmental Permit**" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"**Equity Interests**" means, with respect to any Person, all of the shares, interests, rights, participations or other equivalents (however designated) of capital stock of (or other ownership or profit interests or units in) such Person and all of the warrants, options or other rights for the purchase, acquisition or exchange from such Person of any of the foregoing (including through convertible securities).

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that together with any Loan Party is treated as a single employer within the meaning of Section 414 of the Code or Section 4001 of ERISA.

"**ERISA Event**" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by any Loan Party or any of their respective ERISA Affiliates from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Loan Party or any of their respective ERISA Affiliates from a Multiemployer Plan, written notification of any Loan Party or any of their respective ERISA Affiliates concerning the imposition of withdrawal liability or written notification that a Multiemployer Plan is insolvent within the meaning of Title IV of ERISA; (d) the filing under Section 4041(c) of ERISA of a notice of intent to terminate a Pension Plan, the treatment of a Pension Plan or Multiemployer Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) the imposition of any liability under Title IV of ERISA with respect to the termination of any Pension Plan or Multiemployer Plan, other than for the payment of plan contributions or PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any of their respective ERISA Affiliates, (f) a failure to satisfy the minimum funding standard (within the meaning of Section 302 of ERISA or Section 412 of the Code) with respect to a Pension Plan, whether or not waived, (g) the application for a minimum funding waiver under Section 302(c) of ERISA with respect to a Pension Plan, (h) the imposition of a lien under Section 303(k) of ERISA with respect to any Pension Plan or (i) a determination that any Pension Plan is in "at risk" status (within the meaning of Section 303 of ERISA).

"**EU Bail-In Legislation Schedule**" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Erroneous Payment**" has the meaning specified in Section 9.16(b).

"**Erroneous Payment Return Deficiency**" has the meaning specified in Section 9.16(e).

"**Event of Default**" has the meaning specified in Section 8.01.

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

"**Excluded Assets**" means (i) all licenses and any other property and assets (including any lease, license, permit or agreement) to the extent that the DIP Agent may not validly possess a security interest therein under, or such security interest is restricted by, applicable Laws (including, without limitation, rules and regulations of any Governmental Authority or agency) or the pledge or creation of a security interest in which would require the consent, approval, license or authorization of a Governmental Authority, other than to the extent such prohibition or limitation is rendered ineffective under the UCC, the Bankruptcy Code, other applicable insolvency laws or other applicable Law notwithstanding such prohibition, but in no event excluding the proceeds thereof, (ii) any asset to the extent the provision of a security interest with respect to such asset would result in material and adverse tax consequences to Holdings or any of its Subsidiaries, to the extent consented by the Required DIP Lenders (which may be communicated by means of a Direction of the Required DIP Lenders), and (iii) any asset where the cost of obtaining a security interest therein exceeds the practical benefit to the Lenders, as determined in the sole discretion of the Required DIP Lenders (which may be communicated by means of a Direction of the Required DIP Lenders); provided, however, that Excluded Assets referred to in clauses (i) through (iii) shall not include any proceeds, substitutions or replacements of any Excluded Assets. Except as specified by the Required DIP Lenders, no Loan Party shall be required to take any action under the Law of any non-U.S. jurisdiction to create or perfect a security interest in any assets located outside the United States or any other assets that require such action, including any intellectual property registered in any non-U.S. jurisdiction (and no security agreements or pledge agreements governed under the Laws of any non-U.S. jurisdiction shall be required).

"**Excluded Swap Obligation**" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to any "keepwell, support or other agreement" for the benefit of such Guarantor and any and all guarantees of such Guarantor's Swap Obligations by other Loan Parties) at the time the Guaranty of such Guarantor, or a grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes excluded in accordance with the first sentence of this definition.

"**Excluded Taxes**" means, with respect to the DIP Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder or under any other Loan Document, (a) any Tax imposed on or measured by such recipient's net income or any franchise Tax (in each case, however denominated), in each case, (i) imposed by a jurisdiction as a result of such recipient being organized or having its principal office or applicable Lending Office located in such jurisdiction or (ii) that are Other Connection Taxes, (b) any branch profits Tax under Section 884(a) of the Code imposed by any jurisdiction described in (a), (c) with respect to any Non-US Lender (other than any Non-US Lender becoming a party hereto pursuant to the Borrower's request under Section 3.07), any U.S. federal withholding Tax that is imposed on amounts payable to such Non-US Lender pursuant to a Law in effect at the time such Non-US Lender becomes a party hereto or designates a new Lending Office or experiences a change in circumstances (other than a Change in Law), except to the extent that such Non-US Lender (or its assignor, if any) was entitled, immediately prior to the time of designation of a new

Lending Office (or assignment or change in circumstances), to receive additional amounts from a Loan Party with respect to such U.S. federal withholding Tax pursuant to Section 3.01, (d) any withholding Tax attributable to such recipient's failure to comply with Section 3.01(c) or (h), and (e) any Tax imposed as a result of such recipient's failure to establish a complete exemption under FATCA

"**Exit Agent**" has the meaning set forth in Section 2.05(b).

"**Exit Conversion**" has the meaning set forth in Section 2.05(b).

"**Exit Term Loan Credit Agreement**" has the meaning set forth in Section 2.05(b).

"**Exit Term Loan Facility**" has the meaning set forth in Section 2.05(b).

"**FATCA**" means Sections 1471 through 1474 of the Code as in effect on the Closing Date (including, for the avoidance of doubt, any agreements between governmental authorities implementing such provisions, any law implementing such agreements and any agreements entered into pursuant to Section 1471(b)(1) of the Code) and any amended or successor provisions that are substantively comparable and not materially more onerous to comply with (and, in each case, any regulations promulgated thereunder or official interpretations thereof).

"**Federal Funds Rate**" means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; *provided* that if the Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"**Fee Letters**" means the DIP Agent Fee Letter and the Fronting Fee Letter.

"**Final Term Loan**" has the meaning specified in Section 2.01(a).

"**Final Term Loan Commitment**" shall mean, with respect to each Lender, the commitment of such Lender to make Final Term Loans hereunder. The amount of each Lender's Final Term Loan Commitment as of the Closing Date is set forth on Schedule 2.01.

"**Final Funding Date**" has the meaning specified in Section 2.01.

"**Final Order**" means the "Final DIP/Cash Collateral Order" as defined in the TSA.

"**Flood Insurance Laws**" shall mean, collectively, (i) the National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973) as now or hereafter in effect or any successor statute thereto, (ii) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (iii) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"**Flow of Funds Statement**" means a flow of funds statement relating to payments to be made and credited by all of the parties on the Closing Date or the Final Funding Date, as applicable, (including wire instructions therefor) as prepared by the Borrower and its financial advisor in consultation with (and approved by) the DIP Agent.

"**Foreign Casualty Event**" has the meaning specified in Section 2.03(b)(v).

"**Foreign Disposition**" has the meaning specified in Section 2.03(b)(v).

"**Foreign Plan**" means any material employee benefit plan, program or agreement maintained or contributed to by, or entered into with, Holdings or any Subsidiary of Holdings with respect to employees employed outside the United States (other than benefit plans, programs or agreements that are mandated by applicable Laws).

"**Foreign Subsidiary**" means any direct or indirect Subsidiary that is not a Domestic Subsidiary.

"**FRB**" means the Board of Governors of the Federal Reserve System of the United States.

"**Fronting Fee Letter**" shall mean that certain fee letter, dated as of March [•], 2024 by and between the Fronting Lender and the Borrower.

"**Fronting Lender**" has the meaning assigned to such term in Section 2.02.

"**Fund**" means any Person (other than a natural person) that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course.

"**GAAP**" means generally accepted accounting principles in the United States, as in effect from time to time; *provided*, *however*, that (i) accounting for leases shall be determined in accordance with generally accepted accounting principles in the United States as in effect on the Closing Date and (ii) if the Borrower notifies the DIP Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof (including through the adoption of IFRS) on the operation of such provision (or if the DIP Agent notifies the Borrower that the Required DIP Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof (including through the adoption of IFRS), then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

"**Governmental Authority**" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"**Granting Lender**" has the meaning specified in Section 10.07(g).

"**Guarantee**" means, as to any Person, without duplication, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other monetary obligation payable or performable by another Person (the "**primary obligor**") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other monetary obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or monetary other obligation of the payment or performance of such Indebtedness or other monetary obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other monetary obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other monetary obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other monetary obligation of any other Person, whether or not such Indebtedness or monetary other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); *provided* that the term "Guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business, or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness for borrowed money). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"**Guarantors**" means Holdings and the Subsidiary Guarantors. For avoidance of doubt, the Borrower may cause any Subsidiary that is not a Subsidiary Guarantor to Guarantee the Obligations by causing such Subsidiary to execute a joinder to the Guaranty in form and substance reasonably satisfactory to the DIP Agent, and any such Subsidiary shall be a Guarantor hereunder for all purposes.

"**Guaranty**" means (a) the guaranty made by Holdings and the other Guarantors in favor of the DIP Agent on behalf of the Secured Parties dated as of the Closing Date and (b) each other guaranty and guaranty supplement delivered pursuant to Section 6.11.

"**Hazardous Materials**" means all explosive or radioactive substances or wastes, all substances, wastes, contaminants or pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, and radon gas, regulated pursuant to any Environmental Law.

"**Hedge Bank**" means any Person that is an Agent, a Lender or an Affiliate of any of the foregoing on the Closing Date or at the time it enters into a Secured Hedge Agreement, in its capacity as a party thereto, whether or not such Person subsequently ceases to be an Agent, a Lender or an Affiliate of any of the foregoing.

"**Holdings**" has the meaning specified in the introductory paragraph to this Agreement.

"**IFRS**" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"Incremental Amendment" has the meaning specified in Section 2.12(a).

"Incremental DIP Loans" has the meaning assigned to such term in the recitals to this Agreement.

"Incremental Facility Closing Date" has the meaning specified in Section 2.12(a).

"**Indebtedness**" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) the maximum amount (after giving effect to any prior drawings or reductions that may have been reimbursed) of all outstanding letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than (i) trade accounts payable and accrued expenses payable in the ordinary course of business, (ii) any earn-out obligation until such obligation is not paid after becoming due and payable and (iii) accruals for payroll and other liabilities accrued in the ordinary course of business);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements and mortgage, industrial revenue bond, industrial development bond and similar financings), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness;

(g) all obligations of such Person in respect of Disqualified Equity Interests; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, except to the extent such Person's liability for such Indebtedness is otherwise limited. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of Indebtedness of any Person for purposes of clause (e) shall be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value (as determined by such Person in good faith) of the property encumbered thereby as determined by such Person in good faith.

"**Indemnified Liabilities**" has the meaning specified in Section 10.05.

"**Indemnitees**" has the meaning specified in Section 10.05.

"**Information**" has the meaning specified in Section 10.08.

"Initial DIP Loans" has the meaning assigned to such term in the recitals to this Agreement.

"**Initial PIK Backstop Term Loan**" has the meaning specified in Section 2.07(c).

"**Intellectual Property**" means any and all intellectual property, whether protected, created or arising now or in the future under the laws of the United States, now or hereafter owned by a Loan Party, including: patents, copyrights, trademarks, brand names, trade secrets, know-how, inventions (whether or not patentable), algorithms, software programs (including source code and object code), writings, plans, specifications and schematics, all engineering drawings, customer lists, all recorded data of any kind or nature (regardless of the medium of recording), processes, product designs, industrial designs, blueprints, drawings, data, customer lists, URLs and domain names, specifications, documentations, reports, catalogs, literature, and any other forms of technology or proprietary information of any kind, including all rights therein and all applications for registration or registrations thereof, any similar intellectual property rights with respect to any of the foregoing, and all rights to bring any causes of action for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing.

"**Intercompany Subordination Agreement**" means an agreement executed by each Subsidiary of the Borrower, in substantially the form of Exhibit J.

"**Interest Payment Date**" means the last Business Day of each calendar month.

"**Interest Period**" means as to each Term SOFR Loan, the period commencing on the date such Term SOFR Loan is disbursed or converted to or continued as a Term SOFR Loan and ending on the date one, three or six months thereafter, as selected by the Borrower in its Committed Loan Notice; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period shall extend beyond the applicable Maturity Date.

"**Interim Order**" means the "Interim DIP/Cash Collateral Order" as defined in the TSA.

"**Interim Term Loan**" has the meaning specified in Section 2.01(a).

"**Interim Term Loan Commitment**" shall mean, with respect to each Lender, the commitment of such Lender to make Interim Term Loans hereunder. The amount of each Lender's Interim Term Loan Commitment as of the Closing Date is set forth on Schedule 2.01.

"**Investment**" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition (including without limitation by merger or otherwise) of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person (excluding, in the case of the Borrower and its Subsidiaries, intercompany loans, advances, or Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business) or (c) the purchase or other acquisition (in one transaction or a series of transactions, including without limitation by merger or otherwise) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment at any time shall be the amount actually invested (measured at the time made (which, in the case of any Investment constituting the contribution of an asset or property, shall be based on the Borrower's good faith estimate of the fair market value of such asset or property at the time such Investment is made)), without adjustment for subsequent changes in the value of such Investment, net of any return representing a return of capital with respect to such Investment.

"**Investment Grade Rating**" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other nationally recognized statistical rating agency selected by the Borrower.

"**IP Rights**" has the meaning specified in Section 5.15.

"**IRS**" means Internal Revenue Service of the United States.

"j**oint venture**" means (a) any Person which would constitute an "equity method investee" of the Borrower or any of the Subsidiaries and (b) any Person in whom the Borrower or any Subsidiary beneficially owns any Equity Interest.

"**Laws**" means, collectively, all applicable international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities and executive orders, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

"**Lender**" has the meaning specified in the introductory paragraph to this Agreement and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a "Lender."

"**Lender Advisors**" means (x) the Specified Lender Advisors, and (y) any other financial advisor, auditor, attorney, accountant, appraiser, auditor, business valuation expert, environmental engineer or consultant, turnaround consultant, and other consultants, professionals and experts retained by the Ad Hoc Group of Lenders and/or the Required DIP Lenders and agreed by the Borrower in its reasonable discretion.

"**Lending Office**" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the DIP Agent.

"**Lien**" means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any Capitalized Lease having substantially the same economic effect as any of the foregoing); *provided* that in no event shall an operating lease in and of itself be deemed a Lien.

"**Liquidity**" means, as at any date of determination the amount of Unrestricted Cash of the Loan Parties at such time.

"**Loan**" means an extension of credit by a Lender to the Borrower under Article II and any Converted Loans (including any capitalized interest thereon).

"**Loan Documents**" means, collectively, (a) this Agreement, (b) the Notes, (c) the Guaranty, (d) the Collateral Documents, (e) the Fee Letters, (f) each Incremental Amendment and (g) each joinder agreement, and any other document or instrument designated by the Borrower and the DIP Agent (acting at the Direction of the Required DIP Lenders) as a "Loan Document."

"**Loan Parties**" means, collectively, (a) Holdings, (b) the Borrower and (c) each other Guarantor.

"**Management Stockholders**" means the members of management of Holdings or any of its Subsidiaries who are investors in Holdings or any direct or indirect parent thereof.

"**Margin Stock**" has the meaning set forth in Regulation U of the Board of Governors of the United States Federal Reserve System, or any successor thereto.

"**Master Agreement**" has the meaning specified in the definition of "Swap Contract."

"**Material Adverse Effect**" means any event, circumstance or condition that has had a materially adverse effect on (a) the business, operations, assets, liabilities (actual or contingent), performance, properties, material agreements, prospects or condition (financial or otherwise) of Holdings and its Subsidiaries, taken as a whole (excluding (i) any matters publicly disclosed in writing or disclosed to the DIP Agent and the Lenders in writing prior to the filing of the Chapter 11 Cases, (ii) any matters disclosed in the schedules hereto, (iii) any matters disclosed in any first day pleadings or declarations and (iv) the filing of the Chapter 11 Cases, the events and conditions related and/or leading up thereto and the effects thereof and any action required to be taken under the Loan Documents or under a Chapter 11 Order), (b) the ability of the Loan Parties (taken as a whole) to perform their respective material payment obligations under any Loan Document to which any of the Loan Parties is a party, (c) the rights and remedies of the Lenders, the DIP Agent (taken as a whole) under any Loan Document or (d) the Collateral (taken as a whole) or the DIP Agent's liens on the Collateral.

"**Material Intellectual Property**" shall mean any Intellectual Property owned by any Loan Party that is material to the operation of the business of Holdings and its Subsidiaries, taken as a whole.

"**Maturity Date**" shall mean the earliest of (i) the date that is 60 days after the Petition Date, (ii) the date on which all Loans are accelerated as a result of an Event of Default and all unfunded Commitments (if any) have been terminated in accordance with this Agreement, by operation of law or otherwise, (iii) the date the Bankruptcy Court orders a conversion of the Chapter 11 Cases to a chapter 7 liquidation or the dismissal of the chapter 11 case of any Debtor (iv) the Plan Effective Date and (v) the closing of any sale of assets pursuant to section 363 of the Bankruptcy Code, which when taken together with all other sales of assets since the Petition Date, constitutes a sale of all or substantially all of the assets of the Debtors.

"**Maximum Rate**" has the meaning specified in Section 10.10.

"**Milestone**" has the meaning specified in Section 6.17.

"**Multiemployer Plan**" means any multiemployer plan as defined in Section 4001(a)(3) of ERISA and subject to Title IV of ERISA, to which any Loan Party or any of their respective ERISA Affiliates makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"**Net Cash Proceeds**" means:

(a) with respect to the Disposition of any asset by the Borrower or any of the Subsidiaries or any Casualty Event, the excess, if any, of (i) the sum of cash and Cash Equivalents received in connection with such Disposition or Casualty Event (including any cash and Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so

received and, with respect to any Casualty Event, any insurance proceeds or condemnation awards in respect of such Casualty Event actually received by or paid to or for the account of the Borrower or any of the Subsidiaries) over (ii) the sum of (A) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness that is secured by the asset subject to such Disposition or Casualty Event and required to be repaid in connection with such Disposition or Casualty Event (other than Indebtedness under the Loan Documents, the Pre-Petition Credit Agreement and the ABL Facilities Documentation), (B) the out-of-pocket fees and expenses (including attorneys' fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary fees) actually incurred by the Borrower or such Subsidiary in connection with such Disposition or Casualty Event, (C) taxes or distributions made pursuant to Section 7.06(g)(i) or (g)(iii) paid or reasonably estimated to be payable in connection therewith (including taxes imposed on the distribution or repatriation of any such Net Cash Proceeds), (D) in the case of any Disposition or Casualty Event by a non-wholly owned Subsidiary, the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this clause (D)) attributable to minority interests and not available for distribution to or for the account of the Borrower or a wholly owned Subsidiary as a result thereof, and (E) any reserve for adjustment in respect of (x) the sale price of such asset or assets established in accordance with GAAP and (y) any liabilities associated with such asset or assets and retained by the Borrower or any Subsidiary after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction, it being understood that "Net Cash Proceeds" shall include the amount of any reversal (without the satisfaction of any applicable liabilities in cash in a corresponding amount) of any reserve described in this clause (E); and

(b) (i) with respect to the incurrence or issuance of any Indebtedness by the Borrower, the excess, if any, of (A) the sum of the cash and Cash Equivalents received in connection with such incurrence or issuance over (B) the investment banking fees, underwriting discounts, commissions, costs and other out-of-pocket expenses and other customary expenses, incurred by the Borrower or such Subsidiary in connection with such incurrence or issuance.

"**Non-Consenting Lender**" has the meaning specified in Section 3.07.

"**Non-Excluded Taxes**" means all Taxes other than Excluded Taxes and Other Taxes.

"**Non-Loan Party**" means any Subsidiary of the Borrower that is not a Loan Party.

"**Non-US Lender**" means any Lender that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"**Note**" means a promissory note of the Borrower payable to any Lender or its registered assigns, in substantially the form of Exhibit B hereto, evidencing the aggregate Indebtedness of the Borrower to such Lender resulting from the Loans made by such Lender.

"**Obligations**" means all (a) advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding, (b) obligations of any Loan Party arising under any Secured Hedge Agreement, and (c) Cash Management Obligations. Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents (and any of their Subsidiaries to the extent they have obligations under the Loan Documents) include the obligation (including guarantee obligations) to pay principal, interest, reimbursement obligations, charges, expenses, fees, Attorney Costs, indemnities and other amounts payable by any Loan Party under any Loan Document; *provided* that the Obligations shall exclude any Excluded Swap Obligations.

"**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"**Organization Documents**" means (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating or limited liability company agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"**Other Connection Taxes**" means, with respect to any Lender, the DIP Agent or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder or under any other Loan Document, Taxes imposed as a result of a present or former connection between such Lender, recipient or the DIP Agent and the jurisdiction imposing such Tax (other than connections arising from such Lender, recipient or the DIP Agent having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means any and all present or future stamp, court or documentary intangible, recording, filing or similar Taxes arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document excluding, in each case, Other Connection Taxes that result from an Assignment and Assumption, or other assignment (other than an assignment made pursuant to Section 3.07).

"**Outstanding Amount**" means with respect to any Loan on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of such Loan occurring on such date.

"**Overnight Rate**" means, for any day, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the DIP Agent in accordance with banking industry rules on interbank compensation.

"**Participant**" has the meaning specified in Section 10.07(d).

"**Participant Register**" has the meaning specified in Section 10.07(e).

"**Payment Notice**" has the meaning specified in Section 9.16(c).

"**Payment Recipient**" has the meaning specified in Section 9.16(b).

"**PBGC**" means the Pension Benefit Guaranty Corporation.

"**Pension Plan**" means any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by any Loan Party or any of their respective ERISA Affiliates or to which any Loan Party or any of their respective ERISA Affiliates contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time in the preceding five plan years.

"**Permitted Holder**" means any of (a) the Sponsor, (b) the Management Stockholders and (c) the Co-Investors, *provided* that for purposes of the definition of "Change of Control" (i) in each of clause (a)(i), the final reference to Permitted Holders in clause (a)(ii) and the proviso to clause (a), the Co-Investors shall not constitute Permitted Holders at any time that they hold voting power equal to more than 20% of the ordinary voting power of all Equity Interests collectively held by the Sponsor, the Management Stockholders and the Co-Investors**,** (ii) in the final reference to Permitted Holders in clause (a)(ii), the Co-Investors shall not constitute Permitted Holders if they are part of the "group" referred to in clause (a)(ii)(2) of the definition of "Change of Control" and (iii) in the parenthetical in each of clauses (a)(ii)(1) and (2), the Co-Investors shall not constitute Permitted Holders.

"**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"**Petition Date**" shall have the meaning assigned to such term in the recitals of this Agreement.

"**Plan**" shall have the meaning assigned to such term in the TSA.

"**Plan Effective Date**" means the date on which all conditions to consummation of the Plan have been satisfied in full or waived, in accordance with the terms of the Plan, and the Plan becomes effective.

"**Platform**" has the meaning specified in Section 6.02.

"**Pre-Petition**" means the time period ending immediately prior to the filing of the Chapter 11 Cases.

"**Pre-Petition Administrative Agent**" has the meaning assigned to such term in the recitals to this Agreement.

"**Pre-Petition Collateral**" means the "Collateral" as defined in the Pre-Petition Credit Agreement.

"**Pre-Petition Lenders**" has the meaning assigned to such term in the introductory paragraph of this Agreement.

"**Pre-Petition Loan Documents**" means the "Loan Documents" as defined in the Pre-Petition Credit Agreement.

"**Pre-Petition Obligations**" means the "Secured Obligations" as defined in the Pre-Petition Credit Agreement.

"**Pre-Petition Credit Agreement**" has the meaning assigned to such term in the recitals to this Agreement.

"**Pro Rata Share**" means, with respect to each Lender at any time a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Commitments and, if applicable and without duplication, Loans of such Lender at such time and the denominator of which is the amount of the Commitments and, if applicable and without duplication, Loans under the DIP Facility at such time.

"**Public Company Costs**" means costs relating to compliance with the Sarbanes-Oxley Act of 2002, as amended, and other expenses arising out of or incidental to Holdings' status as a reporting company, including costs, fees and expenses (including legal, accounting and other professional fees) relating to compliance with provisions of the Securities Act and the Exchange Act, the rules of securities exchange companies with listed equity securities, directors' compensation, fees and expense reimbursement, shareholder meetings and reports to shareholders, directors' and officers' insurance and other executive costs, legal and other professional fees, and listing fees.

"**Public Lender**" has the meaning specified in Section 6.02.

"**QFC Credit Support**" has the meaning specified in Section 10.24.

"**Qualified Equity Interests**" means any Equity Interests that are not Disqualified Equity Interests.

"**Quarterly Financial Statements**" means the unaudited condensed consolidated balance sheets and related statements of income and cash flows of the Borrower and its Subsidiaries for the most recent fiscal quarters after the date of the Annual Financial Statements and ended at least forty-five (45) days before the Closing Date.

"**Register**" has the meaning specified in Section 10.07(c).

"**Related Adjustment"** means, in determining any Successor Rate, the first relevant available alternative set forth in the order below that can be determined by the DIP Agent applicable to such Successor Rate:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the relevant Pre-Adjustment Successor Rate (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto); or

(B) the spread adjustment that would apply (or has previously been applied) to the fallback rate for a derivative transaction referencing the ISDA Definitions (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto).

"**Related Indemnified Person**" of an Indemnitee means (a) any controlling person or controlled affiliate of such Indemnitee, (b) the respective directors, officers, or employees of such Indemnitee or any of its controlling persons or controlled affiliates and (c) the respective agents of such Indemnitee or any of its controlling persons or controlled affiliates, in the case of this clause (c), acting at the instructions of such Indemnitee, controlling person or such controlled affiliate; *provided* that each reference to a controlled affiliate or controlling person in this definition shall pertain to a controlled affiliate or controlling person involved in the negotiation or syndication of the DIP Facility.

"**Relevant Governmental Body"** means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"**Reportable Event**" means, with respect to any Pension Plan, any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, other than events for which the thirty (30) day notice period has been waived.

"**Required DIP Lenders**" means, as of any date of determination, Lenders having more than 50% of the sum of the (a) outstanding Loans and (b) aggregate unused Commitments.

"**Rescindable Amount**" has the meaning assigned to such term in Section 2.10(a)(ii).

"**Resolution Authority**" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"**Responsible Officer**" means the chief executive officer, president, chief financial officer, treasurer or controller of a Loan Party, solely for purposes of the delivery of incumbency certificates, the secretary or any assistant secretary of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the DIP Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the

applicable Loan Party and the DIP Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"**Restricted Payment**" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of Holdings, the Borrower or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to the Borrower's or Holdings' stockholders, partners or members (or the equivalent Persons thereof) other than (i) the payment of compensation in the ordinary course of business to holders of any such Equity Interests who are employees or service providers of Holdings (or any direct or indirect parent thereof) or any Subsidiary solely in their capacity as employees or service providers and (ii) other than payments of intercompany indebtedness permitted under this Agreement, unless such payments are made in the form of dividends or other distributions that would otherwise be classified as Restricted Payments hereunder.

"**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"**Same Day Funds**" means disbursements and payments in immediately available funds.

"Sanctions" means any sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, His Majesty's Treasury ("**HMT**") or other relevant sanctions authority.

"**Scheduled Unavailability Date**" has the meaning specified in Section 3.03(b)(ii).

"**SEC**" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"**Secured Hedge Agreement**" means any Swap Contract permitted under Section 7.03(f) that is entered into by and between any Loan Party or any Subsidiary and any Hedge Bank; and designated in writing by the Hedge Bank and the Borrower to the DIP Agent as a "Secured Hedge Agreement."

"**Secured Parties**" means, collectively, the DIP Agent, the Lenders, each Hedge Bank, each Cash Management Bank, the Supplemental Administrative Agent and each co-agent or sub-agent appointed by the DIP Agent from time to time pursuant to Section 9.01(b).

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

"**SOFR**" means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

"**SPC**" has the meaning specified in Section 10.07(g).

"**Specified Lender Advisors**" means (i) Gibson, Dunn & Crutcher LLP, as legal counsel to the Lenders and (ii) Lazard Ltd., as financial advisor to the Lenders.

"**Sponsor**" means Leonard Green & Partners, L.P. and any of its Affiliates and funds or partnerships managed or advised by it or any of their respective Affiliates but not including, however, any portfolio company of any of the foregoing.

"**Store**" means any retail store (which includes any real property, fixtures, equipment, inventory and other property related thereto) operated, or to be operated, by the Borrower or any Subsidiary.

"**Subsequent DIP Budget**" has the meaning specified in Section 6.16(a).

"**Subsidiary**" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity (excluding, for the avoidance of doubt, charitable foundations) of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"**Subsidiary Guarantor**" means each Subsidiary of the Borrower that is a Debtor under the Chapter 11 Cases. Notwithstanding anything herein to the contrary, the Borrower may elect to cause any Subsidiary that is not otherwise required to become a Subsidiary Guarantor in accordance with the terms hereof to become a Subsidiary Guarantor by satisfying the requirements of Section 6.11 as if it were subject to such requirements.

"**Successor Rate**" has the meaning specified in Section 3.03(b).

"**Supplemental Administrative Agent**" and "**Supplemental Administrative Agents**" have the meanings specified in Section 9.12(a).

"**Supported QFC**" has the meaning specified in Section 10.24.

"**Swap Contract**" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

"**Swap Obligations**" means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"**Swap Termination Value**" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"**Tax**" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding of any nature and whatever called, imposed by any Governmental Authority, including any interest, additions to tax and penalties applicable thereto.

"**Tax Indemnitee**" has the meaning given to such term in Section 3.01(e).

"**Term SOFR**" means:

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto for such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to such date with a term of one month commencing that day; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto for such term;

provided that if Term SOFR determined in accordance with either of the foregoing provisions (a) or (b) of this definition would otherwise be less than 0.75%, Term SOFR shall be deemed to be 0.75% for purposes of this Agreement.

"**Term SOFR Loan**" means a Loan that bears interest at a rate based on clause (a) of the definition of Term SOFR.

"**Term SOFR Replacement Date**" has the meaning specified in Section 3.03(b).

"**Term SOFR Screen Rate**" means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the DIP Agent (acting at the Direction of the Required DIP Lenders)) and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the DIP Agent from time to time).

"**Threshold Amount**" means $5,000,000.

"Tranche" means, with respect to a Loan, its character as a Tranche A DIP Loan, Tranche B DIP Loan or Tranche C DIP Loan.

"Tranche A DIP Lenders" means the Lenders that have Commitments to make Tranche A DIP Loans or who made Tranche A DIP Loans.

"Tranche A DIP Loans" has the meaning assigned to such term in the recitals to this Agreement.

"Tranche B DIP Lenders" means the Lenders that have Commitments to make Tranche B DIP Loans or who made Tranche B DIP Loans.

"Tranche B DIP Loans" has the meaning assigned to such term in the recitals to this Agreement.

"Tranche C DIP Lenders" means the Lenders that have Commitments to make Tranche C DIP Loans or who have been deemed to make Tranche C DIP Loans.

"Tranche C DIP Loans" has the meaning assigned to such term in the recitals to this Agreement.

"**TSA**" means the Transaction Support Agreement, dated as of March [15], 2024 among the Loan Parties, the Lenders and other parties thereto.

"**Type**" means, with respect to a Loan, its character as a Base Rate Loan or a Term SOFR Loan.

"**UK Financial Institution**" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"**UK Resolution Authority**" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"**Uniform Commercial Code**" means the Uniform Commercial Code or any successor provision thereof as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code or any successor provision thereof (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

"**United States**" and "**U.S.**" mean the United States of America.

"**United States Tax Compliance Certificate**" has the meaning given to such term in Section 3.01(c).

"**Unrestricted Cash**" means, on any date of determination, an amount equal to, determined as of such date for the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP, the sum of (a) unrestricted cash and Cash Equivalents, whether or not held in a deposit account pledged to secure the Obligations, and (b) cash and Cash Equivalents that are held in the DIP Proceeds Account (as defined in the TSA) (which may also include cash and Cash Equivalents securing other Indebtedness that is secured by a Lien on the Collateral along with the DIP Facility).

"**U.S. Government Securities Business Day**" means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

"**U.S. Lender**" means any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"**USA PATRIOT Act**" means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)), as amended or modified from time to time.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (b) the then outstanding principal amount of such Indebtedness.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (b) the then outstanding principal amount of such Indebtedness.

"**wholly owned**" means, with respect to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (x) director's qualifying shares and (y) nominal shares issued to foreign nationals to the extent required by applicable Law) are owned by such Person and/or by one or more wholly owned Subsidiaries of such Person.

"**Withdrawal Liability**" means the liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such term is defined in Part I of Subtitle E of Title IV of ERISA.

"**Write-Down and Conversion Powers**" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SECTION 1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) (i) The words "herein," "hereto," "hereof" and "hereunder" and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.

(ii) References in this Agreement to an Exhibit, Schedule, Article, Section, clause or sub-clause refer (A) to the appropriate Exhibit or Schedule to, or Article, Section, clause or sub-clause in this Agreement or (B) to the extent such references are not present in this Agreement, to the Loan Document in which such reference appears.

(iii) The term "including" is by way of example and not limitation.

(iv) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(c) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including."

(d) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

SECTION 1.03 Accounting Terms. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, except as otherwise specifically prescribed herein.

SECTION 1.04 Rounding. Any financial ratios required to be satisfied in order for a specific action to be permitted under this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

SECTION 1.05 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to Organization Documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are permitted by any Loan Document; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

SECTION 1.06 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to New York City time (daylight or standard, as applicable).

SECTION 1.07 [Reserved].

SECTION 1.08 [Reserved].

SECTION 1.09 [Reserved].

SECTION 1.10 [Reserved].

SECTION 1.11 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws) (each, a "**Division**"): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person (such different Person, a "Division Successor"), then it shall be deemed to have been transferred from the original Person to the Division Successor, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II

The Commitments and Borrowings

SECTION 2.01 The Commitments and Loans. Subject to the terms and conditions set forth herein and in the DIP Order:

(a) Each Lender agrees, severally and not jointly, to make:

(i) an initial term loan to the Borrower on the Closing Date (the "Interim A/B Term Loan") in Dollars in an aggregate principal amount equal to its Applicable Percentage of $88,000,000 of Tranche A DIP Loans and its Applicable Percentage of the Tranche B DIP Loans;

(ii) with respect to the Tranche C DIP Loans, the DIP Agent, the Lenders and the Loan Parties each acknowledges and agrees that the Tranche C DIP Loans (the Tranche C DIP Loans together with the Interim A/B Term Loan, the "Interim Term Loan") in an aggregate principal amount equal to its Applicable Percentage of $25,000,000 shall be deemed fully funded concurrently with the entry of the Interim Order (without any notice of request by the Borrower) in accordance with the terms of the Interim Order, and the Commitment of each Tranche C DIP Lender shall expire upon the deemed funding of the Tranche C DIP Loans on such applicable date; and

(iii) upon the satisfaction (or waiver) of the terms and conditions in Section 4.02 (the date on which such conditions are satisfied (or waived), the "Final Funding Date"), additional term loans (such additional term loans, the "Final Term Loan") to the Borrower in Dollars in a principal amount equal to its Applicable Percentage of $9,000,000 made up of Tranche A DIP Loans. The Interim Term Loan and the Final Term Loan are collectively referred to herein as the "Initial DIP Loans".

(b) Upon a Lender's funding of the Interim Term Loan on the Closing Date, such Lender's Interim Term Loan Commitment shall be permanently reduced to zero and shall terminate. Upon a Lender's funding of the Final Term Loan on the Final Funding Date, such Lender's Final Term Loan Commitment shall be permanently reduced to zero and shall terminate.

Upon the deemed funding of the Tranche C DIP Loans, certain receivables of the Tranche C DIP Lenders or its affiliates shall be reduced by the face value of such Tranche C DIP Lender's Tranche C DIP Loans in accordance with the TSA or any relevant joinder thereto. Notwithstanding anything herein to the contrary, the Tranche C DIP.

Loans shall be incurred by (x) the Borrower assuming the applicable Pre-Petition obligations from Jo-Ann Stores, LLC followed by (y) the Borrower satisfying such applicable Pre-Petition obligations with an equivalent principal amount of the Tranche C DIP Loans.

(c) Amounts repaid or prepaid in respect of the DIP Loans may not be reborrowed.

SECTION 2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Term SOFR Loans shall be made upon the Borrower's irrevocable notice to the DIP Agent, which may be given by (A) telephone or (B) a Committed Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the DIP Agent of a Committed Loan Notice. Each such Committed Loan Notice must be received by the DIP Agent not later than 11:00 a.m. (i) three (3) Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Term SOFR Loans or of any conversion of Term SOFR Loans to Base Rate Loans, and (ii) one (1) Business Day before the requested date of any Borrowing of Base Rate Loans. Not later than 11:00 a.m., three Business Days before the requested date of such Borrowing, conversion or continuation, the DIP Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders and the DIP Agent. Each Borrowing of, conversion to or continuation of Term SOFR Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof (or such other amount as is the remainder of the applicable Loan). Each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof (or such other amount as is the remainder of the applicable Loan). Each Committed Loan Notice shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Term SOFR Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Term SOFR Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Term SOFR Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Committed Loan Notice, the DIP Agent shall promptly notify each Lender of the amount of its Pro Rata Share of the applicable Type of Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the DIP Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans or continuation of Loans described in Section 2.02(a). In the case of each Borrowing, each Lender shall make the amount of its Loan available to the DIP Agent in Same Day Funds at the DIP Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and if such Borrowing is on the Closing Date, Section 4.01), the DIP Agent shall make all funds so received available to the Borrower in like funds as received by the DIP Agent either by (i) crediting the account of the Borrower on the books of the DIP Agent with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the DIP Agent by the Borrower.

(c) Except as otherwise provided herein, a Term SOFR Loan may be continued or converted only on the last day of an Interest Period for such Term SOFR Loan. Upon the occurrence and during the continuation of an Event of Default, the DIP Agent or the Required DIP Lenders may require by notice to the Borrower that, no Loans may be requested as, converted to or continued as Term SOFR Loans.

(d) The DIP Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Term SOFR Loans upon determination of such interest rate. The determination of Term SOFR by the DIP Agent shall be conclusive in the absence of manifest error, unless otherwise objected to by the Required DIP Lenders by a Direction of the Required DIP Lenders. At any time when Base Rate Loans are outstanding, the DIP Agent shall notify the Borrower and the Lenders of any change in the DIP Agent's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than ten Interest Periods in effect unless otherwise agreed between the Borrower and the DIP Agent.

(f) The failure of any Lender to make the Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Loan on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on the date of any Borrowing.

(g) Unless the DIP Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the DIP Agent such Lender's Pro Rata Share of such Borrowing, the DIP Agent may assume that such Lender has made such Pro Rata Share available to the DIP Agent on the date of such Borrowing in accordance with paragraph (b) above, and the DIP Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If the DIP Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the DIP Agent, each of such Lender and the Borrower severally agrees to repay to the DIP Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the DIP Agent at (i) in the case of the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the Overnight Rate plus any administrative, processing, or similar fees customarily charged by the DIP Agent in accordance with the foregoing. A certificate of the DIP Agent submitted to any Lender with respect to any amounts owing under this Section 2.02(g) shall be conclusive in the absence of manifest error. If the Borrower and such Lender shall pay such interest to the DIP Agent for the same or an overlapping period, the DIP Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the DIP Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the DIP Agent.

SECTION 2.03 Prepayments.

(a) Optional. The Borrower may, upon notice to the DIP Agent, at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty; *provided* that (1) such notice must be received by the DIP Agent not later than 11:00 a.m. (New York City time) (A) three (3) Business Days prior to any date of prepayment of Term SOFR Loans and (B) on the date of prepayment of Base Rate Loans; (2) any partial prepayment of Term SOFR Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 (or such other amount as is the remainder of the applicable Loan) in excess thereof or, if less, the entire principal amount thereof then outstanding; and (3) any prepayment of Base Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $500,000 (or such other amount as is the remainder of the applicable Loan) in excess thereof or, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and the payment amount specified in such notice shall be due and payable on the date specified therein. The DIP Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such share provided for under this Agreement of such prepayment. Any prepayment of a Term SOFR Loan shall be accompanied by all accrued interest thereon, together with any additional amounts required pursuant to Section 3.05. Each prepayment of the Loan pursuant to this Section 2.03(a) shall be paid to the Lenders in accordance with their respective share.

(b) Mandatory.

(i) [Reserved].

(ii) If (x) the Borrower or any of its Subsidiaries Disposes of any property or assets pursuant to Section 7.05 (other than, so long as the ABL Credit Agreement is in effect, any Disposition of Current Asset Collateral) or (y) any Casualty Event occurs (other than with respect to Current Asset Collateral so long as the ABL Facility is in effect), which results in the realization or receipt by the Borrower or such Subsidiary of Net Cash Proceeds, the Borrower shall prepay on or prior to the date which is three (3) Business Days after the date of the realization or receipt of such Net Cash Proceeds, subject to clause (b)(v) of this Section 2.03, an aggregate principal amount of Loans equal to 100% of all Net Cash Proceeds realized or received.

(iii) If the Borrower or any Subsidiary incurs or issues any Indebtedness not expressly permitted to be incurred or issued pursuant to Section 7.03, the Borrower shall prepay an aggregate principal amount of Loans equal to 100% of all Net Cash Proceeds received therefrom on or prior to the date which is thee (3) Business Days after the receipt of such Net Cash Proceeds.

(iv) [Reserved].

(v) Notwithstanding any other provisions of this Section 2.03(b), (A) to the extent that any or all of the Net Cash Proceeds of any Disposition by a Foreign Subsidiary (or a Domestic Subsidiary of a Foreign Subsidiary) giving rise to a prepayment event pursuant to Section 2.03(b)(ii) (a "**Foreign Disposition**"), the Net Cash Proceeds of any Casualty Event from a Foreign Subsidiary (or a Domestic Subsidiary of a Foreign Subsidiary) (a "**Foreign Casualty Event**") are prohibited or delayed by applicable local law from being repatriated to the United States, the portion of such Net Cash Proceeds so affected will not be required to be applied to repay Loans at the times provided in this Section 2.03(b) but may be retained by the applicable Foreign Subsidiary (or the applicable Domestic Subsidiary of a Foreign Subsidiary) so long as the applicable local law will not permit repatriation to the Borrower in the United States (the Borrower hereby agreeing to cause the applicable Subsidiary to use its commercially reasonable efforts to promptly take all actions reasonably required by the applicable local law to permit such repatriation), and the Borrower shall not be required to monitor any such prohibition or delay and/or reserve cash for future repatriation after the Borrower has notified the DIP Agent of the existence of such prohibition or delay and (B) to the extent that the Borrower has determined in good faith that repatriation to the Borrower in the United States of any of or all the Net Cash Proceeds of any Foreign Disposition or any Foreign Casualty Event would have material adverse tax consequences (relative to the relevant Foreign Disposition or Foreign Casualty Event and taking into account any foreign tax credit or benefit actually realized in connection with such repatriation) with respect to such Net Cash Proceeds, the portion of such Net Cash Proceeds so affected (the "**Holdback Amount**") will not be required to be applied to repay Loans at the times provided herein and instead may be retained by the applicable Foreign Subsidiary (or the applicable Domestic Subsidiary of a Foreign Subsidiary), *provided* that, to the extent that

within 12 months of the applicable prepayment event, the Borrower obtains actual knowledge that the repatriation of any Net Cash Proceeds from such Foreign Subsidiary would no longer have material adverse tax consequences (relative to the relevant Foreign Disposition or Foreign Casualty Event), such Foreign Subsidiary shall promptly repatriate an aggregate amount equal to the Holdback Amount to the DIP Agent, which amount shall be applied to the pro rata prepayment of the Loans pursuant to Section 2.03(b)(iv) in accordance with Section 2.03(b).

(vi) The Borrower shall notify the DIP Agent in writing of any mandatory prepayment of Loans required to be made pursuant to clause (i) or (ii) of this Section 2.03(b) at least three (3) Business Days prior to the date of such prepayment. Each such notice shall specify the date of such prepayment and provide a reasonably detailed calculation of the amount of such prepayment. The DIP Agent will promptly notify each Lender of the contents of the Borrower's prepayment notice and of such Lender's Pro Rata Share of the prepayment.

(c) Interest, Funding Losses, Etc. All prepayments under this Section 2.03 shall be accompanied by all accrued interest thereon, together with, in the case of any such prepayment of a Term SOFR Loan on a date prior to the last day of an Interest Period therefor, any amounts owing in respect of such Term SOFR Loan pursuant to Section 3.05.

SECTION 2.04 Termination of Commitments. The Interim Term Loan Commitments of each Lender shall be automatically and permanently reduced to $0 upon the funding of the Interim Term Loans on the Closing Date. The Final Term Loan Commitments of each Lender shall be automatically and permanently reduced to $0 upon the funding of the Final Term Loans on the Final Funding Date. The Incremental DIP Loan Commitments of each Lender, if any, shall be automatically and permanently reduced to $0 upon the funding of the Incremental DIP Loan on the applicable Incremental Facility Closing Date.

SECTION 2.05 Repayment of Loans. (a) Subject to Section 2.05(b), the Borrower shall repay to the DIP Agent for the ratable account of each Lender on the Maturity Date the aggregate principal amount of all Loans outstanding on such date, in an amount equal to the principal amount of the Loans outstanding on such date, together, in each case, with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment.

(b) So long as the TSA is in full force and effect, upon substantial consummation of a Plan, subject to the satisfaction, or waiver, of the conditions set forth in each of such Plan and the Exit Term Loan Credit Agreement and otherwise substantially in accordance with the terms and conditions set forth in the Exit Term Loan Credit Agreement, and notwithstanding anything to the contrary herein or in any of the other Loan Documents, the Lenders and the Loan Parties acknowledge and agree that the Loans and other Obligations hereunder and under the other Loan Documents shall be continued and/or converted into an exit term facility financing (the "Exit Conversion") as contemplated by the TSA and such Plan, subject to approval of the Exit Term Loan Credit Agreement by the Bankruptcy Court, in an amount equal to the outstanding amounts under this Agreement. Subject to the satisfaction or waiver by the Required DIP Lenders of the conditions contained in the Exit Term Loan Credit Agreement, each Lender, severally and not jointly, hereby agrees to continue and/or convert (without any further action on the part of such Lender) its Loans hereunder outstanding on the substantial consummation of the Plan as loans and obligations (the "Exit Term Loan Facility") under, and subject entirely and exclusively to the terms and provisions of, the Plan, the TSA and the definitive documentation to be agreed by the Borrower and the Required DIP Lenders (including a credit agreement governing the continuation and conversion of the Loans (the "Exit Term Loan Credit Agreement")) and related documentation to the extent that such documentation is substantially consistent with the TSA and otherwise in form and substance reasonably satisfactory to the Required DIP Lenders and the Borrower and, with respect to operational and agency provisions and insofar as such terms affect the DIP Agent or the administrative agent under the Exit Term Loan Credit Agreement (the "Exit Agent"), in their respective capacities as such, the Exit Agent and/or the DIP Agent.

SECTION 2.06 Interest.

(a) Subject to the provisions of Section 2.06(b), (i) each Term SOFR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to Term SOFR for such Interest Period plus the Applicable Rate and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate.

(b) The Borrower shall pay interest on past due principal and other amounts hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) [Reserved].

(d) In the case of any Converted Term Loan, in lieu of paying all accrued but unpaid interest on such Loans in cash, the Borrower shall pay the accrued but unpaid interest by capitalizing and adding such accrued but unpaid interest to (and thereby increasing) the principal amount of the Converted Term Loans outstanding hereunder on each such Interest Payment Date.

(e) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

SECTION 2.07 Fees.

(a) The Borrower shall pay to the DIP Agent such fees as shall have been separately agreed upon in writing in the DIP Agent Fee Letter in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever (except as expressly agreed between the Borrower and the DIP Agent).

(b) The Borrower agrees to pay to the initial Lender that is signatory to this Agreement on the Closing Date (the "Fronting Lender"), for its own account, the fronting fee in accordance with the Fronting Fee Letter.

(c) The Borrower agrees to pay to each DIP Backstop Party (as defined in the TSA) and each Tranche B DIP Lender, a back-stop fee (the "Backstop Fee") in an amount equal to 20% of the DIP Loans to be paid in kind in the form of (i) if such Lender or its affiliates is a Pre-Petition Lender (x) the Borrower assuming the applicable Pre-Petition Obligations from Jo-Ann Stores, LLC, followed by (y) the Borrower satisfying such applicable Pre-Petition Obligations with an equivalent principal amount of such additional DIP Loans or (ii) if such Lender or its affiliates is not a Pre-Petition Lender (or to the extent any such Lender or its affiliates is a Pre-Petition Lender entitled to any Backstop Fee in excess of its Pre-Petition Obligations), additional DIP Loans (clause (i) and (ii) together, the "Initial PIK Backstop Term Loan") on the date of entry of the Interim Order. For the avoidance of doubt, any Ad Hoc Group Lender (other than a DIP Backstop Party on the Petition Date) who funds their Incremental DIP Loan Commitment, shall be entitled to the Backstop Fee.

(d) Subject to the Final Order, the Borrower agrees to pay to each Tranche A DIP Lender and each Tranche B DIP Lender, a participation fee (the "Participation Fee") as set forth in the TSA (or in a joinder to the TSA). The Participation Fee shall be fully earned by each such Lender on the date of the Final Order and shall be paid in the form of (x) if the Plan is approved by the Bankruptcy Court, New Equity Interests (as defined in the TSA) in an amount forth in the TSA (or a joinder to the TSA) on the Plan Effective Date or (y) if the Plan is not approved by the Bankruptcy Court, in kind in an aggregate principal amount of $28,000,000 effective as of the date of entry of an order denying Plan confirmation (this clause (y), if funded, the "Converted Participation Term Loan" and, together with the Initial PIK Backstop Term Loan, the "Converted Term Loans").

SECTION 2.08 Computation of Interest and Fees. All computations of interest for Base Rate Loans shall be made on the basis of a year of 365 days or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; *provided* that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.10(a), bear interest for one day. Each determination by the DIP Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error, unless otherwise objected to by the Required DIP Lenders by a Direction of the Required DIP Lenders.

SECTION 2.09 Evidence of Indebtedness.

(a) The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and evidenced by one or more entries in the Register maintained by the DIP Agent, acting solely for purposes of Treasury Regulation Section 5f.103-1(c) and proposed Section 1.163-5(b) (or any amended or successor versions), as agent for the Borrower, in each case in the ordinary course of business. The accounts or records maintained by the DIP Agent and each Lender shall be *prima facie* evidence absent manifest error of the amount of the Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the DIP Agent in respect of such matters, the accounts and records of the DIP Agent shall control in the absence of manifest error. Upon the request of any Lender made through the DIP Agent, the Borrower shall execute and deliver to such Lender (through the DIP Agent) a Note payable to such Lender, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) Entries made in good faith by the DIP Agent in the Register pursuant to Section 2.09(a), and by each Lender in its account or accounts pursuant to Section 2.09(a), shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement and the other Loan Documents, absent manifest error; *provided* that the failure of the DIP Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement and the other Loan Documents.

SECTION 2.10 Payments Generally; DIP Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the DIP Agent, for the account of the respective Lenders to which such payment is owed, at the DIP Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The DIP Agent will promptly distribute to each Lender its Pro Rata Share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the DIP Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected on computing interest or fees, as the case may be.

(i) Funding by Lenders; Presumption by DIP Agent. Unless the DIP Agent shall have received notice from a Lender prior to the proposed date of a Borrowing of Term SOFR Loans (or, in the case of a Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the DIP Agent such Lender's share of such Borrowing, the DIP Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share

of the Borrowing available to the DIP Agent, then the applicable Lender and the Borrower severally agree to pay to the DIP Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the DIP Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the DIP Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the DIP Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the DIP Agent for the same or an overlapping period, the DIP Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the Borrowing to the DIP Agent, then the amount so paid shall constitute such Lender's Loan included in the Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the DIP Agent.

(ii) Payments by Borrower; Presumptions by DIP Agent. Unless the DIP Agent shall have received notice from the Borrower prior to the time at which any payment is due to the DIP Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the DIP Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. With respect to any payment that the DIP Agent makes for the account of the Lenders hereunder as to which the DIP Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the "**Rescindable Amount**"): (1) the Borrower has not in fact made such payment; (2) the DIP Agent has made a payment in excess of the amount so paid by the Borrower (whether or not then owed); or (3) the DIP Agent has for any reason otherwise erroneously made such payment; then each of the Lenders, as the case may be, severally agrees to repay to the DIP Agent forthwith on demand the Rescindable Amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the DIP Agent, at the greater of the Federal Funds Rate and a rate determined by the DIP Agent in accordance with banking industry rules on interbank compensation.

A notice of the DIP Agent to any Lender or the Borrower with respect to any amount owing under this subsection (a) shall be conclusive, absent manifest error.

(b) Failure to Satisfy Conditions Precedent. If any Lender makes available to the DIP Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the DIP Agent because the conditions to the Borrowing set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the DIP Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(c) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans are several and not joint. The failure of any Lender to make any Loan on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to purchase its participation.

(d) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(e) Pre-Default Allocation of Payments. At all times when Section 2.10(f) does not apply and except as otherwise expressly provided herein, monies to be applied to the Obligations and the Pre-Petition Obligations, whether arising from payments by the Loan Parties, realization on Collateral, setoff or otherwise, shall be allocated as follows (subject, in all respects, to the Carve Out and the other terms of the DIP Order):

(i) *First*, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest, but including Attorney Costs and fees and expenses of the DIP Agent Counsel payable under the Loan Documents) payable to the DIP Agent in its capacity as such pursuant to any Loan Document, until paid in full;

(ii) *Second*, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders pursuant to any Loan Document (including Attorney Costs and fees and expenses of Lender Advisors payable hereunder), ratably among them in proportion to the amounts described in this clause (ii) payable to them, until paid in full;

(iii) *Third*, to pay interest and principal due in respect of all Loans, until paid in full;

(iv) *Fourth*, to the payment of all other Obligations of the Loan Parties that are due and payable to the DIP Agent, the DIP Agent and the other Secured Parties on such date, ratably based upon the respective aggregate amounts of all such Obligations owing to the DIP Agent, the DIP Agent and the other Secured Parties on such date, until paid in full;

(v) *Fifth*, subject to the terms of the DIP Order and any applicable intercreditor agreement, to the Pre-Petition Administrative Agent for the payment of the Pre-Petition Obligations in accordance with the Pre-Petition Credit Agreement until paid in full; and

(vi) *Last*, the balance, if any, to the Borrower or as otherwise required by law.

Amounts shall be applied to each category of Obligations set forth above until paid in full thereof and then to the next category. If amounts are insufficient to satisfy a category, they shall be applied on a *pro rata* basis among the Obligations in the category.

(f) Post-Default Allocation of Payments. Notwithstanding anything herein to the contrary, after the occurrence and during the continuation of an Event of Default, the Required DIP Lenders may elect that monies to be applied to the Obligations, whether arising from payments by the Loan Parties, realization on Collateral, setoff or otherwise, shall, to the extent elected by the Required DIP Lenders (in writing to the DIP Agent), be allocated as follows (subject, in all respects, to the Carve Out and the other terms of the DIP Order):

(i) *First*, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest, but including Attorney Costs and fees and expenses of DIP Agent Counsel payable under the Loan Documents) payable to the DIP Agent pursuant to any Loan Document in their capacity as such, until paid in full;

(ii) *Second*, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders pursuant to any Loan Document (including Attorney Costs and fees and expenses of the Lender Advisors payable hereunder), ratably among them in proportion to the amounts described in this clause (ii) payable to them, until paid in full;

(iii) *Third*, to pay interest and principal due in respect of all Loans, until paid in full;

(iv) *Fourth*, to the payment of all other Obligations of the Loan Parties that are due and payable to the DIP Agent, the DIP Agent and the other Secured Parties on such date, ratably based upon the respective aggregate amounts of all such Obligations owing to the DIP Agent and the other Secured Parties on such date, until paid in full;

(v) *Fifth*, to pay any other Obligations until paid in full;

(vi) *Sixth*, to the Pre-Petition Administrative Agent for the payment of the Pre-Petition Obligations in accordance with the Pre-Petition Credit Agreement; and

(vii) *Last*, the balance, if any, after payment in full of the Obligations, to the Borrower or as otherwise required by any Laws.

Amounts shall be applied to each category of Obligations set forth above until paid in full thereof and then to the next category. The allocations set forth in this Section 2.10(f) may be changed by agreement among the DIP Agent and the Lenders without the consent of any Loan Party. If amounts are insufficient to satisfy a category, they shall be applied on a pro rata basis among the Obligations in the category. Appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section 2.10(f). For the avoidance of doubt, subject to the terms of any applicable intercreditor agreement, nothing contained in this Agreement shall relieve or waive payment of the Pre-Petition Obligations in accordance with the Pre-Petition Credit Agreement.

SECTION 2.11 Sharing of Payments. If, other than as expressly provided elsewhere herein, any Lender shall obtain payment in respect of any principal of or interest on account of the Loans made by it (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) in excess of its ratable share (or other share contemplated hereunder) thereof, such Lender shall immediately (a) notify the DIP Agent of such fact, and (b) purchase from the other Lenders such participations in the Loans made by them as shall be necessary to cause such purchasing Lender to share the excess payment of principal of or interest on such Loans, pro rata with each of them; *provided* that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender under any of the circumstances described in Section 10.06 (including pursuant to any settlement entered into by the purchasing Lender in its discretion), such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's ratable share (according to the proportion of (i) the amount of such paying Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered, without further interest thereon. For avoidance of doubt, the provisions of this paragraph shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement as in effect from time to time or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant permitted hereunder. The Borrower agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by applicable Law, exercise all its rights of payment (including the right of setoff, but subject to Section 10.09) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. The DIP Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section 2.11 and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section 2.11 shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased.

SECTION 2.12 Incremental Borrowings.

(a) The Borrower may at any time or from time to time after the Closing Date, upon at least 5 Business Days' notice to the DIP Agent (whereupon the DIP Agent shall promptly deliver a copy to each of the Lenders) and with the consent of the Required DIP Lenders, request a Borrowing of Incremental DIP Loans; *provided* that, at the time when any such Incremental DIP Loan is made (and after giving effect thereto), no Default or Event of Default shall exist. Notwithstanding anything to the contrary herein, the aggregate amount of the Incremental DIP Loans shall not exceed $10,000,000. (a) The Incremental DIP Loans shall rank *pari passu* in right of payment and of security with the Initial DIP Loans, (b) the Incremental DIP Loans shall not mature earlier than the Maturity Date, (c) the Weighted Average Life to Maturity of any Incremental DIP Loans shall be no shorter than that of the Initial DIP Loans, (d) the interest rate margin applicable to the Incremental DIP Loans will be the same as the interest rate margin applicable to the Initial DIP Term Loans, (e) the representations and warranties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects before and after the effectiveness of any Incremental Amendment referred to below and (f) all other terms of such Incremental DIP Loans shall have terms consistent with the terms of the Initial DIP Loans; provided that this Agreement is amended in a manner reasonably satisfactory to the DIP Agent (acting at the Direction of the Required DIP Lenders). Each notice from the Borrower pursuant to this Section 2.12 shall set forth the requested amount of the Incremental DIP Loans. Commitments in respect of Incremental DIP Loans shall become Commitments under this Agreement pursuant to an amendment (an "Incremental Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by Holdings, the Borrower, each DIP Lender agreeing to provide such Commitment, and the DIP Agent. The Incremental Amendment may, without the consent of any other Lenders, effect such technical amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the DIP Agent and the Borrower, to effect the provisions of this Section 2.12. The effectiveness of (and, in the case of any Incremental Amendment for the Incremental DIP Loan, the Borrowing under) any Incremental Amendment shall be subject to the satisfaction on the date thereof (each, an "Incremental Facility Closing Date") of each of the conditions described in this Section 2.12(a) and such other conditions as the parties thereto shall agree. The Borrower shall use the proceeds of the Incremental DIP Loans for any purpose not prohibited by this Agreement and in accordance with the Approved DIP Budget.

(b) This Section 2.12 shall supersede any provisions in Section 10.01 to the contrary.

SECTION 2.13 [Reserved].

SECTION 2.14 [Reserved].

SECTION 2.15 [Reserved].

SECTION 2.16 Super Priority Nature of Obligations and DIP Agent's Liens; Payment of Obligations.

(a) The priority of the Obligations and the DIP Agent's liens on the Collateral, claims and other interests shall be as set forth in the DIP Order.

(b) Upon the maturity (whether by acceleration or otherwise) of any of the Obligations under this Agreement or any of the other Loan Documents, the DIP Agent and the Lenders shall be entitled to immediate payment of such Obligations without application to or order of the Bankruptcy Court subject to (i) the provisions of the DIP Order and (ii) Section 2.05(b).

ARTICLE III

Taxes, Increased Costs Protection and Illegality

SECTION 3.01 Taxes.

(a) All sums payable by or on account of any obligation of any Loan Party hereunder or under any other Loan Document to any Lender or the DIP Agent shall (except to the extent required by applicable Law) be paid free and clear of, and without any deduction or withholding on account of, any Taxes.

(b) If any Loan Party or the DIP Agent is required by Law ((as determined in the good faith discretion of such Loan Party or the DIP Agent) to make any deduction or withholding on account of any Non-Excluded Tax or Other Taxes from any sum paid or payable by any Loan Party to any Lender or the DIP Agent under any of the Loan Documents: (i) the applicable Loan Party (if it is required to make the deduction or withholding) shall notify the DIP Agent of any such requirement or any change in any such requirement as soon as such Loan Party becomes aware of it; (ii) the applicable Loan Party or the DIP Agent, as applicable, shall make such deduction or withholding and pay to the relevant Governmental Authority, in accordance with applicable law, any such Non-Excluded Tax or Other Tax before the date on which penalties attach thereto; (iii) the sum payable to such Lender or the DIP Agent (as applicable) shall be increased by such Loan Party to the extent necessary to ensure that, after the making of any required deduction or withholding (including any deductions or withholdings attributable to any payments required to be made under this Section 3.01), the Lender or the DIP Agent (as applicable), receives on the due date a net sum equal to what it would have received had no such deduction or withholding been required or made; and (iv) within thirty days after paying any sum from which it is required by Law to make any deduction or withholding, and within thirty days after the due date of payment of any Tax which it is required by clause (ii) above to pay, the Loan Party making such payments (if it is required to make the deduction or withholding) shall deliver to the applicable Agent evidence reasonably satisfactory to the other affected parties of such deduction or withholding and of the remittance thereof to the relevant Governmental Authority.

(c) Each Lender shall, at such times as are reasonably requested by the Borrower or the DIP Agent, provide the Borrower and the DIP Agent with any documentation prescribed by Laws or reasonably requested by the Borrower or the DIP Agent certifying as to any entitlement of such Lender to an exemption from, or reduction in, any withholding Tax with respect to any payments to be made to such Lender under any Loan Document. Each such Lender shall, whenever a lapse in time or change in circumstances renders such documentation (including any specific documentation required below in this Section 3.01(c)) obsolete, expired or inaccurate in any material respect, deliver promptly to the Borrower and the DIP Agent updated or other appropriate documentation (including any new documentation reasonably requested by the Borrower or the DIP Agent) or promptly notify the Borrower and the DIP Agent of its inability to do so.

Without limiting the foregoing:

(1) Each U.S. Lender shall deliver to the Borrower and the DIP Agent on or before the date on which it becomes a party to this Agreement two properly completed and duly signed original copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding.

(2) Each Non-US Lender shall deliver to the Borrower and the DIP Agent on or before the date on which it becomes a party to this Agreement (and from time to time thereafter upon the request of the Borrower or the DIP Agent) whichever of the following is applicable:

(A) two properly completed and duly signed original copies of IRS Form W-8BEN or W-8BEN-E, as applicable, (or any successor forms) claiming eligibility for the benefits of an income tax treaty to which the United States is a party, and such other documentation as required under the Code,

(B) two properly completed and duly signed original copies of IRS Form W-8ECI (or any successor forms),

(C) in the case of a Non-US Lender claiming the benefits of the exemption for portfolio interest under Section 871(h) or Section 881(c) of the Code, (A) two properly completed and duly signed certificates substantially in the form of Exhibit I (any such certificate, a "**United States Tax Compliance Certificate**") and (B) two properly completed and duly signed original copies of IRS Form W-8BEN or W-8BEN-E, as applicable, (or any successor forms),

(D) to the extent a Non-US Lender is not the beneficial owner (for example, where the Non-US Lender is a partnership or a participating Lender), two properly completed duly signed original copies of IRS Form W-8IMY (or any successor forms) of the Non-US Lender, accompanied by a Form W-8ECI, W-8BEN or W-8BEN-E, as applicable, United States Tax Compliance Certificate, Form W-9, Form W-8IMY or any other required information (or any successor forms) from each beneficial owner that would be required under this Section 3.01(c) if such beneficial owner were a Lender, as applicable (provided that, if one or more beneficial owners are claiming the portfolio interest exemption, the United States Tax Compliance Certificate may be provided by such Non-US Lender on behalf of such beneficial owner), or

(E) two properly completed and duly signed executed copies of any other form prescribed by applicable U.S. federal income tax Laws (including the Treasury Regulations) as a basis for claiming a complete exemption from, or a reduction in, United States federal withholding tax on any payments to such Lender under the Loan Documents.

(3) If a payment made to a Lender under any Loan Document may be subject to U.S. federal withholding tax imposed by Sections 1471 through 1474 of the Code (including any successor provisions), such Lender shall deliver to Borrower and the DIP Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or the DIP Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the DIP Agent as may be necessary for the Borrower and the DIP Agent to comply with their obligations under Sections 1471 through 1474 of the Code and to determine whether such Lender has or has not complied with such Lender's obligations under such Sections and, if necessary, to determine the amount to deduct and withhold from such payment.

Notwithstanding any other provision of this clause (c), a Lender shall not be required to deliver any form that such Lender is not legally eligible to deliver.

(d) In addition to the payments by a Loan Party required by Section 3.01(b), the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(e) The Borrower shall indemnify each Lender and the DIP Agent (each a "**Tax Indemnitee**"), within 15 days after written demand therefor, for the full amount of any Non-Excluded Taxes paid or payable by such Tax Indemnitee that is imposed on or in respect of any payment under or with respect to any Loan Document, and any Other Taxes payable by such Tax Indemnitee (including Non-Excluded Taxes or Other Taxes imposed on or attributable to amounts payable under this Section 3.01), in each case, including any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the Governmental Authority. A certificate as to the amount of such payment or liability prepared in good faith and delivered by the Tax Indemnitee or by the DIP Agent on its own behalf or on behalf of another Tax Indemnitee, shall be conclusive absent manifest error.

(f) If and to the extent that a Tax Indemnitee, in its sole discretion (exercised in good faith), determines that it has received a refund of any Non-Excluded Taxes or Other Taxes in respect of which it has received additional payments under this Section 3.01, then such Tax Indemnitee shall pay to the relevant Loan Party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of the Tax Indemnitee (including any Taxes imposed with respect to such refund), and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), *provided* that the Loan Party, upon the request of the Tax Indemnitee, agrees to repay the amount paid over by the Tax Indemnitee (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Tax Indemnitee if the Tax Indemnitee is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the Tax Indemnitee be required to pay any amount to a Loan Party pursuant to this paragraph (f) the payment of which would place the Tax Indemnitee in a less favorable net after-Tax position than the Tax Indemnitee would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require a Tax Indemnitee to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Loan Party or any other Person.

(g) In the event that a Loan Party makes an indemnification payment to a Tax Indemnitee with respect to Non-Excluded Taxes or Other Taxes pursuant to subsection (e) of this Section 3.01 or a Loan Party is required to repay to a Tax Indemnitee an amount in respect of a refund of any Non-Excluded Taxes or Other Taxes previously paid over to such Loan Party pursuant to subsection (f) of this Section 3.01, such Tax Indemnitee shall reasonably cooperate with all reasonable requests of such Loan Party, at the sole expense of such Loan Party, if (i) in the reasonable judgment of the Tax Indemnitee such cooperation shall not subject such Tax Indemnitee, as the case may be, to any unreimbursed third party cost or expense or otherwise be materially disadvantageous to such Tax Indemnitee and (ii) there is a reasonable basis for such Loan Party to contest with the applicable Governmental Authority the imposition of such Non-Excluded Taxes or Other Taxes or the repayment of such refund. Any resulting refund shall be governed by Section 3.01(f). This subsection shall not be construed to require a Tax Indemnitee to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Loan Party or any other Person.

(h) On or before the date the DIP Agent becomes a party to this Agreement, the DIP Agent shall provide to the Borrower two duly properly completed and duly signed copies of the documentation prescribed in clause (i) or (ii) below, as applicable (together with all required attachments thereto): (i) IRS Form W-9 or any successor thereto, or (ii) (A) with respect to payments received for its own account, IRS Form W-8ECI or any successor thereto, and (B) with respect to payments received on account of any Lender, a U.S. branch withholding certificate on IRS Form W-8IMY or any successor thereto evidencing its agreement with the Borrower to be treated as a U.S. Person for U.S. federal withholding purposes. At any time thereafter, the DIP Agent shall provide updated documentation previously provided (or a successor form thereto) when any documentation previously delivered has expired or become obsolete or invalid or otherwise upon the reasonable request of the Borrower or promptly notify the Borrower of its legal ineligibility to do so.

(i) Each party's obligations under this Section shall survive the resignation or replacement of the DIP Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments, and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 3.02 Illegality. If any Lender reasonably determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to SOFR or Term SOFR, or to determine or charge interest rates based upon SOFR or Term SOFR, then, upon notice thereof by such Lender to the Borrower (through the DIP Agent), (a) any obligation of such Lender to make or continue Term SOFR Loans or to convert Base Rate Loans to Term SOFR Loans shall be suspended, and (b) if such notice asserts the illegality of

such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Term SOFR component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the DIP Agent without reference to the Term SOFR component of the Base Rate, in each case until such Lender notifies the DIP Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (i) the Borrower may revoke any pending request for the Borrowing of or conversion to Term SOFR Loans and shall, upon demand from such Lender (with a copy to the DIP Agent), prepay or, if applicable, convert all Term SOFR Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the DIP Agent without reference to the Term SOFR component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Term SOFR Loan to such day, or immediately, if such Lender may not lawfully continue to maintain such Term SOFR Loan and (ii) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Term SOFR component of the Base Rate with respect to any Base Rate Loans, the DIP Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Term SOFR component thereof until the DIP Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon SOFR. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 3.05.

SECTION 3.03 Inability to Determine Rates.

(a) If in connection with any request for a Term SOFR Loan or a conversion to, (i) the DIP Agent determines that (A) Dollar deposits are not being offered to banks in the relevant interbank market for the applicable amount and Interest Period for such Term SOFR Loans, or (B) (x) adequate and reasonable means do not exist for determining Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan or in connection with an existing or proposed Base Rate Loan and (y) the circumstances described in Section 3.03(c) do not apply (in each case with respect to this clause (i), "Impacted Loans"), or (ii) the Required DIP Lenders determine that for any reason that Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Term SOFR Loan, the DIP Agent will promptly so notify the Borrower and each Lender.

Thereafter, (x) the obligation of the Lenders to make or maintain Term SOFR Loans shall be suspended (to the extent of the affected Term SOFR Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Term SOFR component of the Base Rate, the utilization of the Term SOFR component in determining the Base Rate shall be suspended, in each case until the DIP Agent (or, in the case of a determination by the Required DIP Lenders described in clause (ii) of this Section 3.03(a), until the DIP Agent upon instruction of the Required DIP Lenders) revokes such notice.

Upon receipt of such notice, the Borrower may revoke any pending request for the Borrowing of or conversion to Term SOFR Loans (to the extent of the affected Term SOFR Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

(b) Notwithstanding the foregoing, if the DIP Agent has made the determination described in Section 3.03(a)(i), the DIP Agent, in consultation with the Borrower, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (i) the DIP Agent revokes the notice delivered with respect to the Impacted Loans under the first sentence of Section 3.03(a)(i), (ii) the Required DIP Lenders notify the DIP Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (iii) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the DIP Agent and the Borrower written notice thereof.

(c) Replacement of Term SOFR or Successor Rate. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Required DIP Lenders notify the DIP Agent (with Required DIP Lenders a copy to the Borrower) (after which the DIP Agent will promptly notify each Lender) that the Required DIP Lenders have determined, that:

(i) adequate and reasonable means do not exist for ascertaining one month, three month and six month interest periods of Term SOFR, including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the DIP Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be made available, or permitted to be used for determining the interest rate of U.S. dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the DIP Agent (acting at the Direction of the Required DIP Lenders), that will continue to provide such interest periods of Term SOFR after such specific date (the latest date on which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer available permanently or indefinitely, the "Scheduled Unavailability Date"); or

(iii) the administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over such administrator has made a public statement announcing that all Interest Periods and other tenors of Term SOFR are no longer representative; or

(iv) syndicated loans currently being executed, or that include language similar to that contained in this Section 3.03, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace Term SOFR,

then, in the case of clauses (i)-(iii) above, on a date and time determined by the DIP Agent in consultation with the Borrower (any such date, the "Term SOFR Replacement Date"), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and shall occur reasonably promptly upon the occurrence of any day of the events or circumstances under clauses (i), (ii) or (iii) above and, solely with respect to clause (ii) above, no later than the Scheduled Unavailability Date, Term SOFR will be replaced hereunder and under any Loan Document with Daily Simple SOFR *plus* the Related Adjustment for any payment period for interest calculated that can be determined by the DIP Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document (the "Successor Rate"; and any such rate before giving effect to the Related Adjustment, the "Pre-Adjustment Successor Rate"); and in the case of clause (iv) above, the Borrower and DIP Agent may amend this Agreement solely for the purpose of replacing Term SOFR under this Agreement and under any other Loan Document in accordance with the definition of "Successor Rate" and such amendment will become effective at 5:00 p.m., on the fifth Business Day after the DIP Agent shall have notified all Lenders and the Borrower of the occurrence of the circumstances described in clause (iv) above unless, prior to such time, Lenders comprising the Required DIP Lenders have delivered to the DIP Agent written notice that such Required DIP Lenders object to the implementation of a Successor Rate pursuant to such clause.

The DIP Agent will promptly (in one or more notices) notify the Borrower and each Lender of (x) any occurrence of any of the events, periods or circumstances under clauses (i) through (iii) above, (y) a Term SOFR Replacement Date and (z) the Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the DIP Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the DIP Agent (acting at the Direction of the Required DIP Lenders).

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than 0.75%, the Successor Rate will be deemed to be 0.75% for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate, the DIP Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the DIP Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

If the events or circumstances of the type described in 3.03(c)(i)-(iii) have occurred with respect to the Successor Rate then in effect, then the successor rate thereto shall be determined in accordance with the definition of "Successor Rate".

(d) Notwithstanding anything to the contrary herein, (i) after any such determination by the DIP Agent or receipt by the DIP Agent of any such notice described under Section 3.03(c)(i)-(iii), as applicable, if the DIP Agent (acting at the Direction of the Required DIP Lenders) determines that Daily Simple SOFR is not available on or prior to the Term SOFR Replacement Date, (ii) if the events or circumstances described in Section 3.03(c)(iv) have occurred but Daily Simple SOFR is not available, or (iii) if the events or circumstances of the type described in Section 3.03(c)(i)-(iii) have occurred with respect to the Successor Rate then in effect and the DIP Agent (acting at the Direction of the Required DIP Lenders) determines that Daily Simple SOFR is not available, then in each case, the DIP Agent and the Borrower may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Successor Rate in accordance with this Section 3.03 at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with another alternative benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks and, in each case, including any Related Adjustments and any other mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such benchmarks, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the DIP Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments, shall constitute a "Successor Rate". Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the DIP Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required DIP Lenders have delivered to the DIP Agent written notice that such Required DIP Lenders object to such amendment.

(e) If, at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, no Successor Rate has been determined in accordance with clauses (c) or (d) of this Section 3.03 and the circumstances under clauses (c)(i) or (c)(iii) above exist or the Scheduled Unavailability Date has occurred (as applicable), the DIP Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Term SOFR Loans shall be suspended, (to the extent of the affected Term SOFR Loans, Interest Periods, interest payment dates or payment periods), and (y) the Term SOFR component shall no longer be utilized in determining the Base Rate, until the Successor Rate has been determined in accordance with clauses (c) or (d). Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of or conversion to Term SOFR Loans (to the extent of the affected Term SOFR Loans, Interest Periods, interest payment dates or payment periods) or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans (subject to the foregoing clause (y)) in the amount specified therein.

SECTION 3.04 Increased Cost and Reduced Return; Capital Adequacy; Reserves on Term SOFR Loans.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement or any Term SOFR Loan made by it (except for (x) any Taxes described in clauses (c) through (e) of the definition of Excluded Tax, (y) any Non-Excluded Taxes or Other Taxes indemnifiable or otherwise paid under Section 3.01, or (z) Connection Income Taxes); or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Term SOFR Loans made by such Lender that is not otherwise accounted for in this clause (a);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan the interest on which is determined by reference to the Term SOFR (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender (whether of principal, interest or any other amount) then, from time to time within fifteen (15) days after demand by such Lender setting forth in reasonable detail such increased costs (with a copy of such demand to the DIP Agent), the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender reasonably determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by it to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time upon demand of such Lender setting forth in reasonable detail the charge and the calculation of such reduced rate of return (with a copy of such demand to the DIP Agent), the Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section 3.04 and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of such Lender's right to demand such compensation, *provided* that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section 3.04 for any increased costs incurred or reductions suffered more than one hundred and eighty (180) days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 3.05 Funding Losses. Upon written demand of any Lender (with a copy to the DIP Agent) from time to time, which demand shall set forth in reasonable detail the basis for requesting such amount, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day prior to the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Term SOFR Loan on a day prior to the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 3.07;

including any loss or expense (excluding loss of anticipated profits or margin) actually incurred by reason of the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained.

SECTION 3.06 Matters Applicable to All Requests for Compensation.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender in any material economic, legal or regulatory respect.

(b) Suspension of Lender Obligations. If any Lender requests compensation by the Borrower under Section 3.04, the Borrower may, by notice to such Lender (with a copy to the DIP Agent), suspend the obligation of such Lender to make or continue Term SOFR Loans from one Interest Period to another Interest Period, or to convert Base Rate Loans into Term SOFR Loans, until the event or condition giving rise to such request ceases to be in effect(in which case the provisions of Section 3.06(c) shall be applicable); *provided* that such suspension shall not affect the right of such Lender to receive the compensation so requested.

(c) Conversion of Term SOFR Loans. If any Lender gives notice to the Borrower (with a copy to the DIP Agent) that the circumstances specified in Section 3.02, 3.03 or 3.04 hereof that gave rise to the conversion of such Lender's Term SOFR Loans no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when Term SOFR Loans made by other Lenders are outstanding, such Lender's Base Rate Loans shall be automatically converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding Term SOFR Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding Term SOFR Loans and by such Lender are held pro rata (as to principal amounts, interest rate basis, and Interest Periods) in accordance with their respective Pro Rata Shares.

SECTION 3.07 Replacement of Lenders under Certain Circumstances. If (i) any Lender requests compensation under Section 3.04 or ceases to make Term SOFR Loans as a result of any condition described in Section 3.02 or Section 3.04, (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, (iii) any Lender is a Non-Consenting Lender or (iv) any other circumstance exists hereunder that gives the Borrower the right to replace a Lender as a party hereto, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the DIP Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.07), all of its interests, rights and obligations under this Agreement and the related Loan Documents to one or more Eligible Assignees, that shall assume such obligations (any of which assignee may be another Lender, if a Lender accepts such assignment), *provided* that:

(a) the Borrower shall have paid to the DIP Agent the assignment fee specified in Section 10.07(b)(iv);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) such Lender being replaced pursuant to this Section 3.07 shall (i) execute and deliver an Assignment and Assumption with respect to such Lender's Commitment and outstanding Loans, and (ii) deliver any Notes evidencing such Loans to the Borrower or DIP Agent (or a lost or destroyed note indemnity in lieu thereof); *provided* that the failure of any such Lender to execute an Assignment and Assumption or deliver such Notes shall not render such sale and purchase (and the corresponding assignment) invalid and such assignment shall be recorded in the Register and the Notes shall be deemed to be canceled upon such failure;

(d) the Eligible Assignee, shall become a Lender hereunder and the assigning Lender shall cease to constitute a Lender hereunder with respect to such assigned Loans, Commitments and participations, except with respect to indemnification provisions under this Agreement, which shall survive as to such assigning Lender;

(e) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter; and

(f) such assignment does not conflict with applicable Laws.

In the event that (i) the Borrower or the DIP Agent has requested that the Lenders consent to a departure or waiver of any provisions of the Loan Documents or agree to any amendment thereto, (ii) the consent, waiver or amendment in question requires the agreement of each Lender or all affected Lenders and (iii) the Required DIP Lenders have agreed to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed a "**Non-Consenting Lender**."

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 3.08 Survival. All of the Borrower's obligations under this Article III shall survive termination of the Commitments, repayment of all other Obligations hereunder and resignation of the DIP Agent.

ARTICLE IV

Conditions Precedent

SECTION 4.01 Conditions to Closing Date. The effectiveness of this Agreement and the obligation of each Lender to make its Interim Term Loan Commitment and the Interim Term Loans on the Closing Date is subject solely to the satisfaction of the following conditions precedent (or waiver of such conditions precedent in accordance with Section 10.01):

(a) The DIP Agent's receipt of the following, each of which shall be original, .pdf or facsimile copies or delivered by other electronic method unless otherwise specified, each properly executed (if applicable) by a Responsible Officer of each signing Loan Party, each in form and substance reasonably satisfactory to the DIP Agent and the Required DIP Lenders:

(i) executed counterparts of this Agreement and the Guaranty; and

(ii) a Note executed by the Borrower in favor of each Lender that has requested a Note at least two Business Days in advance of the Closing Date.

(b) The Interim Order shall have been entered by the Bankruptcy Court and shall be in form and substance reasonably acceptable to the DIP Agent and the Lenders, including providing for the superpriority of the DIP Agent's and the Lenders' claims in accordance with the TSA and the terms of the Interim Order (subject to the priority scheme described therein), and shall be in full force and effect and shall not have been vacated or reversed, shall not be subject to a stay, and shall not have been modified or amended following its entry in any manner adverse to the DIP Agent or the Lenders without the prior written consent of the Required DIP Lenders or the DIP Agent (acting at the Direction of the Required DIP Lenders).

(c) (i) A certificate of each Loan Party, each dated the Closing Date and executed by a secretary, assistant secretary or other Responsible Officer thereof, which shall (A) certify that (1) attached thereto is a true and complete copy of the certificate or articles of incorporation, formation or organization (or equivalent) of such Loan Party certified by the relevant authority of its jurisdiction of organization (to the extent reasonably available in the applicable jurisdiction), (2) the certificate or articles of incorporation, formation or organization (or equivalent) of such Loan Party attached thereto have not been amended (except as attached thereto) since the date reflected thereon, (3) attached thereto is a true and correct copy of the by-laws or operating, management, partnership or similar agreement of such Loan Party (if applicable), together with all amendments thereto as of the Closing Date, and such by-laws or operating, management, partnership or similar agreement are in full force and effect as of the Closing Date and (4) attached thereto is a true and complete copy of the resolutions or written consent, as applicable, of its board of directors, board of managers, sole member or other applicable governing body authorizing the execution and delivery of the Loan Documents, which resolutions or consent have not been modified, rescinded or amended (other than as attached thereto) and are in full force and effect, and (B) identify by name and title and bear the signatures of the officers, managers, directors or authorized signatories of such Loan Party authorized to sign the Loan Documents to which such Loan Party is a party on the Closing Date and (ii) a good standing (or equivalent) certificate as of a recent date for each Loan Party from the relevant authority of its jurisdiction of organization (to the extent applicable in such jurisdiction).

(d) The DIP Agent shall have received a certificate, dated the Closing Date and executed by a Responsible Officer of the Borrower, certifying as to the satisfaction of the conditions set forth in Sections 4.01(i) and (j).

(e) The TSA shall be in full force and effect and no default by any of the Loan Parties shall have occurred and be continuing (with all applicable grace periods having expired) under the TSA.

(f) The Petition Date shall have occurred and each Debtor shall be a debtor and debtor-in-possession in the Chapter 11 Cases.

(g) All fees and expenses required to be paid hereunder, under the TSA (including reimbursement or payment of all out-of-pocket expenses (including the fees and expenses of the Lender Advisors, including the Specified Lender Advisors, as counsel to the Ad Hoc Group of Lenders, the DIP Agent Counsel, and the fees and expenses of any local counsel, regulatory counsel, or other counsel of the Lenders or the Ad Hoc Group of Lenders)) (and, with respect to expenses, to the extent invoiced at least one (1) Business Day before the Closing Date (except as otherwise reasonably agreed by the Borrower)) shall have been paid on or prior to, or will be paid on, the Closing Date or will be paid from or offset against the proceeds of the initial funding under the DIP Facility.

(h) The DIP Agent shall have received at least two (2) Business Days prior to the Closing Date all documentation and other information about the Borrower and the Guarantors as shall have been reasonably requested in writing by the DIP Agent at least four (4) Business Days prior to the Closing Date and as determined by the DIP Agent to be required under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

(i) The representations and warranties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects (or in all respects, if qualified by materiality or "Material Adverse Effect"), in each case, on and as of the Closing Date (unless such representations and warranties relate to an earlier date, in which case, such representations and warranties shall have been true and correct in all material respects as of such earlier date (or in all respects, if qualified by materiality or "Material Adverse Effect")).

(j) At the time of and immediately after giving effect to the making of such Loan, no Event of Default has occurred and is continuing.

(k) The DIP Agent and the Lenders shall have received the Approved DIP Budget, in form and substance reasonably satisfactory to the Required DIP Lenders (for the avoidance of doubt, the budget set forth as Schedule 6.16 has been approved by the Required DIP Lenders).

(l) The DIP Agent shall have received a Committed Loan Notice in accordance with the requirements hereof.

(m) The DIP Agent and the Fronting Lender shall have received the Flow of Funds Statement.

For purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the DIP Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

SECTION 4.02 Conditions to Final Funding. In addition to the conditions set forth in Section 4.01 (all of which shall be conditions hereto as well), the Borrowing on the Final Funding Date is subject to satisfaction or waiver of the following additional conditions precedent:

(a) The DIP Agent shall have received a Committed Loan Notice in accordance with the requirements hereof.

(b) The DIP Agent and the Fronting Lender shall have received the Flow of Funds Statement.

(c) The Bankruptcy Court shall have entered the Final Order, which shall not have been reversed, stayed, vacated or otherwise subsequently modified or amended absent prior written consent of the DIP Agent (at the Direction of the Required DIP Lenders) (and with respect to any provisions that affect the rights or duties of the DIP Agent, the DIP Agent).

(d) The DIP Agent and each Lender shall have received the Approved DIP Budget, in form and substance satisfactory to the Required DIP Lenders.

(e) The Borrower shall be in compliance in all respects with the Milestones.

(f) No motion, pleading or application seeking relief affecting the provision of the financing contemplated hereunder in a manner that is adverse to the Lenders, in their capacities as such, shall have been filed in the Bankruptcy Court by any Loan Party without the prior written consent of the Required DIP Lenders.

The acceptance by the Borrower of the Loans on the Final Funding Date shall conclusively be deemed to constitute a representation by the Borrower that each of the conditions precedent set forth in Sections 4.01 and 4.02 shall have been satisfied in accordance with its respective terms or shall have been irrevocably waived by the applicable relevant Person; *provided, however*, that the making of any such (regardless of whether the lack of satisfaction was known or unknown at the time), shall not be deemed a modification or waiver by the DIP Agent, any Lender or other Secured Party of the provisions of this Article 4 on any future occasion or operate as a waiver of (i) the right of DIP Agent and Lenders to insist upon satisfaction of all conditions precedent with respect to any subsequent funding or issuance, (ii) any Default or Event of Default due to such failure of conditions or otherwise or (iii) any rights of DIP Agent or any Lender as a result of any such failure of the Loan Parties to comply.

ARTICLE V

Representations and Warranties

In order to induce the DIP Agent and the Lenders to enter into this Agreement and to furnish the Loans hereunder, each of the Loan Parties and their Subsidiaries represent and warrant to the DIP Agent and the Lenders on the Closing Date, the Final Funding Date (to the extent to be true and correct for such Borrowing, as applicable, pursuant to Article 4) that:

SECTION 5.01 Existence, Qualification and Power; Compliance with Laws. Each Loan Party and each of its Subsidiaries (a) is a Person duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization (to the extent such concept exists in such jurisdiction), (b) subject to the entry of the DIP Order, and subject to any restrictions arising on account of any Loan Party's status as a "debtor" under the Bankruptcy Code, has all corporate or other organizational power and authority to (i) own its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, (c) subject to the entry of the DIP Order, is duly qualified and in good standing (to the extent such concept exists) under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, (d) subject to the entry of DIP Order, and subject to any restrictions arising on account of any Loan Party's status as a "debtor" under the Bankruptcy Code, is in compliance with all applicable Laws, orders, writs, injunctions and orders and (e) has all requisite governmental licenses, authorizations, consents and approvals to operate its business as currently conducted; except in each case referred to in clause (c), (d) or (e), to the extent that failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.02 Authorization; No Contravention.

(a) The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party have been duly authorized by all necessary corporate or other organizational action.

(b) Neither the execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party (i) contravene the terms of any of such Person's Organization Documents, (ii) subject to the entry of the DIP Order, result in any breach or contravention of, or the creation of any Lien upon any of the property or assets of such Person or any of the Subsidiaries (other than as permitted by Section 7.01, including the DIP Order, any restrictions arising on account of such Loan Party's status as a "debtor" under the Bankruptcy Code) under (A) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (B) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (iii) subject to the entry of the Interim Order or Final Order, as applicable, violate any applicable Law; except with respect to any breach, contravention or violation (but not creation of Liens) referred to in clauses (ii) and (iii), to the extent that such breach, contravention or violation would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.03 Governmental Authorization. Except for the entry of, or pursuant to the terms of, the DIP Order, no material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except for those approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.04 Binding Effect. This Agreement and each other Loan Document has been duly executed and delivered by each Loan Party that is party thereto. Upon entry by the Bankruptcy Court of the DIP Order, this Agreement and each other Loan Document constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party that is party thereto in accordance with its terms, except as such enforceability may be limited by general principles of equity and principles of good faith and fair dealing.

SECTION 5.05 Financial Statements; No Material Adverse Effect.

(a) The Annual Financial Statements and the Quarterly Financial Statements fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the dates thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the periods covered thereby, (A) except as otherwise expressly noted therein and (B) subject, in the case of the Quarterly Financial Statements, to changes resulting from normal year-end adjustments and the absence of footnotes.

(b) Since the Petition Date, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

(c) The forecasts of consolidated balance sheets, income statements and cash flow statements of the Borrower and its Subsidiaries, copies of which have been furnished to the DIP Agent prior to the Closing Date have been prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed to be reasonable at the time made, it being understood that projections as to future events are not to be viewed as facts and actual results may vary materially from such forecasts.

SECTION 5.06 Litigation. Except for the Chapter 11 Cases, there are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrower, overtly threatened in writing, at law, in equity, in arbitration or before any Governmental Authority, by or against Holdings, the Borrower or any of their Subsidiaries that would reasonably be expected to have a Material Adverse Effect.

SECTION 5.07 Labor Matters. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) there are no strikes or other labor disputes against any of the Borrower or its Subsidiaries pending or, to the knowledge of the Borrower, threatened and (b) since February 3, 2018, hours worked by and payment made based on hours worked to employees of each of the Borrower or its Subsidiaries have not been in material violation of the Fair Labor Standards Act or any other applicable Laws dealing with wage and hour matters.

SECTION 5.08 Ownership of Property; Liens. Each Loan Party and each of its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, or easements or other limited property interests in, all real property necessary in the ordinary conduct of its business, free and clear of all Liens except for Liens permitted by Section 7.01 and except where the failure to have such title or other interest would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.09 Environmental Matters.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) each Loan Party and each of its Subsidiaries and their respective operations is in compliance with all applicable Environmental Laws (including having obtained all Environmental Permits) and (ii) none of the Loan Parties or any of their respective Subsidiaries has become subject to any pending, or to the knowledge of the Borrower, threatened Environmental Claim or any other Environmental Liability.

(b) None of the Loan Parties or any of their respective Subsidiaries has released, treated, stored, transported, arranged for transport or disposed of Hazardous Materials at or from any currently or formerly owned or operated real estate or facility in a manner that would reasonably be expected to have a Material Adverse Effect.

SECTION 5.10 Taxes. Holdings, the Borrower and their Subsidiaries have filed all federal, state, local, foreign and other Tax returns and reports required to be filed, and have paid all federal, state, local, foreign and other Taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets or otherwise due and payable (including in its capacity as a withholding agent), except those (a) which are being contested in good faith by appropriate proceedings diligently conducted that stay the enforcement of the Tax in question and for which adequate reserves have been provided in accordance with GAAP or (b) with respect to which the failure to make such filing or payment could not individually or in the aggregate

reasonably be expected to have a Material Adverse Effect. There is no proposed Tax assessment, Tax deficiency or other Tax claim against Holdings, Borrower or any of its Subsidiaries except (i) those being actively contested by Holdings, Borrower or such Subsidiary in good faith and by appropriate proceedings diligently conducted that stay the enforcement of the Tax in question and for which adequate reserves have been provided in accordance with GAAP or the nonpayment of which is required under the Bankruptcy Code or (ii) those that would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect or is excused by the Bankruptcy Court or as a result of the filing of the Chapter 11 Cases.

SECTION 5.11 ERISA Compliance.

(a) Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each Employee Benefit Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state Laws.

(b) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) no Pension Plan has failed to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan; (iii) none of the Loan Parties or any of their respective ERISA Affiliates has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 et seq. or 4243 of ERISA with respect to a Multiemployer Plan; (iv) none of the Loan Parties or any of their respective ERISA Affiliates has engaged in a transaction that is subject to Sections 4069 or 4212(c) of ERISA; and (v) neither any Loan Party nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is insolvent (within the meaning of Section 4245 of ERISA) or has been determined to be in "endangered" or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA) and no such Multiemployer Plan is expected to be insolvent or endangered or critical status, except, with respect to each of the foregoing clauses of this Section 5.11(b), as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(c) Except where noncompliance or the incurrence of an obligation would not reasonably be expected to result in a Material Adverse Effect, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable Laws, statutes, rules, regulations and orders, and neither Holdings nor any Subsidiary has incurred any obligation in connection with the termination of or withdrawal from any Foreign Plan.

SECTION 5.12 Subsidiaries. Neither Holdings nor any other Loan Party has any Subsidiaries other than those specifically disclosed in Schedule 5.12, and all of the outstanding Equity Interests in Holdings, the Borrower and the Subsidiaries have been validly issued and are fully paid and (if applicable) nonassessable, and all Equity Interests owned by Holdings or any other Loan Party are owned free and clear of all security interests of any person except (i) those created under the Collateral Documents or under the Pre-Petition Credit Agreement and the ABL Facilities Documentation (which Liens shall be subject to the ABL Intercreditor Agreement) and (ii) any nonconsensual Lien that is permitted under Section 7.01. As of the Closing Date, Schedule 5.12 (a) sets forth the name and jurisdiction of each Subsidiary, (b) sets forth the ownership interest of Holdings, the Borrower and any other Subsidiary in each Subsidiary, including the percentage of such ownership and (c) identifies each Subsidiary the Equity Interests of which are required to be pledged on the Closing Date.

SECTION 5.13 Margin Regulations; Investment Company Act.

(a) As of the Closing Date, none of the Collateral is Margin Stock. No Loan Party is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of the Borrowing will be used for any purpose that violates Regulation U.

(b) Neither the Borrower nor any Guarantor is an "investment company" under the Investment Company Act of 1940.

SECTION 5.14 Disclosure. None of the information and data heretofore or contemporaneously furnished in writing by or on behalf of any Loan Party to the DIP Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or any other Loan Document (as modified or supplemented by other information so furnished) when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make such information and data (taken as a whole), in the light of the circumstances under which it was delivered, not materially misleading; it being understood that for purposes of this Section 5.14, such information and data shall not include projections and pro forma financial information or information of a general economic or general industry nature.

SECTION 5.15 Intellectual Property; Licenses, Etc. The Borrower and its Subsidiaries have good and marketable title to, or a valid license or right to use, all material patents, trademarks, service marks, trade names, copyrights, technology, software, know-how, licenses and other intellectual property rights (collectively, "**IP Rights**") that are necessary for the operation of their respective businesses as currently conducted, except where the failure to have any such rights, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Borrower, the operation of the respective businesses of the Borrower or any of its Subsidiaries as currently conducted does not infringe upon, misuse, misappropriate or violate any IP Rights held by any Person except for such infringements, misuses, misappropriations or violations individually or in the aggregate, that would not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any IP Rights is pending or, to the knowledge of the Borrower, threatened against any Loan Party or Subsidiary, that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

SECTION 5.16 [Reserved].

SECTION 5.17 OFAC. Neither the Borrower, nor any of its Subsidiaries, nor, to the knowledge of the Borrower and its Subsidiaries, any director, officer, employee, agent, Affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

SECTION 5.18 USA PATRIOT Act. To the extent applicable, each of Holdings and its Subsidiaries is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (ii) the USA PATRIOT Act and (iii) the Beneficial Ownership Regulation. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act 2010 or other similar anti-corruption legislation in any jurisdiction.

SECTION 5.19 Collateral Documents. Except as otherwise contemplated hereby or under any other Loan Documents, the provisions of the Collateral Documents, together with such filings and other actions required to be taken hereby or by the applicable Collateral Documents, are effective to create in favor of the DIP Agent for the benefit of the Secured Parties a legal, valid and enforceable first priority Lien (subject to Liens permitted by Section 7.01 and subject to the DIP Order) on all right, title and interest of the respective Loan Parties in the Collateral described therein.

SECTION 5.20 Anti-Corruption Laws. The Borrower and its Subsidiaries have conducted their businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

SECTION 5.21 Affected Financial Institution. No Loan Party is an Affected Financial Institution.

ARTICLE VI

Affirmative Covenants

Each of Holdings and the Borrower covenants and agrees with each Lender that, until the Discharge of DIP Obligations has occurred, unless the Required DIP Lenders shall otherwise consent in writing, each of Holdings and the Borrower shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02 and 6.03) cause each of their Subsidiaries to:

SECTION 6.01 Financial Statements. Deliver to the DIP Agent for prompt further distribution to each Lender each of the following and shall take the following actions:

(a) as soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Borrower commencing with the fiscal year ending February 3, 2024, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, stockholders' equity and cash flows for such fiscal year together with related notes thereto (and, so long as provided to the holders of the Borrower's or any of its direct or indirect parent companies' debt securities, management's discussion and analysis describing results of operations), setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of Ernst & Young LLP or any other independent registered public accounting firm of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards;

(b) as soon as available, but in any event within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ended April 4, 2024), a condensed consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related (i) condensed consolidated statements of income or operations for such fiscal quarter and for the portion of the fiscal year then ended and (ii) condensed consolidated statements of cash flows for the portion of the fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by a Responsible Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject to normal year-end adjustments and the absence of footnotes (together with and, so long as provided to the holders of the Borrower's or any of its direct or indirect parent companies' debt securities' management's discussion and analysis describing results of operations);

(c) as soon as available, but in any event not later than the twentieth (20th) day after the end of each fiscal month ended after the Closing Date, an unaudited financial summary of the financial performance, and unaudited consolidated balance sheet and unaudited consolidated statements of operations and comprehensive income, stockholders' equity and cash flows as of the end of and for such month and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year;

(d) [reserved];

(e) quarterly, at a time mutually agreed with the DIP Agent that is promptly after the delivery of the information required pursuant to clause (a) above and the information delivered pursuant to clause (b) above for each fiscal quarter, participate in a conference call for Lenders to discuss the financial condition and results of operations of the Borrower and its Subsidiaries for the most recently-ended period for which financial statements have been delivered, which requirement may be satisfied by including the Lenders and the DIP Agent on quarterly conference calls with the lenders under the ABL Facilities or any other debt or equity securities of the Borrower or any of its direct or indirect parent companies; and

(f) deliver to the DIP Agent and the Lender Advisors copies of all monthly reports, projections, or other written information with respect to each of the Loan Parties' business or financial condition or prospects (as well as all pleadings, motions, applications and judicial information) filed by or on behalf of the Borrower with the Bankruptcy Court or provided by or to the U.S. Trustee (or any monitor or interim receiver, if any, appointed in any Chapter 11 Case), at the time such document is filed with the Bankruptcy Court or provided by or to the U.S. Trustee (or any monitor or interim receiver, if any, appointed in any Chapter 11 Case); provided, however, that such reports, projections, or other written information required to be delivered pursuant to this clause (i) shall be deemed delivered to the DIP Agent and the Lender Advisors for purposes of this Agreement when such reports, projections or other written information is filed with the Bankruptcy Court;

Notwithstanding the foregoing, the obligations in paragraphs (a) and (b) of this Section 6.01 may be satisfied with respect to financial information of the Borrower and its Subsidiaries by furnishing (A) the applicable financial statements of any direct or indirect parent of the Borrower that, directly or indirectly, holds all of the Equity Interests of the Borrower or (B) the Borrower's or such entity's Form 10-K or 10-Q, as applicable, filed with the SEC; *provided* that, with respect to each of clauses (A) and (B), (i) to the extent such information relates to a parent of the Borrower, such information is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to the Borrower (or such parent), on the one hand, and the information relating to the Borrower and the Subsidiaries on a standalone basis, on the other hand and (ii) to the extent such information is in lieu of information required to be provided under Section 6.01(a), such materials are accompanied by a report and opinion of Ernst & Young LLP or any other independent registered public accounting firm of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards.

SECTION 6.02 Certificates; Other Information. Deliver to the DIP Agent for prompt further distribution to each Lender:

(a) no later than five (5) days after the delivery of the financial statements referred to in Sections 6.01(a) and (b), a duly completed Compliance Certificate signed by the chief financial officer of the Borrower;

(b) promptly after the same are publicly available, copies of all annual, regular, periodic and special reports, proxy statements and registration statements which Holdings or the Borrower or any Subsidiary files with the SEC or with any Governmental Authority that may be substituted therefor or with any national securities exchange, as the case may be (other than amendments to any registration statement (to the extent such registration statement, in the form it became effective, is delivered to the DIP Agent), exhibits to any registration statement and, if applicable, any registration statement on Form S-8), and in any case not otherwise required to be delivered to the DIP Agent pursuant to any other clause of this Section 6.02;

(c) promptly after the furnishing thereof, copies of any material statements or material reports furnished to any holder of any class or series of debt securities of any Loan Party having an aggregate outstanding principal amount greater than the Threshold Amount or pursuant to the terms of the ABL Credit Agreement or the Pre-Petition Credit Agreement, in each case, so long as the aggregate outstanding principal amount thereunder is greater than the Threshold Amount and not otherwise required to be furnished to the DIP Agent pursuant to any other clause of this Section 6.02;

(d) together with the delivery of the financial statements pursuant to Section 6.01(a) and each Compliance Certificate pursuant to Section 6.02(a), a description of each event, condition or circumstance during the last fiscal quarter covered by such Compliance Certificate requiring a mandatory prepayment under Section 2.03(b); and

(e) promptly, such additional information regarding the business, legal, financial or corporate affairs of any Loan Party or any Subsidiary, or compliance with the terms of the Loan Documents, as the DIP Agent may from time to time on its own behalf or on behalf of any Lender reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(c) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the DIP Agent have access (whether a commercial, third-party website or whether sponsored by the DIP Agent); *provided* that (i) upon written request by the DIP Agent, the Borrower shall deliver paper copies of such documents to the DIP Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the DIP Agent and (ii) the Borrower shall notify (which may be by facsimile or electronic mail) the DIP Agent of the posting of any such documents and provide to the DIP Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the DIP Agent and maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the DIP Agent will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "**Borrower Materials**") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "**Platform**") and (b) certain of the Lenders (each, a "**Public Lender**") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Subsidiaries, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the DIP Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities Laws (*provided*, *however*, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.08); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (z) the DIP Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

SECTION 6.03 Notices. Promptly after a Responsible Officer of the Borrower obtains actual knowledge thereof, notify the DIP Agent:

(a) of the occurrence of any Default; and

(b) of (i) any dispute, litigation, investigation or proceeding between any Loan Party and any arbitrator or Governmental Authority, (ii) the filing or commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Subsidiary, including pursuant to any applicable Environmental Laws or in respect of IP Rights, the occurrence of any noncompliance by any Loan Party or any of its Subsidiaries with, or liability under, any Environmental Law or Environmental Permit, or (iii) the occurrence of any ERISA Event that, in any such case referred to in clauses (i), (ii) or (iii), that has resulted or would reasonably be expected to result in a Material Adverse Effect.

Each notice pursuant to this Section 6.03 shall be accompanied by a written statement of a Responsible Officer of the Borrower (x) that such notice is being delivered pursuant to Section 6.03(a) or (b) (as applicable) and (y) setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto.

SECTION 6.04 Payment of Taxes. Timely pay, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, all Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon; *provided*, no such Tax or claim need be paid (i) if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) in the case of a Tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim or (ii) the nonpayment of which is required under the Bankruptcy Code.

SECTION 6.05 Preservation of Existence, Etc. (a) Subject to any necessary Bankruptcy Court approval, preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization and (b) take all reasonable action to obtain, preserve, renew and keep in full force and effect its rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business, except in the case of clause (a) or (b) to the extent (other than with respect to the preservation of the existence of Holdings and the Borrower) that failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or pursuant to any merger, consolidation, liquidation, dissolution or Disposition permitted by Article VII.

SECTION 6.06 Maintenance of Properties. Except (i) pursuant to any necessary Bankruptcy Court approval, or (ii) if the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, maintain, preserve and protect all of its material properties and equipment used in the operation of its business in good working order, repair and condition, ordinary wear and tear excepted and casualty or condemnation excepted.

SECTION 6.07 Maintenance of Insurance. Maintain with insurance companies that the Borrower believes (in the good faith judgment of its management) are financially sound and reputable at the time the relevant coverage is placed or renewed, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as the Borrower and the Subsidiaries) as are customarily carried under similar circumstances by such other Persons, and will furnish to the Lenders, upon written request from the DIP Agent (acting at the Direction of the Required DIP Lenders), information presented in reasonable detail as to the insurance so carried. Each such policy of insurance shall as appropriate, (i) name the DIP Agent, on behalf of the Lenders, as an additional insured thereunder as its interests may appear and/or (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement that names the DIP Agent, on behalf of the Lenders as the loss payee thereunder.

SECTION 6.08 Compliance with Laws. Subject to the DIP Order, comply in all material respects with its Organization Documents and the requirements of all Laws and all orders, writs, injunctions and decrees of any Governmental Authority (including any order of the Bankruptcy Court) applicable to it or to its business or property, except if the failure to comply therewith would not reasonably be expected individually or in the aggregate to have a Material Adverse Effect.

SECTION 6.09 Books and Records. Maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity with GAAP shall be made of all material financial transactions and matters involving the assets and business of Holdings, the Borrower or such Subsidiary, as the case may be.

SECTION 6.10 Inspection Rights. Permit representatives and independent contractors of the DIP Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants (subject to such accountants' customary policies and procedures), all at the reasonable expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; *provided* that, excluding any such visits and inspections during the continuation of an Event of Default, only the DIP Agent on behalf of the Lenders may exercise rights of the DIP Agent and the Lenders under this Section 6.10 and the DIP Agent shall not exercise such rights more often than two (2) times during any calendar year absent the existence of an Event of Default and only one (1) such time shall be at the Borrower's expense; *provided*, *further*, that when an Event of Default exists, the DIP Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The DIP Agent and the Lenders shall give the Borrower the opportunity to participate in any

discussions with the Borrower's independent public accountants. Notwithstanding anything to the contrary in this Section 6.10, none of the Borrower or any of the Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (a) constitutes non-financial trade secrets or non-financial proprietary information, (b) in respect of which disclosure to the DIP Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or any binding agreement or (c) is subject to attorney-client or similar privilege or constitutes attorney work product.

SECTION 6.11 Covenant to Guarantee Obligations and Give Security. If any additional direct or indirect Subsidiary of the Borrower is formed or acquired after the Closing Date and such Subsidiary becomes a Debtor under the Chapter 11 Cases, within 5 Business Days after the date such Subsidiary becomes a Debtor under the Chapter 11 Cases, notify the DIP Agent thereof and cause the Subsidiary to become a Subsidiary Guarantor and to grant Liens to secure the Obligations hereunder pursuant to documentation reasonably satisfactory to the Required DIP Lenders. The Borrower shall and shall cause the Guarantors to take any and all actions reasonably requested by the DIP Agent or Required DIP Lenders that they deem necessary or advisable to obtain or maintain a valid and perfected Lien with respect to the Collateral, all at the expense of the Loan Parties. Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, no Subsidiary of any Debtor that is not a Debtor shall be required to become a Guarantor or Loan Party under the Loan Documents.

SECTION 6.12 Compliance with Environmental Laws. Except, in each case, (i) pursuant to any necessary Bankruptcy Court Approval, or (ii) to the extent that the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (a) comply, and take all reasonable actions to cause any lessees and other Persons operating or occupying its properties to comply with all applicable Environmental Laws and Environmental Permits; (b) obtain and renew all Environmental Permits necessary for its operations and properties; and, (c) in each case to the extent required by applicable Environmental Laws, conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance with the requirements of all applicable Environmental Laws.

SECTION 6.13 Further Assurances. Promptly upon request of the DIP Agent (acting at the Direction of the Required DIP Lenders) and subject to the terms and provisions of the DIP Order and the Loan Documents:

(a) Holdings and the Borrower will, and will cause each other Loan Party to, execute any and all further documents, financing statements, agreements, instruments, certificates, notices and acknowledgments, and take all such further actions (including the filing and recordation of financing statements, fixture filings, mortgages and/or amendments thereto and other documents), that may be required under any applicable law and which the DIP Agent (acting at the Direction of the Required DIP Lenders) may reasonably request to ensure the creation, perfection and priority of the Liens created or intended to be created under the DIP Order, all at the expense of the relevant Loan Parties.

(b) Holdings and the Borrower will, and will cause each other Loan Party to, correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Collateral Document or other document or instrument relating to any Collateral.

(c) If any additional direct or indirect Subsidiary of the Borrower is formed or acquired after the Closing Date and if such Subsidiary becomes a Debtor under the Chapter 11 Cases, within 5 Business Days after the date such Subsidiary becomes a Debtor under the Chapter 11 Cases (or such longer period as the DIP Agent may agree (acting at the Direction of the Required DIP Lenders)), notify the DIP Agent thereof and, cause such Subsidiary to become a Subsidiary Guarantor and to grant Liens to secure the Obligations hereunder pursuant to documentation reasonably satisfactory to the Required DIP Lenders.

SECTION 6.14 [Reserved].

SECTION 6.15 Maintenance of Ratings. Use commercially reasonable efforts to obtain maintain (i) a public corporate credit rating from S&P and a public corporate family rating from Moody's, in each case in respect of the Borrower, and (ii) a public rating in respect of the Loans from each of S&P and Moody's, on or prior to the date that is 30 days after the Petition Date, and shall begin the process of requesting such ratings no later than 5 Business Days after the Petition Date; *provided* that no particular ratings shall be required.

SECTION 6.16 Approved DIP Budget and Variance Reporting.

(a) The Debtors shall deliver to the DIP Agent and the Lender Advisors an updated budget on the date that is four weeks after the date the prior Approved DIP Budget was delivered (a "Subsequent DIP Budget"), which shall be in form and substance satisfactory to DIP Agent (at the direction of the Required DIP Lenders), which satisfaction may be communicated via an email from each of the Lender Advisors. When such Subsequent DIP Budget is approved in accordance with the DIP Order, such Subsequent DIP Budget shall be deemed to constitute the "Approved DIP Budget" for purposes of this Agreement with the most recently delivered budget constituting the "Approved DIP Budget". In the event the conditions for the most recently delivered Subsequent DIP Budget to constitute an "Approved DIP Budget" are not met as set forth herein, the prior Approved DIP Budget shall remain in full force and effect.

(b) On or before 5:00 p.m. (prevailing Eastern time) on the Thursday after each Testing Date, the Debtors shall deliver to the DIP Agent and the Lender Advisors a variance report/reconciliation in form and substance reasonably satisfactory to the DIP Agent in accordance with the DIP Order.

SECTION 6.17 Milestones. By the times and dates set forth below (as any such time and date may be extended with the consent of the DIP Agent (at the Direction of the Required DIP Lenders), each a "Milestone") cause the following to occur; provided that where used in this Section 6.17, any "delivery" required by this Section 6.17 shall require delivery to the DIP Agent (which shall promptly furnish to each of the Lenders and the Specified Lender Advisors, as well as to any other Person specified below):

(a) By no later than three (3) days following the Petition Date, the Debtors shall have filed the First Day Pleadings, the DIP/Cash Collateral Motion, the Plan, Disclosure Statement, and Disclosure Statement Motion seeking conditional entry of the Disclosure Statement Order (in each case, as defined in the TSA).

(b) By no later than five (5) Business Days following the Petition Date, the Bankruptcy Court shall enter the Interim Order.

(c) By no later than thirty-five (35) days following the Petition Date, the Bankruptcy Court shall enter the Final Order, in form and substance reasonably acceptable to the Required DIP Lenders.

(d) By no later than 50 days after the Petition Date, the Bankruptcy Court shall have entered the Disclosure Statement Order (on a final basis) and the Confirmation Order (which may be one order of the Bankruptcy Court).

(e) By no later than ten (10) days following the entry of the Confirmation Order, the Transactions (as defined in the TSA) shall have been consummated and the Plan Effective Date shall have occurred.

SECTION 6.18 Additional Bankruptcy Matters. Promptly provide the DIP Agent, the Lenders and the Specified Lender Advisors with updates of any material developments in connection with the Loan Parties' efforts under the Chapter 11 Cases and documents related thereto.

SECTION 6.19 Debtor-in-Possession Obligations. Comply in a timely manner with their obligations and responsibilities as debtors-in-possession under the Bankruptcy Code, the Bankruptcy Rules, the DIP Order, and any other order of the Bankruptcy Court. Give, on a timely basis as specified in the applicable DIP Order, all notices required to be given to all parties specified in such DIP Order.

SECTION 6.20 Weekly Calls and Status Update Calls.

(a) At the request of the Specified Lender Advisors, weekly calls between the Specified Lender Advisors and the management of the Borrower, which call shall, among other things, provide an update as to critical vendors and associated disbursements; and

(b) At the request of the Specified Lender Advisors, from and after the Petition Date through the Maturity Date, the Borrower shall hold a weekly meeting (at a mutually agreeable location and time or telephonically) with the management of the Borrower and the Specified Lender Advisors, which meeting, at the discretion of the Lender Advisors, may include Lenders; provided, that the Specified Lender Advisors shall (i) communicate the participants to the Borrower in advance of such call or meeting and (ii) provide an agenda in advance of such call or meeting (which exercise of discretion may be communicated via an email from either of the Specified Lender Advisors) regarding the financing results, operations, compliance of the Loan Parties and developments in the Chapter 11 Cases, including the negotiation of customer agreements; provided, that any such meeting may be combined with such telephone conference outlined in Section 6.20(a) hereof.

SECTION 6.21 [Reserved].

SECTION 6.22 Cash Collateral. Maintain the cash management of the Loan Parties in accordance in all material respects with the Cash Management Order.

ARTICLE VII

Negative Covenants

Until the Discharge of DIP Obligations has occurred, each of Holdings and the Borrower shall not (and, with respect to Section 7.13, only Holdings shall not), nor shall Holdings or the Borrower permit any Subsidiary to:

SECTION 7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens created pursuant to any Loan Document;

(b) Liens existing on the Closing Date and set forth on Schedule 7.01(b);

(c) Liens for Taxes, assessments or governmental charges that are not overdue for a period of more than thirty (30) days or that are being contested in good faith and by appropriate actions for which appropriate reserves have been established in accordance with GAAP;

(d) statutory or common law Liens of landlords, carriers, warehousemen, mechanics, materialmen, repairmen, construction contractors or other like Liens, or other customary Liens (other than in respect of Indebtedness) in favor of landlords, so long as, in each case, such Liens arise in the ordinary course of business that secure amounts not overdue for a period of more than thirty (30) days or, if more than thirty (30) days overdue, are unfiled and no other action has been taken to enforce such Lien or that are being contested in good faith and by appropriate actions, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(e) (i) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation and (ii) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to Holdings, the Borrower or any Subsidiary;

(f) deposits to secure the performance of bids, trade contracts, governmental contracts and leases (other than Indebtedness for borrowed money), statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions (including zoning restrictions), encroachments, protrusions and other similar encumbrances and title defects affecting real property that, in the aggregate, do not in any case materially interfere with the ordinary conduct of the business of the Borrower and its Subsidiaries taken as a whole, or the use of the property for its intended purpose;

(h) Liens arising from judgments or orders for the payment of money not constituting an Event of Default under Section 8.01(g);

(i) Liens securing obligations in respect of Indebtedness permitted under Section 7.03(e); *provided* that (A) such Liens attach concurrently with or within two hundred and seventy (270) days after completion of the acquisition, construction, repair, replacement or improvement (as applicable) of the property subject to such Liens, (B) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, replacements thereof and additions and accessions to such property and the proceeds and the products thereof and customary security deposits and (C) such Liens do not at any time extend to or cover any assets (except for additions and accessions to such assets, replacements and products thereof and customary security deposits) other than the assets subject to, or acquired, constructed, repaired, replaced or improved with the proceeds of such Indebtedness; *provided* that individual financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender;

(j) leases, licenses, subleases or sublicenses granted to others in the ordinary course of business which do not (i) interfere in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole, or (ii) secure any Indebtedness;

(k) Liens (i) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business and (ii) on specific items of inventory or other goods and proceeds thereof of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or such other goods in the ordinary course of business;

(l) Liens (i) of a collection bank arising under Section 4-208 of the Uniform Commercial Code on the items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and not for speculative purposes and (iii) in favor of a banking or other financial institution arising as a matter of law encumbering deposits or other funds maintained with a financial institution (including the right of set off) and that are within the general parameters customary in the banking industry;

(m) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Section 7.02(i) or Section 7.02(n) to be applied against the purchase price for such Investment or (ii) consisting of an agreement to Dispose of any property in a Disposition permitted under Section 7.05, in each case, solely to the extent such Investment or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(n) Liens on property of any Foreign Subsidiary securing Indebtedness of such Foreign Subsidiary incurred pursuant to Section 7.03(b);

(o) Liens in favor of the Borrower or a Subsidiary securing Indebtedness permitted under Section 7.03(d);

(p) Liens existing on property at the time of its acquisition or existing on the property of any Person at the time such Person becomes a Subsidiary, in each case after the Closing Date; *provided* that (i) such Lien does not extend to or cover any other assets or property (other than the proceeds or products thereof and other than after-acquired property of such acquired Subsidiary), and (ii) the Indebtedness secured thereby is permitted under Section 7.03(e);

(q) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under leases (other than Capitalized Leases) or licenses entered into by the Borrower or any of the Subsidiaries in the ordinary course of business;

(r) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Borrower or any of the Subsidiaries in the ordinary course of business;

(s) Liens deemed to exist in connection with Investments in repurchase agreements under Section 7.02 and reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts maintained in the ordinary course of business and not for speculative purposes;

(t) Liens that are customary contractual rights of setoff (i) relating to the establishment of depository relations with banks or other deposit-taking financial institutions in the ordinary course and not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of Holdings, the Borrower or any of the Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Holdings, the Borrower or any of the Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any of the Subsidiaries in the ordinary course of business;

(u) Liens solely on any cash earnest money deposits made by the Borrower or any of the Subsidiaries in connection with any letter of intent or purchase agreement not prohibited hereunder;

(v) ground leases in respect of real property on which facilities owned or leased by the Borrower or any of its Subsidiaries are located;

(w) purported Liens evidenced by the filing of precautionary Uniform Commercial Code financing statements or similar public filings;

(x) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(y) Liens securing obligations in respect of any Secured Hedge Agreement and any Secured Cash Management Agreement (in each case, as defined in the ABL Credit Agreement) permitted under Section 7.03(r)(ii) that are subject to the ABL Intercreditor Agreement;

(z) [reserved];

(aa) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of the Borrower and its Subsidiaries, taken as a whole;

(bb) the modification, replacement, renewal or extension of any Lien permitted by clauses (b), (i) and (p) of this Section 7.01; *provided* that (i) the Lien does not extend to any additional property other than (A) after-acquired property that is affixed or incorporated into the property covered by such Lien or financed by Indebtedness permitted under Section 7.03(e), and (B) proceeds and products thereof, and (ii) the renewal, extension or refinancing of the obligations secured or benefited by such Liens is permitted by Section 7.03;

(cc) [reserved];

(dd) Liens or rights of setoff against credit balances of the Borrower or any of its Subsidiaries with credit card issuers or credit card processors on amounts owing by such credit card issuers or credit card processors to the Borrower or any of its Subsidiaries in the ordinary course of business, but not Liens on or rights of setoff against any other property or assets of any Borrower or any of its Subsidiaries pursuant to the credit card agreements in effect on the Closing Date or as subsequently amended in any manner not materially adverse to the Lenders, to secure the obligations of the Borrower or any of its Subsidiaries to the credit card issuers or credit card processors as a result of fees and chargebacks;

(ee) Liens on specific items of inventory or other goods and the proceeds thereof securing such Person's obligations in respect of documentary letters of credit or banker's acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or goods; and

(ff) deposits of cash with the owner or lessor of premises leased and operated by the Borrower or any of its Subsidiaries in the ordinary course of business of the Borrower and such Subsidiary to secure the performance of the Borrower's or such Subsidiary's obligations under the terms of the lease for such premises.

SECTION 7.02 Investments. Make or hold any Investments, except:

(a) Investments by Holdings, the Borrower or any of the Subsidiaries in assets that are Cash Equivalents;

(b) loans or advances to officers, directors and employees of Holdings (or any direct or indirect parent thereof), the Borrower or any of the Subsidiaries in connection with such Person's purchase of Equity Interests of Holdings (or any direct or indirect parent thereof; *provided* that, to the extent such loans or advances are made in cash, the amount of such loans and advances used to acquire such Equity Interests shall be contributed to Holdings in cash), in an aggregate principal amount outstanding under clauses (i) through (iii) not to exceed $1,000,000;

(c) Investments (i) by (A) Holdings in any Loan Party and (B) the Borrower or any Subsidiary that is a Loan Party in the Borrower or any Subsidiary that is a Loan Party, (ii) by any Non-Loan Party in any other Non-Loan Party that is a Subsidiary, (iii) by any Non-Loan Party in the Borrower or any Subsidiary that is a Loan Party and (iv) by any Loan Party in any Non-Loan Party that is a Subsidiary; *provided* that the aggregate amount of Investments made pursuant to this clause (iv) shall not exceed at any time outstanding the greater of $1,000,000.

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business;

(e) Investments consisting of Liens, Indebtedness, fundamental changes, Dispositions and Restricted Payments permitted under Section 7.01, 7.03 (other than Section 7.03(c)(ii) or (d)), 7.04 (other than Section 7.04(c)(ii) or (f)), 7.05 (other than Section 7.05(d)(ii) or (e)) and 7.06 (other than Section 7.06(d) or (g)(iv)), respectively;

(f) Investments existing on the Closing Date, set forth on Schedule 7.02(f) and any modification, replacement, renewal, reinvestment or extension of any of the foregoing; *provided* that the amount of any Investment permitted pursuant to this Section 7.02(f) is not increased from the amount of such Investment on the Closing Date except pursuant to the terms of such Investment as of the Closing Date or as otherwise permitted by another clause of this Section 7.02;

(g) Investments in Swap Contracts permitted under Section 7.03;

(h) promissory notes and other non-cash consideration that is permitted to be received in connection with Dispositions permitted by Section 7.05;

(i) [reserved];

(j) [reserved];

(k) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(l) Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or upon the foreclosure with respect to any secured Investment;

(m) loans and advances to Holdings (or any direct or indirect parent thereof) in lieu of, and not in excess of the amount of (after giving effect to any other loans, advances or Restricted Payments in respect thereof), Restricted Payments to the extent permitted to be made to Holdings (or such direct or indirect parent) in accordance with Section 7.06(g);

(n) Investments that do not exceed in the aggregate at any time outstanding $500,000;

(o) advances of payroll payments to employees in the ordinary course of business;

(p) [reserved];

(q) [reserved]; and

(r) Guarantees by the Borrower or any of the Subsidiaries of leases (other than Capitalized Leases) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business.

Notwithstanding anything to the contrary set forth in this Section 7.02, no Loan Party shall make any Investment in any Subsidiary (other than another Loan Party) if the consideration paid by such Loan Party to such Subsidiary (other than a Loan Party) in respect of such Investment constitutes Material Intellectual Property; provided that nothing in this sentence shall prohibit any non-exclusive (other than exclusive distribution or other similar within a specified jurisdiction) license or sublicense of Material Intellectual Property to, or use of Material Intellectual Property by, any Subsidiary in the ordinary course of business. For the avoidance of doubt, no investments shall be permitted pursuant to this Section 7.02 unless permitted by the Approved DIP Budget.

SECTION 7.03 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness or issue any Disqualified Equity Interest, other than:

(a) Indebtedness under the Loan Documents;

(b) (i) Indebtedness existing on the Closing Date set forth on Schedule 7.03(b) and (ii) intercompany Indebtedness outstanding on the Closing Date; *provided* that all such Indebtedness of any Loan Party owed to any Non-Loan Party shall be subject to the Intercompany Subordination Agreement;

(c) (i) Guarantees by Holdings, the Borrower and the Subsidiaries in respect of Indebtedness of the Borrower or any of the Subsidiaries otherwise permitted hereunder (except that a Subsidiary that is not a Loan Party may not, by virtue of this Section 7.03(c), Guarantee Indebtedness that such Subsidiary could not otherwise incur under this Section 7.03); *provided* that if the Indebtedness being Guaranteed is

subordinated to the Obligations, such Guarantee shall be subordinated to the Guaranty on terms at least as favorable to the Lenders as those contained in the subordination of such Indebtedness and (ii) any Guaranty by a Loan Party of Indebtedness of a Subsidiary that would have been permitted as an Investment by such Loan Party in such Subsidiary under Section 7.02(c);

(d) Indebtedness of the Borrower or any of the Subsidiaries owing to the Borrower or any other Subsidiary to the extent constituting an Investment permitted by Section 7.02; *provided* that all such Indebtedness of any Loan Party owed to any Person that is not a Loan Party shall be subject to the Intercompany Subordination Agreement;

(e) Attributable Indebtedness and other Indebtedness (including Capitalized Leases) of the Borrower and the Subsidiaries financing the acquisition, construction, repair, replacement or improvement of fixed or capital assets; *provided* that such Indebtedness is incurred concurrently with or within two hundred and seventy (270) days after the applicable acquisition, construction, repair, replacement or improvement in an aggregate principal amount pursuant to this clause (e) not to exceed $2,000,000;

(f) Indebtedness in respect of Swap Contracts designed to hedge against Holdings', the Borrower's or any Subsidiary's exposure to interest rates, foreign exchange rates or commodities pricing risks incurred in the ordinary course of business and not for speculative purposes and Guarantees thereof;

(g) [reserved];

(h) [reserved];

(i) Indebtedness representing deferred compensation to employees of the Borrower and its Subsidiaries incurred in the ordinary course of business;

(j) [reserved];

(k) Indebtedness incurred by the Borrower or any of the Subsidiaries in any Investment expressly permitted hereunder or any Disposition, in each case to the extent constituting indemnification obligations or obligations in respect of purchase price (including earn-outs) or other similar adjustments;

(l) Indebtedness consisting of obligations of the Borrower and the Subsidiaries under deferred compensation or other similar arrangements with employees incurred by such Person in connection with any Investment expressly permitted hereunder;

(m) Cash Management Obligations and other Indebtedness in respect of netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and other cash management and similar arrangements in the ordinary course of business and any Guarantees thereof;

(n) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(o) Indebtedness incurred by the Borrower or any of the Subsidiaries in respect of letters of credit, bank guarantees, bankers' acceptances, warehouse receipts or similar instruments issued or created in the ordinary course of business consistent with past practice in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims;

(p) obligations in respect of performance, bid, appeal and surety bonds and performance and completion guarantees and similar obligations provided by the Borrower or any of the Subsidiaries or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case in the ordinary course of business or consistent with past practice;

(q) (i) Indebtedness in an aggregate principal amount not to exceed the amounts outstanding (including undrawn commitments) under the ABL Credit Agreement as in effect on the Closing Date and (ii) the amount of obligations in respect of any Secured Hedge Agreement and any Secured Cash Management Agreement (in each case, as defined in the ABL Credit Agreement) outstanding as of the Closing Date and not incurred in violation of Section 7.03(f);

(r) [reserved];

(s) [reserved];

(t) [reserved];

(u) [reserved];

(v) Indebtedness in respect of letters of credit issued prior to the Closing Date for the account of any of the Subsidiaries of Holdings to finance the purchase of inventory so long as such Indebtedness is unsecured and (y) the aggregate principal amount of such Indebtedness does not exceed the amount outstanding on the Closing Date,

(w) [reserved]; and

(x) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (x) above.

Notwithstanding the foregoing, no Subsidiary that is a Non-Loan Party will guarantee any Indebtedness for borrowed money of a Loan Party unless such Subsidiary becomes a Guarantor.

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the Dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to extend, replace, refund, refinance, renew or defease other Indebtedness denominated in a foreign currency, and such extension, replacement, refunding, refinancing, renewal or defeasance would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing.

The accrual of interest, the accretion of original issue discount and the payment of interest in the form of additional Indebtedness shall not be deemed to be an incurrence of Indebtedness for purposes of this Section 7.03. The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount thereof that would be shown on a balance sheet of the Borrower dated such date prepared in accordance with GAAP.

Notwithstanding anything to the contrary contained in this Agreement, Indebtedness incurred pursuant to the ABL Facilities may only be incurred pursuant to Section 7.03(r).

SECTION 7.04 Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that:

(a) Holdings or any Subsidiary may merge or consolidate with the Borrower (including a merger, the purpose of which is to reorganize the Borrower into a new jurisdiction); *provided* that (x) the Borrower shall be the continuing or surviving Person, (y) such merger or consolidation does not result in the Borrower ceasing to be organized under the Laws of the United States, any state thereof or the District of Columbia and (z) in the case of a merger or consolidation of Holdings with and into the Borrower, Holdings shall not be an obligor in respect of any Indebtedness that is not permitted to be Indebtedness of the Borrower under this Agreement, shall have no direct Subsidiaries at the time of such merger or consolidation other than the Borrower and, after giving effect to such merger or consolidation, the direct parent of the Borrower shall expressly assume all the obligations of Holdings under this Agreement and the other Loan Documents to which Holdings is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the DIP Agent (acting at the Direction of the Required DIP Lenders);

(b) (i) any Subsidiary that is not a Loan Party may merge or consolidate with or into any other Subsidiary of the Borrower that is not a Loan Party, (ii) any Subsidiary may merge or consolidate with or into any other Subsidiary of the Borrower that is a Loan Party, (iii) any merger the sole purpose of which is to reincorporate or reorganize a Loan Party in another jurisdiction in the United States shall be permitted and (iv) any Subsidiary may liquidate or dissolve or change its legal form if the Borrower determines in good faith that such action is in the best interests of the Borrower and its Subsidiaries and is not materially disadvantageous to the Lenders, *provided*, in the case of clauses (ii) through (iv), that (A) no Event of Default shall result therefrom, (B) no Change of Control shall result therefrom and (C) the surviving Person (or, with respect to clause (iv), the Person who receives the assets of such dissolving or liquidated Subsidiary that is a Guarantor) shall be a Loan Party;

(c) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or another Subsidiary; *provided* that if the transferor in such a transaction is a Loan Party, then (i) the transferee must be a Loan Party or (ii) such Investment must be a permitted Investment in a Subsidiary which is not a Loan Party in accordance with Sections 7.02 (other than Section 7.02(e));

(d) [reserved];

(e) [reserved];

(f) so long as no Default exists or would result therefrom, any Subsidiary may merge or consolidate with any other Person in order to effect an Investment permitted pursuant to Section 7.02 (other than Section 7.02(e)); *provided* that the continuing or surviving Person shall be the Borrower or a Subsidiary, which together with each of its Subsidiaries, shall have complied with the applicable requirements of Section 6.11;

(g) [reserved]; and

(h) so long as no Default exists or would result therefrom, a merger, dissolution, liquidation, consolidation or Disposition, the purpose of which is to effect a Disposition permitted pursuant to Section 7.05 (other than Section 7.05(e)).

SECTION 7.05 Dispositions. Make any Disposition, except:

(a) Dispositions of obsolete, worn-out, used or surplus property, whether now owned or hereafter acquired, in the ordinary course of business and Dispositions of property no longer used or useful in the conduct of the business of the Borrower and the Subsidiaries;

(b) Dispositions of inventory and goods held for sale in the ordinary course of business;

(c) [reserved];

(d) Dispositions of property to the Borrower or a Subsidiary; *provided* that if the transferor of such property is a Loan Party (i) the transferee thereof must be a Loan Party or (ii) such Investment must be a permitted Investment in a Subsidiary that is not a Loan Party in accordance with Section 7.02 (other than Section 7.02(e));

(e) Dispositions permitted by Sections 7.02 (other than Section 7.02(e)), 7.04 (other than Section 7.04(h)) and 7.06 (other than Section 7.06(d)) and Liens permitted by Section 7.01 (other than Section 7.01(m)(ii));

(f) [reserved];

(g) Dispositions of Cash Equivalents;

(h) leases, subleases, licenses or sublicenses (including the provision of software under an open source license), in each case in the ordinary course of business and which do not materially interfere with the business of the Borrower and the Subsidiaries, taken as a whole;

(i) transfers of property subject to Casualty Events upon receipt of the Net Cash Proceeds of such Casualty Event;

(j) [reserved];

(k) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(l) Dispositions of accounts receivable in connection with the collection or compromise thereof;

(m) [reserved];

(n) [reserved];

(o) [reserved];

(p) the unwinding of any Swap Contract;

(q) sales or other dispositions by the Borrower or any Subsidiary of assets in connection with the closing or sale of a Store (including a factory Store) in the ordinary course of business of the Borrower and its Subsidiaries, which consist of leasehold interests in the premises of such Store, the equipment and fixtures located at such premises and the books and records relating exclusively and directly to the operations of such Store; *provided* that as to each and all such sales and closings, (A) no Event of Default shall result therefrom and (B) such sale shall be on commercially reasonable prices and terms in a bona fide arm's-length transaction;

(r) bulk sales or other Dispositions of the inventory of a Loan Party not in the ordinary course of business in connection with Store closings, at arm's length;

(s) [reserved]; and

(t) the lapse or abandonment in the ordinary course of business of any registrations or applications for registration of any IP Rights;

provided that (i) no Loan Party shall make any Disposition of Material Intellectual Property to any Subsidiary (other than another Loan Party); provided that nothing in this clause (i) shall prohibit any non-exclusive (other than exclusive distribution or other similar within a specified jurisdiction) license or sublicense of Material Intellectual Property to, or use of Material Intellectual Property by, any Subsidiary in the ordinary course of business, and (ii) any Disposition of any property pursuant to this Section 7.05 (except pursuant to Sections 7.05(e), (i), (k), (p) and (t) and except for Dispositions from the Borrower or a Subsidiary that is a Loan Party to the Borrower or a Subsidiary that is a Loan Party), shall be for no less than the fair market value of such property at the time of such Disposition as determined by the Borrower in good faith. To the extent any Collateral is Disposed of as expressly permitted by this Section 7.05 to any Person other than a Loan Party, such Collateral shall be sold free and clear of the Liens created by the Loan Documents, and, if requested by the DIP Agent (acting at the Direction of the Required DIP Lenders), upon the certification by the Borrower that such Disposition is permitted by this Agreement, the DIP Agent (acting at the Direction of the Required DIP Lenders) shall be authorized to take any actions deemed appropriate in order to effect the foregoing.

SECTION 7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, except:

(a) each Subsidiary may make Restricted Payments to the Borrower and to its other Subsidiaries;

(b) [reserved];

(c) [reserved];

(d) to the extent constituting Restricted Payments, Holdings, the Borrower and the Subsidiaries may enter into and consummate transactions expressly permitted by any provision of Section 7.02 (other than Section 7.02(e)), 7.04 (other than a merger or consolidation of Holdings and the Borrower) or 7.08 (other than Section 7.08(a), (j), (k) or (r));

(e) [reserved];

(f) [reserved];

(g) the Borrower may make Restricted Payments to Holdings or to any direct or indirect parent of Holdings (and Holdings may make Restricted Payments to any direct or indirect parent of Holdings):

(i) the proceeds of which will be used to pay (in amounts required for Holdings or such other parent company) consolidated or combined federal, state and/or local income Taxes imposed on such entity to the extent such income Taxes are attributable to the income of the Borrower and its Subsidiaries; *provided*, *however*, that the amount of such payments in respect of any Tax year does not, in the aggregate, exceed the amount that the Borrower and its Subsidiaries whose activities are included in such consolidated or combined group would have been required to pay in respect of the relevant federal, state and/ or local income Taxes (as the case may be) in respect of such year if the Borrower and such Subsidiaries paid such income Taxes directly as a stand-alone consolidated or combined income Tax group (reduced by any such taxes paid directly by the Borrower or any Subsidiary);

(ii) the proceeds of which shall be used to pay (or make Restricted Payments to allow any direct or indirect parent thereof to pay) its operating costs (including Public Company Costs) and expenses incurred in the ordinary course of business and other corporate overhead costs and expenses (including administrative, legal, accounting and similar expenses provided by third parties), which are reasonable and customary and incurred in the ordinary course of business, attributable to the ownership or operations of the Borrower and its Subsidiaries;

(iii) the proceeds of which shall be used to pay (or make Restricted Payments to allow any direct or indirect parent thereof which does not own other Subsidiaries besides Holdings, its Subsidiaries and the direct or indirect parents of Holdings to pay) franchise taxes and other fees, taxes and expenses required to maintain its (or any of such direct or indirect parents') corporate existence;

(iv) [reserved];

(v) [reserved]; and

(vi) the proceeds of which (A) shall be used to pay customary salary, bonus and other benefits payable to officers and employees of Holdings or any direct or indirect parent company of Holdings to the extent such salaries, bonuses and other benefits are attributable to the ownership or operation of the Borrower and the Subsidiaries or (B) shall be used to make payments permitted under Sections 7.08(e), (h), (k) and (q) (but only to the extent such payments have not been and are not expected to be made by the Borrower or a Subsidiary);

(h) [reserved];

(i) [reserved]; and

(j) repurchases of Equity Interests (i) deemed to occur on the exercise of options by the delivery of Equity Interests in satisfaction of the exercise price of such options or (ii) in consideration of withholding or similar Taxes payable by any future, present or former employee, director, manager or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing), including deemed repurchases in connection with the exercise of stock options.

Notwithstanding anything to the contrary set forth in this Section 7.06, no Loan Party shall make any Restricted Payment to any Subsidiary (other than another Loan Party) in the form of Material Intellectual Property; provided that nothing in this sentence shall prohibit any non-exclusive (other than exclusive distribution or other similar within a specified jurisdiction) license or sublicense of Material Intellectual Property to, or use of Material Intellectual Property by, any Subsidiary in the ordinary course of business. For the avoidance of doubt, no payments shall be permitted pursuant to this Section 7.06 unless permitted by the Approved DIP Budget.

SECTION 7.07 Change in Nature of Business. Engage in any material line of business substantially different from those lines of business conducted by Holdings, the Borrower and the Subsidiaries on the Closing Date or any business reasonably related or ancillary thereto.

SECTION 7.08 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of Holdings or the Borrower, whether or not in the ordinary course of business, other than:

(a) transactions between or among the Borrower or any of the Subsidiaries or any entity that becomes a Subsidiary as a result of such transaction,

(b) transactions on terms substantially as favorable to Holdings, the Borrower or such Subsidiary as would be obtainable by Holdings, the Borrower or such Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate,

(c) transactions permitted pursuant to the Cash Management Order or disclosed in any first day pleadings,

(d) the entry into, and transactions contemplated by, the TSA,

(e) [reserved],

(f) employment and severance arrangements between Holdings, the Borrower and the Subsidiaries and their respective officers and employees in the ordinary course of business and consistent with past practice, and transactions pursuant to stock option plans and employee benefit plans and arrangements existing on the Closing Date,

(g) the non-exclusive licensing of trademarks, copyrights or other IP Rights in the ordinary course of business and consistent with past practice to permit the commercial exploitation of IP Rights between or among Affiliates and Subsidiaries of Holdings or the Borrower,

(h) the payment of customary fees and reasonable out-of-pocket costs to, and indemnities provided on behalf of, directors, officers and employees of Holdings and the Subsidiaries or any direct or indirect parent of Holdings in the ordinary course of business to the extent attributable to the ownership or operation of the Borrower and the Subsidiaries,

(i) any agreement, instrument or arrangement as in effect as of the Closing Date and set forth on Schedule 7.08, or any amendment thereto (so long as any such amendment is not adverse to the Lenders in any material respect as compared to the applicable agreement as in effect on the Closing Date),

(j) Restricted Payments permitted under Section 7.06,

(k) [reserved],

(l) [reserved],

(m) the issuance or transfer of Equity Interests (other than Disqualified Equity Interests) of Holdings to any Permitted Holder or to any former, current or future director, manager, officer, employee or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) of the Borrower, any of its Subsidiaries or any direct or indirect parent thereof to the extent otherwise permitted by this Agreement and to the extent such issuance or transfer would not give rise to a Change of Control,

(n) [reserved],

(o) [reserved],

(p) [reserved],

(q) [reserved],

(r) [reserved], and

(s) payments to an Affiliate in respect of the Indebtedness or Equity Interests of Holdings, the Borrower or any of the Subsidiaries that are payable to Affiliates that may from time to time own such Indebtedness or Equity Interests.

SECTION 7.09 Burdensome Agreements. Enter into or permit to exist any Contractual Obligation (other than this Agreement or any other Loan Document) that prohibits, restricts, imposes any condition on or limits the ability of (a) any Subsidiary that is not a Loan Party to make Restricted Payments to (directly or indirectly) or to make or repay loans or advances to any Loan Party or to Guarantee the Obligations of any Loan Party under the Loan Documents or (b) any Loan Party to create, incur, assume or suffer to exist Liens on property of such Person for the benefit of the Lenders with respect to the DIP Facility and the Obligations under the Loan Documents; *provided* that the foregoing clauses (a) and (b) shall not apply to Contractual Obligations that:

(i) (x) exist on the Closing Date and (to the extent not otherwise permitted by this Section 7.09) are listed on Schedule 7.09 hereto,

(ii) [reserved],

(iii) [reserved],

(iv) are customary restrictions that arise in connection with (x) any Lien permitted by Sections 7.01(a), (l), (m), (s), (t)(i), (t)(ii), (u), and (y) and relate to the property subject to such Lien or (y) any Disposition permitted by Section 7.05 applicable pending such Disposition solely to the assets subject to such Disposition,

(v) [reserved],

(vi) are negative pledges and restrictions on Liens in favor of any holder of Indebtedness permitted under Section 7.03 but solely to the extent any negative pledge relates to the property financed by or the subject of such Indebtedness and the proceeds and products thereof and, in the case of the ABL Facilities, permit the Liens securing the Obligations without restriction (subject to the ABL Intercreditor Agreement and the DIP Order),

(vii) are customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to the assets subject thereto,

(viii) comprise restrictions imposed by any agreement relating to secured Indebtedness permitted pursuant to Sections 7.03(e), (o)(i), or (r) to the extent that such restrictions apply only to the property or assets securing such Indebtedness or to the Subsidiary party to such Indebtedness,

(ix) are customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or any Subsidiary,

(x) are customary provisions restricting assignment of any agreement entered into in the ordinary course of business and consistent with past practice,

(xi) are restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business and consistent with past practice,

(xii) are restrictions contained in the ABL Credit Agreement or the ABL Facilities Documentation, or

(xiii) arise in connection with cash or other deposits permitted under Section 7.01.

SECTION 7.10 Use of Proceeds. Use the proceeds of any Borrowing, whether directly or indirectly, for any purpose other than as permitted under the DIP Order or as set forth in the Approved DIP Budget.

SECTION 7.11 Accounting Changes. Make any change in fiscal year; *provided*, *however,* that Holdings and the Borrower may, upon written notice to the DIP Agent, change its fiscal year to any other fiscal year reasonably acceptable to the DIP Agent (acting at the Direction of the Required DIP Lenders), in which case, Holdings, the Borrower and the DIP Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary to reflect such change in fiscal year.

SECTION 7.12 Prepayments, Etc. of Indebtedness.

(a) Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Indebtedness other than the Loans, except for payments made in compliance with the DIP Order or the Approved DIP Budget.

(b) Amend, modify or change in any manner materially adverse to the interests of the Lenders any term or condition of the documents governing any other Indebtedness, without the consent of the Required DIP Lenders.

SECTION 7.13 Holdings In the case of Holdings, conduct, transact or otherwise engage in any business or operations other than the following (and activities incidental thereto), subject to the DIP Order: (i) its ownership of the Equity Interests of the Borrower, (ii) the maintenance of its legal existence (including the ability to incur fees, costs and expenses relating to such maintenance), (iii) the performance of its obligations with respect to the Loan Documents, (iv) participating in tax, accounting and other administrative matters as a member of the consolidated group of Holdings and the Borrower, (v) providing indemnification to officers and directors, (vi) any public company activities and (vii) any other activities expressly contemplated by this Agreement, the DIP Order or any other order of the Bankruptcy Court to be engaged in by Holdings.

SECTION 7.14 Permitted Variance. Commencing on the Friday of the third full calendar week after the Petition Date, budget variances (as defined below) shall be tested as of each Friday (each such date, a "Testing Date") and such variance report shall be delivered on the Thursday following each such Friday. The Debtors shall not permit:

(x) for the first Testing Date:

(i) for the period commencing on the Petition Date and ending on such Testing Date, the Debtors' Actual Disbursements (in the aggregate) to be more than 120% of the projected disbursements (in the aggregate) as set forth in the Approved Budgets with respect to such period; and

(ii) for the period commencing on the Petition Date and ending on such Testing Date, the Debtors' Actual Receipts (in the aggregate) to be less than 80% of the projected receipts (in the aggregate) as set forth in the Approved DIP Budgets with respect to such period;

(y) for the second Testing Date:

(i) for the period commencing on the Petition Date and ending on such Testing Date, the Debtors' Actual Disbursements (in the aggregate) to be more than 115% of the projected disbursements (in the aggregate) as set forth in the Approved Budgets with respect to such period; and

(ii) for the period commencing on the Petition Date and ending on such Testing Date, the Debtors' Actual Receipts (in the aggregate) to be less than 80% of the projected receipts (in the aggregate) as set forth in the Approved DIP Budgets with respect to such period; and

(z) thereafter:

(i) for the 4 week period ending on such Testing Date, the Debtors' Actual Disbursements (in the aggregate) to be more than 110% of the projected disbursements (in the aggregate) as set forth in the Approved Budgets with respect to such period; and

(ii) for the 4 week period ending on such Testing Date, the Debtors' Actual Receipts (in the aggregate) to be less than 85% of the projected receipts (in the aggregate) as set forth in the Approved DIP Budgets with respect to such period

(clauses (x), (y) and (z) together, the "Permitted Variances"; all references in the Loan Documents to "Approved DIP Budget" shall mean the Approved DIP Budget as it is subject to the Permitted Variances). For the avoidance of doubt, for purposes of budget variance testing in accordance with this Section 7.14, (1) the amounts set forth in the Approved DIP Budget under "Professional Fees", (2) the amounts set forth in the Approved DIP Budget under "Debt Services" and (3) adequate protection costs, shall be excluded (this sentence the "Carve Out").

SECTION 7.15 Bankruptcy Actions. Seek, consent to, or permit to exist, or permit any Subsidiary to seek, consent to or permit to exist, without the prior written consent of the Required DIP Lenders (which approval may be communicated via an email from each of the Lender Advisors) (which consent shall constitute authorization under this Agreement), any order granting authority to take any action that is prohibited by the terms of this Agreement, the DIP Order or the other Loan Documents or refrain from taking any action that is required to be taken by the terms of the DIP Order or any of the other Loan Documents.

SECTION 7.16 Minimum Liquidity. Following the entry of the Interim Order, the Debtors shall maintain Liquidity of not less than $5,000,000 as of each Testing Date.

ARTICLE VIII

Events of Default and Remedies

SECTION 8.01 Events of Default. Each of the events referred to in clauses (a) through (l) of this Section 8.01 shall constitute an "**Event of Default**":

(a) Non-Payment. The Borrower fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan, or (ii) within three (3) Business Days after the same becomes due, any interest on any Loan or any other amount payable hereunder or with respect to any other Loan Document; or

(b) Specific Covenants. The Borrower, any Subsidiary or, in the case of Section 7.13, Holdings, fails to perform or observe any term, covenant or agreement contained in any of Sections 6.03(a), 6.05(a) (solely with respect to the Borrower) 6.16, 6.17, 6.18, 6.19, 6.20, 6.21, 6.22 or Article VII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in Section 8.01(a) or (b) above) contained in any Loan Document (including any Approved DIP Budget Variance Report) on its part to be performed or observed and such failure continues for five (5) days after the earlier of (i) knowledge of a Financial Officer of any Loan Party or (ii) receipt by the Borrower of written notice thereof from the DIP Agent; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by any Loan Party herein, in any other Loan Document, or in any document required to be delivered in connection herewith or therewith shall be untrue in any material respect (or, if qualified by materiality, in any respect) when made or deemed made; or

(e) Cross-Default. Any Loan Party or any Subsidiary (A) fails to make any payment beyond the applicable grace period, if any, whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise, in respect of any Indebtedness (other than Indebtedness hereunder) having an aggregate outstanding principal amount (individually or in the aggregate with all other Indebtedness as to which such a failure shall exist) of not less than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness, or any other event occurs (other than, with respect to Indebtedness consisting of Swap Contracts, termination events or equivalent events pursuant to the terms of such Swap Contracts and not as a result of any default thereunder by any Loan Party), the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; *provided* that this clause (e)(B) shall not apply to (1) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness; *provided*, *further*, that such failure is unremedied and is not waived by the holders of such Indebtedness prior to any termination of the Commitments or acceleration of the Loans pursuant to Section 8.01 or (2) pre-petition Indebtedness to the extent that any such payment shall not be required by, and the enforcement of remedies in connection with such pre-petition Indebtedness, is stayed by, the application of the Bankruptcy Code (including for the avoidance of doubt, the ABL Facilities); *provided* that no such event under the ABL Facilities (other than the failure of any Loan Party or any Subsidiary to make any payment beyond the applicable grace period, if any, whether by scheduled maturity, required prepayment,

acceleration, demand, or otherwise, in respect of the ABL Facilities) shall constitute an Event of Default under this Section 8.01(e) until the earliest to occur of (x) the acceleration of the Indebtedness under the ABL Facilities and (y) the exercise of any remedies by the ABL Administrative Agent in respect of any Collateral; or

(f) [Reserved].

(g) Judgments. There is entered against any Loan Party or any Subsidiary a final judgment or order for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage thereof) and such judgment or order shall not have been satisfied, vacated, discharged or stayed or bonded pending an appeal for a period of thirty (30) consecutive days; or

(h) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or would reasonably be expected to result in liability of any Loan Party or their respective ERISA Affiliates under Title IV of ERISA in an aggregate amount which would reasonably be expected to result in a Material Adverse Effect, (ii) any Loan Party or any of their respective ERISA Affiliates fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its Withdrawal Liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount which would reasonably be expected to result in a Material Adverse Effect, or (iii) with respect to a Foreign Plan a termination, withdrawal or noncompliance with applicable law or plan terms that would reasonably be expected to result in a Material Adverse Effect; or

(i) Invalidity of Loan Documents. Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder (including as a result of a transaction permitted under Section 7.04 or 7.05) or the satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party contests in writing the validity or enforceability of any provision of any Loan Document; or any Loan Party denies in writing that it has any or further liability or obligation under any Loan Document (other than as a result of repayment in full of the Obligations and termination of the Commitments), or purports in writing to revoke or rescind any Loan Document; or

(j) Collateral Documents. (i) Any Collateral Document after delivery thereof pursuant to Section 4.01 or 6.11 shall for any reason (other than pursuant to the terms hereof or thereof including as a result of a transaction permitted under Section 7.04 or 7.05) cease to create, or any Lien purported to be created by any Collateral Document shall be asserted in writing by any Loan Party not to be, a valid and perfected lien, with the priority required by the Collateral Documents (or other security purported to be created on the applicable Collateral) on and security interest in any material portion of the Collateral purported to be covered thereby, subject to Liens permitted under Section 7.01, except to the extent that any such loss of perfection or priority results from the failure of the DIP Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Collateral Documents or to file Uniform Commercial Code continuation statements and except as to Collateral consisting of real property to the extent that such losses are covered by a lender's title insurance policy and such insurer has not denied coverage, or (ii) any of the Equity Interests of the Borrower ceasing to be pledged pursuant to the Collateral Documents free of Liens other than Liens permitted by the DIP Order or any nonconsensual Liens arising solely by operation of Law; or

(k) [Reserved]; or

(l) Change of Control. There occurs any Change of Control; or

(m) Bankruptcy Related Events. The occurrence of any of the following in any of the Chapter 11 Cases, except to the extent consented to be the Required DIP Lenders (which may be evidenced by a Direction of the Required DIP Lenders) or if Lenders seek or support any such action:

(i) other than a motion in support of the DIP Order or actions in accordance with the TSA, the bringing of any motion, taking of any action, or the filing of any plan of reorganization or disclosure statement attendant thereto, by any of the Loan Parties or any Subsidiary in the Chapter 11 Cases (or the entry of an order of the Bankruptcy Court granting a motion) seeking: (A) to obtain additional financing under Section 364(c) or Section 364(d) of the Bankruptcy Code not otherwise permitted pursuant to this Agreement; (B) to grant any Lien other than Liens permitted under Section 7.01; (C) except as provided in the DIP Order, to use cash collateral of the DIP Agent and the other Secured Parties or Pre-Petition Lenders or Pre-Petition Administrative Agent under Section 363(c) of the Bankruptcy Code without the written consent of such parties; or (D) to approve any other action or actions adverse to the DIP Agent and Lenders' rights and remedies under the Loan Documents or the validity or perfection of their Liens on the Collateral;

(ii) other than in accordance with the TSA and the Plan, (A) the filing of any other plan of reorganization or disclosure statement attendant thereto, or any direct or indirect amendment to the Plan or any other such plan or disclosure statement, by a Loan Party that would not result in the Discharge of DIP Obligations on or before the effective date of the Plan or any other such plan or plans, (B) if any of the Loan Parties or their Subsidiaries shall seek, support or fail to contest in good faith the filing or confirmation of any such plan or entry of any such order that would not result in the Discharge of DIP Obligations on or before the effective date of such plan or plans, (C) the entry of any order terminating any Loan Party's exclusive right to file a plan of reorganization, or (D) the expiration of any Loan Party's exclusive right to file a plan of reorganization;

(iii) the entry of an order in any of the Chapter 11 Cases confirming a plan of reorganization that is not either (A) in accordance with the TSA or (B) otherwise acceptable to the Required DIP Lenders in their reasonable discretion, other than to the extent that such plan of reorganization provides for the Discharge of DIP Obligations on or before the effective date of such plan or plans;

(iv) (A) the entry of an order amending, supplementing, staying, revoking, reversing, vacating or otherwise modifying the Loan Documents, the Cash Management Order, or the DIP Order (including any order in respect of the Milestones specified herein), (B) the filing by a Loan Party of a motion for reconsideration with respect to the DIP Order or (C) any Loan Party or any Subsidiary shall fail to comply with the DIP Order and such default shall continue unremedied for a period of 3 Business Days after notice thereof from the DIP Agent to the Borrower;

(v) the appointment of an interim or permanent trustee in the Chapter 11 Cases or the appointment of an examiner in the Chapter 11 Cases with expanded powers (powers beyond those set forth in sections 1106(a)(3) and (a)(4) of the Bankruptcy Code) to operate or manage the financial affairs, the business, or reorganization of the Loan Parties under sections 1104(d) and 1106(b) of the Bankruptcy Code;

(vi) (A) the dismissal or conversion of any Chapter 11 Case or (B) any Loan Party shall file a motion or other pleading seeking the dismissal of the Chapter 11 Cases under Section 1112 of the Bankruptcy Code or otherwise;

(vii) any Loan Party shall file a motion (without consent of the Required DIP Lenders) seeking, or the Court shall enter an order granting, relief from or modifying the automatic stay of Section 362 of the Bankruptcy Code to allow any creditor (other than the DIP Agent) to execute upon or enforce a Lien on any Collateral of a value in excess of $50,000;

(viii) the entry of an order in the Chapter 11 Cases avoiding or requiring the disgorgement of any portion of the payments made on account of the Obligations owing under this Agreement, the other Loan Documents or the TSA;

(ix) other than in respect of this Agreement and the other Loan Documents, or as otherwise permitted under the applicable Loan Documents or the DIP Order, (A) the existence of any claims or charges, or the entry of any order of the Court authorizing any claims or charges entitled to superpriority administrative expense claim status in any Chapter 11 Case pursuant to Section 364(c)(1), clause (b) of

Section 503 or clause (b) of Section 507 of the Bankruptcy Code of the Bankruptcy Code *pari passu* with or senior to the claims of the DIP Agent and the Secured Parties under this Agreement and the other Loan Documents or (B) there shall arise or be granted by the Bankruptcy Court any Lien on the Collateral having a priority senior to or *pari passu* with the Liens and security interests granted by the Loan Documents;

(x) the DIP Order shall cease to be in full force and effect or shall have been reversed, modified, amended, stayed, vacated, or subject to stay pending appeal (other than through the entry of the Final Order), in each case so as to cause the DIP Order to cease to create a valid and perfected Lien on the Collateral (without further action other than the entry and terms of the DIP Order) to the extent it does so on the Closing Date;

(xi) an order in the Chapter 11 Cases shall be entered (i) charging any of, or authorizing the recovery of any amount from, the Collateral under Section 506(c) of the Bankruptcy Code, or (ii) prohibiting or limiting the extension under Section 552(b) of the Bankruptcy Code of the Liens of the Pre-Petition Administrative Agent on the Collateral to any proceeds, products, offspring, or profits of the Collateral acquired by any Loan Party after the Petition Date;

(xii) any order having been entered or granted (or requested, unless actively opposed by the Loan Parties) by either the Court or any other court of competent jurisdiction materially adversely impacting the rights of the DIP Agent and the Lenders under the Loan Documents;

(xiii) an order of the Court shall be entered denying or terminating use of cash collateral by the Loan Parties authorized by the DIP Order;

(xiv) if the Final Order does not (i) include a waiver, in form and substance reasonably satisfactory to the Required DIP Lenders, of the right to surcharge, or recover any amount from, the Collateral under Section 506(c) of the Bankruptcy Code and (ii) prohibit the imposition of any exception to the extension under Section 552(b) of the Bankruptcy Code of the Liens of the Pre-Petition Administrative Agent on the Collateral to any proceeds, products, offspring, or profits of the Collateral acquired by any Loan Party after the Petition Date;

(xv) (A) any Loan Party shall challenge (or support or encourage a challenge of) the validity, enforceability, perfection or priority (as applicable) of (1) the Pre-Petition Loan Documents (2) the Liens created pursuant to the foregoing, (3) the obligations thereunder, or (4) any payments made (I) to the DIP Agent or any Lender with respect to the Obligations or (II) to the Pre-Petition Administrative Agent or the Pre-Petition Lenders with respect to the obligations under the Pre-Petition Loan Documents, or (B) the filing of any motion by the Loan Parties seeking approval of (or the entry of an order by the Court approving) adequate protection to any pre-petition creditor in respect of liens on the Collateral that is inconsistent with the DIP Order;

(xvi) if, unless otherwise approved by the DIP Agent and the Required DIP Lenders, an order of the Court shall be entered providing for a change in venue with respect to the Chapter 11 Cases and such order shall not be reversed, vacated or stayed within 10 days;

(xvii) any Loan Party or any Subsidiary thereof shall file any motion or other request with the Court seeking to modify or affect any of the rights of the DIP Agent or the Lenders under the DIP Order or the Loan Documents;

(xviii) (A) any Loan Party or any Subsidiary thereof shall take any action in support of any matter prohibited by this Section 8.01(m) or (B) any other Person file a motion before the Bankruptcy Court seeking the entry of order in violation of this Section 8.01(m) and such motion is not contested in good faith by the Loan Parties and the relief requested is granted in an order that is not stayed pending appeal;

(xix) the filing of a motion or the taking of any action in the Chapter 11 Cases by any Loan Party seeking the entry of an order by the Bankruptcy Court, or the entry by the Bankruptcy Court of an order in the Chapter 11 Cases, precluding the DIP Agent or the Pre-Petition Administrative Agent from having the right to, or being permitted to, or precluding any Pre-Petition Lender from directing or instructing any of the foregoing parties to exercise the right to, "credit bid" in respect of applicable collateral;

(xx) the TSA shall have been terminated;

(xxi) the valid commencement of a suit or an action (but not including a motion for standing to commence a suit or an action) against the DIP Agent or any Lender or any Pre-Petition Administrative Agent or any Pre-Petition Lender and, as to any suit or action brought by any Person other than a Loan Party or a Subsidiary, officer or employee of a Loan Party, and the continuation thereof without dismissal for fifteen (15) days after service thereof on either the DIP Agent or such Lender or any Pre-Petition Administrative Agent or any Pre-Petition Lender, that asserts or seeks by or on behalf of a Loan Party, any official committee in any Chapter 11 Case or any other party in interest in any of the Chapter 11 Cases, a claim or any legal or equitable remedy that would, other than as contemplated by the DIP Order or the Cash Management Order, (x) have the effect of invalidating, subordinating or challenging (I) any or all of the Obligations or Liens of the DIP Agent or any Lender under the Loan Documents or (II) any material portion of the obligations under the Pre-Petition Loan Documents or Liens of the Pre-Petition Administrative Agents or the Pre-Petition Lenders under the Pre-Petition Loan Documents to any other claim, or (y) have a material adverse effect on the rights and remedies of the DIP Agent or any Lender under any Loan Document or the Pre-Petition Administrative Agent or Pre-Petition Lenders under the Pre-Petition Loan Documents or the collectability of all or any portion of the Obligations under the Loan Documents or the obligations under the Pre-Petition Loan Documents;

(xxii) any Debtor shall deny in writing that such Debtor has liability or obligation under this Agreement for the Obligations or seek to recover any monetary damages from the DIP Agent, any Lender or any of the Pre-Petition Administrative Agent or Pre-Petition Lenders in their capacity as such;

(xxiii) the Bankruptcy Court shall grant relief under any motion or other pleading filed by any Debtor that results in the occurrence of an Event of Default; *provided* that the Loan Parties hereby agree that the DIP Agent shall be entitled to request an expedited hearing on any such motion and hereby consent to such expedited hearing (and the DIP Agent is authorized to represent to the Bankruptcy Court that the Loan Parties have consented to such expedited hearing on the motion); and

(xxiv) a Cash Collateral Termination Event (as defined in the DIP Order) shall have occurred;

then, and in every such event, and at any time thereafter during the continuance of such event, the DIP Agent may, and at the request of the Required DIP Lenders shall, by notice to the Borrower, take any of the following actions, at the same or different times, in each case, subject to provisions of the DIP Order: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and during the continuance of an Event of Default, the DIP Agent may, and at the request of the Required DIP Lenders shall, exercise any rights and remedies provided to the DIP Agent under the DIP Order and the Loan Documents or at law or equity, including all remedies provided under the UCC, in each case, subject to the provisions of the DIP Order.

Any Event of Default under this Agreement or the other Loan Documents (and any Event of Default resulting from failure to provide notice thereof) shall be deemed not to be "continuing" or "existing" if the events, acts or conditions that gave rise to such Event of Default have been remedied or cured or have ceased to exist.

ARTICLE IX

DIP Agent and Other Agents

SECTION 9.01 Appointment and Authorization of the DIP Agent.

(a) Each Lender hereby irrevocably appoints Bank of America, N.A. to act on its behalf as the DIP Agent hereunder and under the other Loan Documents and authorizes the DIP Agent to take such actions on its behalf and to exercise such powers as are delegated to the DIP Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article IX (other than Sections 9.09 and 9.11) are solely for the benefit of the DIP Agent and the Lenders, and the Borrower shall not have rights as a third-party beneficiary of any such provision.

(b) The DIP Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders hereby irrevocably appoints and authorizes the DIP Agent to act as the agent of (and to hold any security interest created by the Collateral Documents for and on behalf of or in trust for) such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the DIP Agent, as "collateral agent" (and any co-agents, sub-agents and attorneys-in-fact appointed by the DIP Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the DIP Agent), shall be entitled to the benefits of all provisions of this Article IX (including Section 9.07, as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto. Without limiting the generality of the foregoing, the Lenders hereby expressly authorize the DIP Agent to execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Collateral Documents and acknowledge and agree that any such action by the DIP Agent shall bind the Lenders.

(c) Each Lender hereby irrevocably authorizes the DIP Agent, based upon the instruction of the Required DIP Lenders (but subject in all respects to the TSA), to credit bid and purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale thereof conducted by the DIP Agent or the DIP Agent under the provisions of the UCC, including pursuant to Sections 9-610 or 9-620 of the UCC (or any equivalent provision of the UCC), at any sale thereof conducted under the provisions of the Bankruptcy Code, including Section 363 of the Bankruptcy Code, or at any other sale or foreclosure conducted by the DIP Agent (whether by judicial action or otherwise) in accordance with applicable Laws. In no event shall the DIP Agent be obligated to take title to or possession of Collateral in its own name, or otherwise in a form or manner that may, in its reasonable judgment, expose it to liability; *provided that* if the DIP Agent declines to take title to or possession of Collateral because it exposes it to liability, it will promptly notify the Required DIP Lenders thereof.

(d) Each Lender irrevocably appoints each other Lender as its agent and bailee for the purpose of perfecting Liens (whether pursuant to Section 8-301(a)(2) of the UCC or otherwise), for the benefit of the Secured Parties, in assets in which, in accordance with the UCC or any other applicable Laws a security interest can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify the DIP Agent thereof, and, promptly following the DIP Agent's request therefor, shall deliver such Collateral to the DIP Agent or otherwise deal with such Collateral in accordance with the DIP Agent's instructions.

SECTION 9.02 Rights as a Lender. Any Person serving as DIP Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Person serving as an Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not an Agent hereunder and without any duty to account therefor to the Lenders. The Lenders acknowledge that, pursuant to such activities, the DIP Agent or its Affiliates may receive information regarding any Loan Party or any of its Affiliates (including information that may be subject to confidentiality obligations in favor of such Loan Party or such Affiliate) and acknowledge that the DIP Agent shall not be under any obligation to provide such information to them.

SECTION 9.03 Exculpatory Provisions. Neither the DIP Agent nor any other Agent shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, an Agent (including the DIP Agent):

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing and without limiting the generality of the foregoing, the use of the term "agent" herein and in the other Loan Documents with reference to DIP Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law and instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the DIP Agent is required to exercise as directed in writing by the Required DIP Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), *provided* that the DIP Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the DIP Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by any Person serving as the DIP Agent or any of its Affiliates in any capacity.

The DIP Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required DIP Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the DIP Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.01) or (ii) in the absence of its own gross negligence or willful misconduct as determined by the final judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein. The DIP Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the DIP Agent by the Borrower or a Lender.

No Agent-Related Person shall be responsible for or have any duty to ascertain or inquire into (i) any recital, statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the DIP Agent, or to inspect the properties, books or records of any Loan Party or any Affiliate thereof. The DIP Agent shall not be responsible for (i) perfecting, maintaining, monitoring, preserving or protecting the security interest or Lien granted under this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, (ii) the filing, re-filing, recording, re-recording or continuing or any document, financing statement, mortgage, assignment, notice, instrument of further assurance or other instrument in any public office at any time or times or (iii) providing, maintaining, monitoring or preserving insurance on (including any flood insurance policies or for determining whether any flood insurance policies are or should be obtained in respect of the Collateral, which each Lender shall be solely responsible for), or the payment of taxes with respect to, any of the Collateral. The DIP Agent shall not be required to qualify in any jurisdiction in which it is not presently qualified to perform its obligations as the DIP Agent.

The DIP Agent shall not be liable for any action omitted to be taken by it by reason of the lack of direction or instruction for such action (including, without limitation, for refusing to exercise discretion or for withholding its consent in the absence of receipt of, or resulting from a failure, delay or refusal on the part of any Lender to provide, written instructions to exercise such direction or grant such consent from any such Lender, as applicable). The DIP Agent shall have no liability for any failure, inability, unwillingness on the part of any Lender or Loan Party to provide accurate and complete information on a timely basis to the DIP Agent, or otherwise on the part of any such party to comply with the terms of this Agreement, and shall not have any liability for any inaccuracy or error in the performance or observance on the DIP Agent's part of any of its duties hereunder that is caused by or results from any such inaccurate, incomplete or untimely in-formation received by it, or other failure on the part of any such other party to comply with the terms hereof.

The DIP Agent shall not be liable for interest on any money received by it. Money held by the DIP Agent hereunder need not be segregated from other funds except to the extent required by law. The DIP Agent shall not have any liability for interest on any money received by it hereunder except as otherwise agreed in writing.

For purposes of clarity, and without limiting any rights, protections, immunities or indemnities afforded to either Agent hereunder (including without limitation this Article VIII), phrases such as "satisfactory to the DIP Agent," "approved by the DIP Agent," "acceptable to the DIP Agent," "as determined by the DIP Agent," "in the DIP Agent's discretion," "selected by the DIP Agent," "elected by the DIP Agent," "re-quested by the DIP Agent," and phrases of similar import that authorize and permit the DIP Agent to approve, disapprove, determine, act or decline to act in its discretion shall be subject to the DIP Agent receiving written direction from the Required Lenders (or such other number or percentage of the Lenders as expressly required hereunder or under the other Loan Documents) to take such action or to exercise such rights.

SECTION 9.04 Reliance by the DIP Agent. The DIP Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The DIP Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the DIP Agent may presume that such condition is satisfactory to such Lender unless the DIP Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The DIP Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The DIP Agent shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Required DIP Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The DIP Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required DIP Lenders (or such greater number of Lenders as may be expressly required hereby in any instance) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders; *provided* that the DIP Agent shall not be required to take any action that, in its opinion or in the opinion of its counsel, may expose the DIP Agent to liability or that is contrary to any Loan Document or applicable Law.

SECTION 9.05 Delegation of Duties. The DIP Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Documents by or through any one or more sub-agents appointed by the DIP Agent. The DIP Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Agent-Related Persons. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Agent-Related Persons of the DIP Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as DIP Agent.

SECTION 9.06 Non-Reliance on DIP Agent and Other Lenders; Disclosure of Information by Agents. Each Lender acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by the DIP Agent hereafter taken, including any consent to and acceptance of any assignment or review of the affairs of any Loan Party or any Affiliate thereof, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Lender represents to each the DIP Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their respective Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower and the other Loan Parties hereunder. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and the other Loan Parties. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the DIP Agent herein, the DIP Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their respective Affiliates which may come into the possession of any Agent-Related Person.

SECTION 9.07 Indemnification of Agents. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand the DIP Agent and each other Agent-Related Person (solely to the extent any such Agent-Related Person was performing services on behalf of the DIP Agent) (to the extent not reimbursed by or on behalf of any Loan Party and without limiting the obligation of any Loan Party to do so), pro rata, and hold harmless the DIP Agent and each other Agent-Related Person (solely to the extent any such Agent-Related Person was performing services on behalf of the DIP Agent) from and against any and all Indemnified Liabilities incurred by it; *provided* that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting from such Agent-Related Person's own gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction; *provided* that no action taken in accordance with the directions of the Required DIP Lenders (or such other number or percentage of the Lenders as shall be required by the Loan Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 9.07. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Liabilities, this Section 9.07 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse the DIP Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the DIP Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the DIP Agent is not reimbursed for such expenses by or on behalf of the Borrower, *provided* that such reimbursement by the Lenders shall not affect the Borrower's continuing reimbursement obligations with respect thereto, *provided*, *further*, that the failure of any Lender to indemnify or reimburse the DIP Agent shall not relieve any other Lender of its obligation in respect thereof. The undertaking in this Section 9.07 shall survive termination of the Commitments, the payment of all other Obligations and the resignation of the DIP Agent.

SECTION 9.08 No Other Duties; Other Agents, Managers, Etc. Anything herein to the contrary notwithstanding, the DIP Agent listed on the cover page hereof shall have no powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the DIP Agent or a Lender hereunder and such Persons shall have the benefit of this Article IX. Without limiting the foregoing, none of the Lenders or other Persons so identified shall have or be deemed to have any agency or fiduciary or trust relationship with any Lender, Holdings, the Borrower or any of their respective Subsidiaries. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

SECTION 9.09 Resignation of DIP Agent. The DIP Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required DIP Lenders shall have the right, with the consent of the Borrower at all times other than during the existence of an Event of Default (which consent of the Borrower shall not be unreasonably withheld or delayed), to appoint a successor, which shall be a Lender or a bank with an office in the United States, or an Affiliate of any such Lender or bank with an office in the United States. If no such successor shall have been so appointed by the Required DIP Lenders and shall have accepted such appointment within thirty (30) days after the retiring DIP Agent gives notice of its resignation, then the retiring DIP Agent, may on behalf of the Lenders, appoint a successor DIP Agent, meeting the qualifications set forth above; *provided* that if the DIP Agent, shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring DIP Agent, shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the DIP Agent, on behalf of the Lenders under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor of such Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the DIP Agent shall instead be made by or to each Lender directly, until such time as the Required DIP Lenders appoint a successor DIP Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as DIP Agent, hereunder and upon the execution and filing or recording of such financing statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Required DIP Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Collateral Documents, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) DIP Agent, and the retiring DIP Agent, shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor DIP Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Sections 10.04 and 10.05 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Agent-Related Persons in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as DIP Agent.

SECTION 9.10 DIP Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the DIP Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the DIP Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the DIP Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the DIP Agent and their respective agents and counsel and all other amounts due the Lenders and the DIP Agent under Sections 2.07 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the DIP Agent and, in the event that the DIP Agent shall consent to the making of such payments directly to the Lenders, to pay to the DIP Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the DIP Agent and its respective agents and counsel, and any other amounts due the DIP Agent under Sections 2.07 and 10.04.

Nothing contained herein shall be deemed to authorize the DIP Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the DIP Agent to vote in respect of the claim of any Lender in any such proceeding.

The holders of the Obligations hereby irrevocably authorize the DIP Agent, at the direction of the Required DIP Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which a Loan Party is subject or (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the DIP Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the holders thereof shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the DIP Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (*provided* that any actions by the DIP Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required DIP Lenders), irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required DIP Lenders contained in Section 10.01 of this Agreement, (iii) the DIP Agent shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Lender or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Lender or any acquisition vehicle to take any further action.

SECTION 9.11 Collateral and Guaranty Matters. Each of the Lenders (including in its capacities as a potential Cash Management Bank and a potential Hedge Bank) irrevocably authorizes the DIP Agent, solely to the extent that the DIP Agent has received a Direction of the Required DIP Lenders, the DIP Agent agrees that it will:

(a) release any Lien on any property granted to or held by the DIP Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than (x) obligations and liabilities under Secured Hedge Agreements as to which arrangements satisfactory to the applicable Hedge Bank shall have been made, (y) Cash Management Obligations as to which arrangements satisfactory to the applicable Cash Management Bank shall have been made and (z) contingent indemnification obligations not yet accrued and payable), (ii) at the time the property subject to such Lien is transferred or to be transferred as part of or in connection with any transfer permitted hereunder or under any other Loan Document to any Person other than Holdings, the Borrower or any of its Domestic Subsidiaries that are Guarantors, (iii) subject to Section 10.01, if the release of such Lien is approved, authorized or ratified in writing by the Required DIP Lenders, (iv) if the property subject to such Lien is owned by a Guarantor, upon release of such Guarantor from its obligations under its Guaranty pursuant to clause (c) below, (v) such property becoming an Excluded Asset or (vi) pursuant to the Exit Conversion upon consummation of a Chapter 11 Plan;

(b) release or subordinate any Lien on any property granted to or held by the DIP Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(i);

(c) release any Guarantor from its obligations under the Guaranty and release (or acknowledge the release of) any Liens granted by such Guarantor if in the case of any Subsidiary as a result of a transaction or designation permitted hereunder; *provided* that no such release shall occur if such Guarantor continues to be a guarantor in respect of the ABL Facilities; and

(d) if any Guarantor shall cease to be a Subsidiary (as certified in writing by a Responsible Officer of the Borrower), and the Borrower notifies the DIP Agent in writing that it wishes such Guarantor to be released from its obligations under the Guaranty and provides the DIP Agent such certifications or documents as the DIP Agent shall reasonably request, (i) release such Guarantor from its obligations under the Guaranty and (ii) release any Liens granted by such Guarantor or Liens on the Equity Interests of such Guarantor; *provided* that no such release shall occur if such Subsidiary continues to be a guarantor in respect of the ABL Facilities.

Upon request by the DIP Agent at any time, the Required DIP Lenders will confirm in writing the DIP Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.11. In each case as specified in this Section 9.11, the DIP Agent will (and each Lender irrevocably authorizes the DIP Agent to), at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release or subordination of such item of Collateral from the assignment and security interest granted under the Collateral Documents, or to evidence the release of such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.11.

Anything contained in any of the Loan Documents to the contrary notwithstanding, the DIP Agent, each Lender and each Secured Party hereby agree that:

(i) no provision of any Loan Documents shall require the creation, perfection or maintenance of pledges of or security interests in, or the obtaining of title insurance or abstracts with respect to, any Excluded Assets and any other particular assets, if and for so long as, in the reasonable judgment of the DIP Agent (acting at the Direction of the Required DIP Lenders), the cost of creating, perfecting or maintaining such pledges or security interests in such other particular assets or obtaining title insurance or abstracts in respect of such other particular assets is excessive in view of the fair market value of such assets or the practical benefit to the Lenders afforded thereby; and

(ii) the DIP Agent (acting at the Direction of the Required DIP Lenders) may grant extensions of time for the creation or perfection of security interests in or the obtaining of title insurance and surveys with respect to particular assets (including extensions beyond the Closing Date for the creation or perfection of security interests in the assets of the Loan Parties on such date) where it reasonably determines, in consultation with the Borrower, that creation or perfection cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the Collateral Documents.

SECTION 9.12 Appointment of Supplemental DIP Agents.

(a) It is the purpose of this Agreement and the other Loan Documents that there shall be no violation of any Law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as agent or trustee in such jurisdiction. It is recognized that in case of litigation under this Agreement or any of the other Loan Documents, and in particular in case of the enforcement of any of the Loan Documents, or in case the DIP Agent deems that by reason of any present or future Law of any jurisdiction it may not exercise any of the rights, powers or remedies granted herein or in any of the other Loan Documents or take any other action which may be desirable or necessary in connection therewith, the DIP Agent is hereby authorized to appoint an additional individual or institution selected by the DIP Agent in its sole discretion as a separate trustee, co-trustee, DIP Agent, collateral agent, administrative sub-agent or administrative co-agent (any such additional individual or institution being referred to herein individually as a "**Supplemental DIP Agent**" and collectively as "**Supplemental DIP Agents**").

(b) In the event that the DIP Agent appoints a Supplemental DIP Agent with respect to any Collateral, (i) each and every right, power, privilege or duty expressed or intended by this Agreement or any of the other Loan Documents to be exercised by or vested in or conveyed to the DIP Agent with respect to such Collateral

shall be exercisable by and vest in such Supplemental DIP Agent to the extent, and only to the extent, necessary to enable such Supplemental DIP Agent to exercise such rights, powers and privileges with respect to such Collateral and to perform such duties with respect to such Collateral, and every covenant and obligation contained in the Loan Documents and necessary to the exercise or performance thereof by such Supplemental DIP Agent shall run to and be enforceable by either the DIP Agent or such Supplemental DIP Agent, and (ii) the provisions of this Article IX and of Sections 10.04 and 10.05 that refer to the DIP Agent shall inure to the benefit of such Supplemental DIP Agent and all references therein to the DIP Agent shall be deemed to be references to the DIP Agent and/or such Supplemental DIP Agent, as the context may require.

SECTION 9.13 [Reserved].

SECTION 9.14 Secured Cash Management Agreements and Secured Hedge Agreements. Except as otherwise expressly set forth herein or in any Guaranty or any Collateral Document, no Cash Management Bank or Hedge Bank that obtains the benefits of this Agreement, any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the DIP Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements unless the DIP Agent has received written notice of such Obligations, together with such supporting documentation as the DIP Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

SECTION 9.15 [Reserved].

SECTION 9.16 Erroneous Payments.

(a) Without limitation of any other provision in this Agreement, if at any time the DIP Agent makes a payment hereunder in error to any Lender, whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Lender receiving a Rescindable Amount severally agrees to repay to the DIP Agent forthwith on demand the Rescindable Amount received by such Lender in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the DIP Agent, at the greater of the Federal Funds Rate and a rate determined by the DIP Agent in accordance with banking industry rules on interbank compensation. Each Lender irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The DIP Agent shall inform each Lender promptly upon determining that any payment made to such Lender comprised, in whole or in part, a Rescindable Amount.

(b) If the DIP Agent notifies a Lender or other Secured Party, or any other Person who has received funds on behalf of a Lender or other Secured Party (any such Lender, Secured Party or other recipient, a "**Payment Recipient**") that the DIP Agent has determined in its sole reasonable discretion that any funds received by such Payment Recipient from the DIP Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "**Erroneous Payment**") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the DIP Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the DIP Agent, and such Payment Recipient shall promptly, but in no event later than one (1) Business Day thereafter, return to the DIP Agent, in same day funds (in the currency so received), the amount of any such Erroneous Payment (or portion thereof), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the DIP Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the DIP Agent (acting at the Direction of the Required DIP Lenders)

in accordance with prevailing banking industry rules on interbank compensation from time to time in effect. To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the DIP Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine. A notice of the DIP Agent to any Payment Recipient under this clause (b) shall be conclusive, absent manifest error.

(c) Without limiting immediately preceding clause (b), each Payment Recipient hereby further agrees that if it receives an Erroneous Payment from the DIP Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the DIP Agent (or any of its Affiliates) with respect to such Erroneous Payment (the "**Payment Notice**"), or (y) that was not preceded or accompanied by a Payment Notice sent by the DIP Agent (or any of its Affiliates), then, said Payment Recipient shall be on notice, in each case, that an error has been made with respect to such Erroneous Payment. Each Payment Recipient agrees that, in each such case, or if it otherwise becomes aware an Erroneous Payment (or portion thereof) may have been sent in error, such Payment Recipient shall promptly notify the DIP Agent of such occurrence and, upon demand from the DIP Agent, it shall promptly, but in no event later than one (1) Business Day thereafter, return to the DIP Agent the amount of any such Erroneous Payment (or portion thereof) in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the DIP Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the DIP Agent (acting at the Direction of the Required DIP Lenders) in accordance with prevailing banking industry rules on interbank compensation from time to time in effect.

(d) Each Payment Recipient hereby authorizes the DIP Agent to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by the DIP Agent to such Payment Recipient from any source, against any amount due to the DIP Agent under any of the immediately preceding clauses (b) or (c) or under the indemnification provisions of this Agreement.

(e) In the event that an Erroneous Payment (or portion thereof) is not recovered by the DIP Agent for any reason, after demand therefor by the DIP Agent (such unrecovered amount, an "**Erroneous Payment Return Deficiency**"), the Borrower and each other Loan Party hereby agrees that (x) the DIP Agent shall be subrogated to all the rights of such Payment Recipient with respect to such amount (including, without limitation, the right to sell and assign the Loans (or any portion thereof), which were subject to the Erroneous Payment Return Deficiency) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Secured Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the DIP Agent from the Borrower or any other Loan Party for the purpose of making such Erroneous Payment. For the avoidance of doubt, no assignment of an Erroneous Payment Return Deficiency will reduce the Commitments of any Payment Recipient and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the DIP Agent has sold a Loan (or portion thereof) acquired pursuant to the assignment of an Erroneous Payment Return Deficiency, and irrespective of whether the DIP Agent may be equitably subrogated, the DIP Agent shall be contractually subrogated to all the rights and interests of the applicable Payment Recipient under the Loan Documents with respect to each Erroneous Payment Return Deficiency (for the avoidance of doubt, without increasing the Obligations owed by the Borrower or any other Loan Party with respect to the Erroneous Payment Return Deficiency).

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the DIP Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 9.16 shall survive the resignation or replacement of the DIP Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Secured Obligations (or any portion thereof) under any Loan Document.

ARTICLE X

Miscellaneous

SECTION 10.01 Amendments, Etc. Except as otherwise set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required DIP Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the DIP Agent and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided* that, no such amendment, waiver or consent shall:

(a) except by reason of the Exit Conversion, extend or increase the Commitment of any Lender without the written consent of each Lender directly affected thereby (it being understood that a waiver of any condition precedent set forth in Section 4.01 or 4.02 or the waiver of any Default, mandatory prepayment or mandatory reduction of the Commitments shall not constitute an extension or increase of any Commitment of any Lender);

(b) except by reason of the Exit Conversion, postpone any date scheduled for, or reduce the amount of, any payment of principal or interest under Section 2.05 or 2.06 without the written consent of each Lender directly affected thereby, it being understood that the waiver of (or amendment to the terms of) any mandatory prepayment of the Loans shall not constitute a postponement of any date scheduled for the payment of principal or interest;

(c) except by reason of the Exit Conversion, reduce the principal of, or the rate of interest specified herein on, any Loan, or (subject to clause (i) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; *provided* that (i) only the consent of the Required DIP Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest at the Default Rate and (ii) the waiver of (or amendment to the terms of) any mandatory prepayment of the Loans shall not constitute a postponement of any date scheduled for the payment of principal or interest;

(d) change any provision of this Section 10.01 or the definition of "Required DIP Lenders," or "Pro Rata Share" or any other provision specifying the number of Lenders or portion of the Loans or Commitments required to take any action under the Loan Documents, without the written consent of each Lender affected thereby;

(e) except as contemplated by Section 9.11(i) and in connection with the Exit Conversion (i) subordinate the Obligations in right of payment to any other obligations or (ii) subordinate the Liens on all or substantially all of the Collateral, in each case, without the written consent of each Lender directly and adversely affected thereby;

(f) change the order of application of any reduction in the Commitments or any prepayment of Loans from the application thereof set forth in the applicable provisions of Section 2.10(e) or 2.10(f), respectively, in any manner that materially and adversely affects any Lender without the written consent of such Lender;

(g) other than in a transaction permitted under Section 7.04 or Section 7.05 and in connection with the Exit Conversion, release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender;

(h) other than in a transaction permitted under Section 7.04 or Section 7.05, release all or substantially all of the aggregate value of the Guaranty, without the written consent of each Lender;

(i) to the extent not otherwise permitted by this Agreement as in effect on the Closing Date, authorize additional Indebtedness that would be issued under the Loan Documents for the purpose of influencing voting thresholds;

(j) amend or modify the definition of "Material Intellectual Property" or the last paragraph of Section 7.02, the last paragraph of Section 7.05 and the last paragraph of Section 7.06;

(k) (A) subordinate the Obligations in right of payment to any other Indebtedness or (B) subordinate the Liens securing the Obligations priority to the Liens securing any other Indebtedness, in each case without the consent of each Lender;

(l) permit the creation or existence of any Subsidiary that would be "unrestricted" or otherwise excluded from the requirements, taken as a whole, applicable to Subsidiaries pursuant to the Loan Documents without the consent of each Lender; or

(m) amend, modify or otherwise affect the rights or duties of the DIP Agent hereunder without the prior written consent of the DIP Agent

and *provided*, *further*, that (i) no amendment, waiver or consent shall, unless in writing and signed by the DIP Agent in addition to the Lenders required above, affect the rights or duties of, or any fees or other amounts payable to, the DIP Agent under this Agreement or any other Loan Document and (ii) Section 10.07(g) may not be amended, waived or otherwise modified without the consent of each Granting Lender all or any part of whose Loans are being funded by an SPC at the time of such amendment, waiver or other modification.

Notwithstanding anything to the contrary contained in this Section 10.01, guarantees, collateral security documents and related documents executed by Subsidiaries in connection with this Agreement may be in a form reasonably determined by the DIP Agent and may be, together with this Agreement, amended and waived with the consent of the DIP Agent at the request of the Borrower without the need to obtain the consent of any other Lender if such amendment or waiver is delivered in order (i) to comply with local Law or advice of local counsel, (ii) to cure ambiguities or defects or (iii) to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Loan Documents.

SECTION 10.02 Notices and Other Communications; Facsimile Copies.

(a) General. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to Holdings, the Borrower or the DIP Agent, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(b) Electronic Communication. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the DIP Agent, *provided* that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender, as applicable, has notified the DIP Agent that it is incapable of receiving notices under such Article by electronic communication. The DIP Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

(c) Unless the DIP Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(d) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE," THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the DIP Agent or any of its Agent-Related Persons (collectively, the "**Agent Parties**") have any liability to Holdings, the Borrower, any Lender, or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the DIP Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; *provided*, *however*, that in no event shall any Agent Party have any liability to Holdings, the Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(e) Change of Address. Each of Holdings, the Borrower and the DIP Agent may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower and the DIP Agent. In addition, each Lender agrees to notify the DIP Agent from time to time to ensure that the DIP Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities Laws.

(f) Reliance by the DIP Agent. The DIP Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the DIP Agent each Lender and the Agent-Related Persons of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the DIP Agent may be recorded by the DIP Agent, and each of the parties hereto hereby consents to such recording.

SECTION 10.03 No Waiver; Cumulative Remedies. No failure by any Lender or the DIP Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

SECTION 10.04 Attorney Costs and Expenses. The Borrower agrees to (a) pay or reimburse the DIP Agent, and the Lenders for all out-of-pocket costs and expenses incurred in connection with the preparation, negotiation, syndication and execution of this Agreement and the other Loan Documents and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated thereby are consummated), and the consummation and administration of the transactions contemplated hereby and thereby, including all fees, charges and disbursements of the Lender Advisors and, if reasonably necessary, one local counsel in each relevant jurisdiction material to the interests of the Lenders taken as a whole, and (b) to pay or reimburse the DIP Agent and the Lenders for all documented out-of-pocket costs and expenses, including any and all recording and filing fees, cost and expenses incurred pursuant to any Collateral Document, the reasonable fees, charges and disbursements of ArentFox Schiff LLP, as lead counsel to the DIP Agent incurred in connection with the enforcement of any rights or remedies under this Agreement or the other Loan Documents (including all such costs and expenses incurred during any legal proceeding, including any proceeding under any Debtor Relief Law, and including all Attorney Costs of one counsel to the DIP Agent and one counsel to the Lenders (and, if reasonably necessary, one local counsel in any relevant material jurisdiction and, in the event of any conflict of interest, one additional counsel in each relevant jurisdiction to each group of affected Lenders similarly situated taken as a whole)). The agreements in this Section 10.04 shall survive the termination of the Commitments and repayment of all other Obligations. All amounts due under this Section 10.04 shall be paid promptly following receipt by the Borrower of an invoice relating thereto setting forth such expenses in reasonable detail and such backup material as the Borrower may reasonably request. If any Loan Party fails to pay when due any costs, expenses or other amounts payable by it hereunder or under any Loan Document, such amount may be paid on behalf of such Loan Party by the DIP Agent in its sole discretion. The Borrower and each other Loan Party hereby acknowledge that the DIP Agent and/or any Lender may receive a benefit, including without limitation, a discount, credit or other accommodation, from any of such counsel based on the fees such counsel may receive on account of their relationship with the DIP Agent and/or such Lender, including, without limitation, fees paid pursuant to this Agreement or any other Loan Document.

SECTION 10.05 Indemnification by the Borrower. The Loan Parties shall, jointly and severally, indemnify and hold harmless the DIP Agent, each Lender and their respective Affiliates, directors, officers, employees, agents, partners, trustees or advisors and other representatives (collectively the "**Indemnitees**") from and against any and all liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses and disbursements (including Attorney Costs) of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against any such Indemnitee in any way relating to or arising out of or in connection with (but limited, in the case of legal fees and expenses, to the reasonable and documented out-of-pocket fees, disbursements and other charges of one counsel to all Indemnitees taken as a whole and, if reasonably necessary, a single local counsel for all Indemnitees taken as a whole in each relevant jurisdiction that is material to the interest of the Lenders, and solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction to each group of affected Indemnitees similarly situated taken as a whole) (a) the execution, delivery, enforcement, performance or administration of any Loan Document or any other agreement, letter or instrument delivered in connection with the transactions contemplated thereby or the consummation of the transactions contemplated thereby, (b) any Commitment, Loan or the use or proposed use of the proceeds therefrom, or (c) any actual or alleged presence or release of Hazardous Materials on or from any property currently or formerly owned or operated by the Borrower, any Subsidiary or any other Loan Party, or any Environmental Liability arising out of the activities or operations of the Borrower, any Subsidiary or any other Loan Party, or (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory (including any investigation of, preparation for, or defense of any pending or threatened claim, investigation, litigation or proceeding) and regardless of whether any Indemnitee is a party thereto (all the foregoing, collectively, the "**Indemnified Liabilities**"); *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses or disbursements resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnitee

or of any affiliate, director, officer, employee or agent of such Indemnitee, (y) a material breach of any obligations under any Loan Document by such Indemnitee or of any Related Indemnified Person as determined by a final, non-appealable judgment of a court of competent jurisdiction or (z) any dispute solely among Indemnitees other than any claims against an Indemnitee in its capacity or in fulfilling its role as an administrative agent or arranger or any similar role under the DIP Facility and other than any claims arising out of any act or omission of the Borrower or any of its Affiliates. To the extent that the undertakings to indemnify and hold harmless set forth in this Section 10.05 may be unenforceable in whole or in part because they are violative of any applicable law or public policy, the Borrower shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by the Indemnitees or any of them. No Indemnitee shall be liable for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement, nor shall any Indemnitee or any Loan Party have any liability for any special, punitive, indirect or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date) (other than, in the case of any Loan Party, in respect of any such damages incurred or paid by an Indemnitee to a third party). In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 10.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, its directors, stockholders or creditors or an Indemnitee or any other Person, whether or not any Indemnitee is otherwise a party thereto and whether or not any of the transactions contemplated hereunder or under any of the other Loan Documents is consummated. All amounts due under this Section 10.05 shall be paid within twenty (20) Business Days after written demand therefor. The agreements in this Section 10.05 shall survive the resignation of the DIP Agent, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Obligations. This Section 10.05 shall not apply to Taxes, except any Taxes that represent liabilities, obligations, losses, damages, etc., arising from any non-Tax claim.

SECTION 10.06 Marshaling; Payments Set Aside. None of the DIP Agent or any Lender shall be under any obligation to marshal any assets in favor of the Loan Parties or any other party or against or in payment of any or all of the Obligations. To the extent that any payment by or on behalf of the Borrower is made to the DIP Agent or any Lender, or the DIP Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the DIP Agent upon demand its applicable share of any amount so recovered from or repaid by the DIP Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect.

SECTION 10.07 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither Holdings nor the Borrower may, except as permitted by Section 7.04, assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the DIP Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section, or (iv) to an SPC in accordance with the provisions of subsection (g) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Agent-Related Persons of each of the DIP Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) to any Person that is or becomes a party to the TSA; *provided* that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment or, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the DIP Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $1,000,000 unless each of the DIP Agent and, so long as no Event of Default under Section 8.01(a) or, solely with respect to the Borrower or any Guarantor, Section 8.01(f) has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); *provided*, *however*, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned; provided that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations separately in respect of the Interim Term Loans (or any tranche thereunder) and the Final Term Loans on a non-pro rata basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed) shall be required unless (1) an Event of Default under Section 8.01(a) or, solely with respect to the Borrower, Section 8.01(f), has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that if the Borrower does not respond to a request for an assignment within ten (10) Business Days after receiving written notice of a request for such consent, the Borrower shall be deemed to have consented to such assignment; and

(B) the consent of the DIP Agent (such consent not to be unreasonably withheld, conditioned or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender.

Notwithstanding anything herein to the contrary, each of the DIP Agent and the Borrower hereby consents to each assignment of Loans effected (or to be effected) to ultimate lenders of record under this Agreement (the identities of which were disclosed in writing to the Borrower and/or the Sponsor prior to the Closing Date) in connection with the primary syndication of the Loans.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the DIP Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; *provided* that the DIP Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The Eligible Assignee, if it shall not be a Lender, shall deliver to the DIP Agent an Administrative Questionnaire.

(v) No Assignments to Certain Persons. No such assignment shall be made (A) to Holdings, the Borrower or any of the Borrower's Subsidiaries, (B) subject to subsection (h) below, any of the Borrower's Affiliates, (C) to a natural person or an investment vehicle of a natural person or (D) any Disqualified Institution to the extent that the list of Disqualified Institutions has been provided to all Public Lenders on the Platform.

Subject to acceptance and recording thereof by the DIP Agent pursuant to clause (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, 10.04 and 10.05 with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, and the surrender by the assigning Lender of its Note, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) The DIP Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the DIP Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and related interest amounts) of the Loans, owing to each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the DIP Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the DIP Agent and any Lender, at any reasonable time and from time to time upon reasonable prior notice. This Section 10.07(c) and Section 2.09 shall be construed so that all Loans are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(7) and 881(c)(7) of the Code and any related Treasury regulations (or any other relevant or successor provisions of the Code or of such Treasury regulations).

(d) Any Lender may at any time, without the consent of, or notice to, the Borrower or the DIP Agent, sell participations to any Person (other than a natural person, an investment vehicle of a natural person or, to the extent that the list of Disqualified Institutions has been provided to all Public Lenders on the Platform, any Disqualified Institution or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the DIP Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that directly affects such Participant. Subject to subsection (e) of this Section, the Borrower agrees that each Participant shall be entitled (through the applicable Lender) to the benefits of Sections 3.01, 3.04 and 3.05 (subject to the requirements and limitations of such Sections (including the limitation in the definition of "Excluded Taxes"), and Sections 3.06(a) and 3.07, as if the Participant were a Lender) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by applicable Law, each Participant also shall be entitled to the benefits of Section 10.09 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.11 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01, 3.04 or 3.05 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (not to be unreasonably withheld, conditioned or delayed). Each Lender that sells a participation shall (acting solely for this purpose as a non-fiduciary agent of the Borrower) maintain a register on which is entered the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "**Participant Register**"). A Lender shall not be obligated to disclose the Participant Register to any Person except to the extent such disclosure is necessary to establish that any Loan or other obligation is in registered form under Section 5f.103-1(c) or proposed Section 1.163-5(b) of the United States Treasury regulations (or any amended or successor version). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Notwithstanding anything to the contrary contained herein, any Lender (a "**Granting Lender**") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the DIP Agent and the Borrower (an "**SPC**") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. Each party hereto hereby agrees that an SPC shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 (subject to the requirements and limitations of such Sections (including the limitation in the definition of "Excluded Taxes"), and Sections 3.06(a) and 3.07, as if the SPC were a Lender); provided, that neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrower under this Agreement (including its obligations under Sections 3.01, 3.04 or 3.05) unless such increase or change results from a Change in Law after the grant was made. Each party hereto further agrees that (i) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender would be liable and (ii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the lender of record hereunder. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior debt of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding under the Laws of the United States or any State thereof. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Borrower and the DIP Agent and with the payment of a processing fee of $3,500 (which processing fee may be waived by the DIP Agent in its sole discretion), assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or Guarantee or credit or liquidity enhancement to such SPC.

SECTION 10.08 Confidentiality. Each of the DIP Agent and the Lenders agrees to maintain the confidentiality of the Information in accordance with its customary procedures (as set forth below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, trustees, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners); *provided* that the DIP Agent or such Lender, as applicable, agrees that it will notify the Borrower as soon as practicable prior to any such disclosure by such Person unless such notification is prohibited by law, rule or regulation or except in connection with any request as part of a regulatory examination, (c) to the extent required by applicable Laws or

regulations or by any subpoena or similar legal process, *provided* that the DIP Agent or such Lender, as applicable, agrees that it will notify the Borrower as soon as practicable in the event of any such disclosure by such unless such notification is prohibited by law, rule or regulation or except in connection with any request as part of a regulatory examination, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions at least as restrictive as those of this Section 10.08, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement (other than to a Disqualified Institution; *provided* that the list of Disqualified Institutions may be provided) or (ii) any actual or prospective direct or indirect counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower, (h) to any rating agency when required by it (it being understood that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Information relating to the Loan Parties received by it from the DIP Agent or such Lender) or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the DIP Agent, any Lender, or any of their respective Affiliates on a nonconfidential basis from a source other than Holdings, the Borrower or any Subsidiary thereof, and which source is not known by such Agent or Lender to be subject to a confidentiality restriction in respect thereof in favor of the Borrower or any Affiliate of the Borrower.

For purposes of this Section, "**Information**" means all information received from any Loan Party or any Subsidiary thereof relating to any Loan Party or any Subsidiary thereof or their respective businesses, other than any such information that is available to the DIP Agent or any Lender on a nonconfidential basis prior to disclosure by any Loan Party or any Subsidiary thereof; it being understood that all information received from Holdings, the Borrower or any Subsidiary after the Closing Date shall be deemed confidential unless such information is clearly identified at the time of delivery as not being confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so in accordance with its customary procedures if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the DIP Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

SECTION 10.09 Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the DIP Agent, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its Affiliates may have. Each Lender agrees to notify the Borrower and the DIP Agent promptly after any such setoff and application, *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 10.10 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "**Maximum Rate**"). If the DIP Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by an Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

SECTION 10.11 Counterparts; Integration; Effectiveness. This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "**Communication**"), including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. Each of the Loan Parties agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on each of the Loan Parties to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of each of the Loan Parties enforceable against such in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the DIP Agent and each of the Lenders of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The DIP Agent and each of the Lenders may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("**Electronic Copy**"), which shall be deemed created in the ordinary course of the such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the DIP Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the DIP Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the DIP Agent has agreed to accept such Electronic Signature, the DIP Agent and each of the Lenders shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Loan Party without further verification and (b) upon the request of the DIP Agent or any Lender, any Electronic Signature shall be promptly followed by such manually executed counterpart. For purposes hereof, "**Electronic Record**" and "**Electronic Signature**" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

SECTION 10.12 Electronic Execution of Assignments and Certain Other Documents. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state Laws based on the Uniform Electronic Transactions Act.

SECTION 10.13 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the DIP Agent and each Lender, regardless of any investigation made by the DIP Agent or any Lender or on their behalf and notwithstanding that the DIP Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

SECTION 10.14 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.15 GOVERNING LAW.

(a) THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) THE BORROWER, HOLDINGS, THE DIP AGENT AND EACH LENDER EACH IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK CITY IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH PARTY HERETO AGREES THAT THE DIP AGENT AND LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY LOAN PARTY IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER ANY COLLATERAL DOCUMENT OR THE ENFORCEMENT OF ANY JUDGMENT.

(c) THE BORROWER, HOLDINGS, THE DIP AGENT AND EACH LENDER EACH IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (b) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 10.16 WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10.17 Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower, Holdings and the DIP Agent and the DIP Agent shall have been notified by each Lender that each such Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, Holdings, each Agent and each Lender and their respective successors and assigns.

SECTION 10.18 Lender Action. Each Lender agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against any Loan Party under any of the Loan Documents or the Secured Hedge Agreements (including the exercise of any right of setoff, rights on account of any banker's lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise

commence any remedial procedures, with respect to any Collateral or any other property of any such Loan Party, without the prior written consent of the DIP Agent (which shall not be withheld in contravention of Section 9.04). The provision of this Section 10.18 are for the sole benefit of the Lenders and shall not afford any right to, or constitute a defense available to, any Loan Party.

SECTION 10.19 Use of Name, Logo, etc. Each Loan Party consents to the publication in the ordinary course by DIP Agent of customary advertising material relating to the financing transactions contemplated by this Agreement using such Loan Party's name, product photographs, logo or trademark. Such consent shall remain effective until revoked by such Loan Party in writing to the DIP Agent.

SECTION 10.20 USA PATRIOT Act. Each Lender that is subject to the USA PATRIOT Act and the DIP Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the DIP Agent, as applicable, to identify each Loan Party in accordance with the USA PATRIOT Act. The Borrower shall, promptly following a request by the DIP Agent or any Lender, provide all documentation and other information that the DIP Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and Beneficial Ownership Regulation.

SECTION 10.21 Service of Process. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

SECTION 10.22 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of the Borrower and Holdings acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the DIP Agent are arm's-length commercial transactions between the Borrower, Holdings and their respective Affiliates, on the one hand, and the DIP Agent, on the other hand, (B) each of the Borrower and Holdings has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each of the Borrower and Holdings is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the DIP Agent and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower, Holdings or any of their respective Affiliates, or any other Person and (B) none of the DIP Agent nor any Lender has any obligation to the Borrower, Holdings or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the DIP Agent, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, Holdings their respective Affiliates, and none of the DIP Agent nor any Lender has any obligation to disclose any of such interests to the Borrower, Holdings or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and Holdings hereby waives and releases any claims that it may have against the DIP Agent nor any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 10.23 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

SECTION 10.24 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

(b) As used in this Section 10.23, the following terms have the following meanings:

"**BHC Act Affiliate**" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"**Covered Entity**" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first written above.

JO-ANN INC.

By: _____
Name:
Title:

NEEDLE HOLDINGS LLC

By: _____
Name:
Title:

WILMINGTON SAVINGS FUND SOCIETY, FSB,
as DIP Agent

By: _____
Name:
Title:

[Signature Page to DIP Credit Agreement]

JEFFERIES CAPITAL SERVICES, LLC, as a Lender

By: _____
Name:
Title:

[Signature Page to DIP Credit Agreement]

Exhibit 10.5

Form of Retention Bonus Agreement

This Retention Bonus Agreement (this "***Agreement***"), dated as of _____ (the "***Effective Date***"), is entered into by and between Jo-Ann Stores, LLC ("***JOANN***"), and _____ ("***you***" or the "***Executive***").

Thank You

This Retention Bonus (as defined below) is being offered to thank you for your continued hard work and commitment to JOANN.

Retention Bonus

Executive is eligible to receive a cash retention bonus in an amount equal to $_____ (the "***Retention Bonus***"), such amount to be paid on September 13, 2024, subject to the terms set forth below.

Summary of Terms & Conditions

- Nothing in this document should be construed as an express or implied contract of employment. JOANN is an at-will employer, which means that Executive's employment may be terminated by JOANN or Executive with or without notice or cause.
- If Executive voluntarily terminates his/her employment or if Executive's employment is terminated by JOANN for Cause (as such term is defined in Executive's severance agreement with JOANN) on or before January 16, 2025, Executive is required, and hereby agrees, to repay JOANN the entirety of the net after-taxes amount of the Retention Bonus within 30 days after the termination of Executive's employment. Upon any termination of Executive's employment by JOANN without Cause (whether before or after any Change of Control as defined in Executive's severance agreement with JOANN), or for death or Disability (as such term is defined in Executive's severance agreement with JOANN), Executive (or Executive's estate), will not be required to repay any portion of the Retention Bonus.
- You understand that if you do not repay the Retention Bonus within 30 days after the termination of your employment, JOANN is additionally entitled to recover from you any and all: (i) federal, state, and local taxes paid by JOANN related to the Retention Bonus; and (ii) costs incurred in enforcing this Agreement, including attorney's fees and court costs.
- The Retention Bonus will be earned and paid in cash, subject to applicable federal, state and local taxation requirements for supplemental wages. Accordingly, the award that Executive receives will be net of the related income tax withholding. It is possible that the withholding will not cover Executive's entire income tax liability. JOANN advises that Executive consult with his/her personal income tax advisor in order to determine if estimated payments are necessary.
- 401(k) Plan contributions will be deducted from any Retention Bonus payment made, in accordance with Executive's previous elections.
- While JOANN has no present intention to do so, it reserves the right to modify or terminate this Agreement at any time.

Questions?

We are committed to providing you with any additional information you need. If you have any questions about this Retention Bonus, please contact the Chief Legal Officer. Executive's signature below confirms his/her acceptance of the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

JO-ANN STORES, LLC

By: _____

_____

[EXECUTIVE]

JOANN Enters into Agreement to Reduce Debt and Receive $132 Million in New Capital and Related Financial Accommodations with Strong Support of Key Financial and Industry Stakeholders

Stores and JOANN.com Remain Open; Company Continues to Operate as Usual

Vendors, Landlords and Other General Unsecured Creditors Are Unimpaired

Company Expects to Reduce Approximately $505 Million in Funded Debt

Implementing Prepackaged Financial Recapitalization Plan on Expedited Basis

HUDSON, Ohio – March 18, 2024 – JOANN Inc. (NASDAQ: JOAN) ("JOANN" or the "Company"), the nation's category leader in sewing and fabrics with one of the largest arts and crafts offerings, today announced that it has entered into a Transaction Support Agreement ("TSA" or "Agreement") with a majority of its financial stakeholders and additional industry financing parties to strengthen the Company's financial position. In connection with the TSA, the Company has received commitments for approximately $132 million in new financing and related financial accommodations and expects to reduce funded debt on its balance sheet by approximately $505 million. The parties have also agreed to a six-month extension of the Company's existing ABL and FILO credit facilities, effective upon the Company's emergence from the court-supervised process. Under the TSA and related transaction documents, all obligations to employees, vendors, landlords, and other trade creditors will be paid or otherwise satisfied in full and honored in the ordinary course of business.

"Over the past several months, JOANN has made meaningful business improvements through the execution of our Focus, Simplify and Grow cost reduction initiative," said Chris DiTullio, Chief Customer Officer and co-lead of the Interim Office of the CEO. "We are excited by our progress on both top and bottom-line initiatives in the past year and are confident the steps we are taking will allow JOANN to drive long-term growth. We appreciate the support from our financial and industry stakeholders in this agreement, and their confidence in our ability to continue driving positive business change. There is no other retailer with the same ability to serve sewists, quilters, crocheters, crafters and other creative enthusiasts as we have for the past 80 years, and we take great pride in seeing the passion and engagement of our millions of customers and our Team Members."

Scott Sekella, JOANN's Chief Financial Officer and co-lead of the Interim Office of the CEO, added, "This agreement is a significant step forward in addressing JOANN's capital structure needs, and it will provide us with the financial resources and flexibility necessary to continue to deliver best-in-class product assortments and enhance the customer experience wherever they are shopping with us. This includes our more than 800 stores across the United States, 95 percent of which are cash flow positive. We remain committed to our suppliers, partners, Team Members and other stakeholders, and are focused on ensuring we continue to operate as usual so we can continue to best serve our millions of customers nationwide."

The financial restructuring contemplated by the TSA will be implemented through a prepackaged court-supervised process in which JOANN will continue to operate in the ordinary course of business. JOANN's stores and the JOANN.com website will remain open and continue operating as normal and customers vendors, landlords, and other trade creditors will not see any disruption in services. The Company remains as focused as ever on providing customers with quality products and services that inspire their creativity.

To effectuate the recapitalization transactions, JOANN and certain of its affiliates have initiated voluntary prepackaged Chapter 11 cases in the U.S. Bankruptcy Court for the District of Delaware. With the significant support of the Company's financial stakeholders, JOANN expects to complete this process on an expedited basis, as early as late April 2024. Following this process, the Company expects that JOANN

will become a private company owned by certain of its lenders and industry parties, and its shares will no longer be listed on Nasdaq or any other national stock exchange.

In connection with this process, JOANN is filing a number of customary "first day" motions to enable it to continue uninterrupted operations during the financial restructuring, including, among others, to continue paying wages and providing benefits to employees and to pay trade vendors and other general unsecured obligations in full in the ordinary course of business.

Additional information regarding JOANN's financial restructuring is available at JOANNforward.com. Court filings and information regarding the claims process are available at https://cases.ra.kroll.com/Joann, by calling the Company's claims agent, Kroll, at 844-488-7837 (toll-free in the U.S.) or 646-777-2384 (for international calls), or by sending an email to joanninfo@ra.kroll.com. Additional information can also be found in a Current Report on Form 8-K that the Company will file with the Securities and Exchange Commission at www.sec.gov.

Advisors

Latham & Watkins LLP is serving as legal counsel to JOANN, with Houlihan Lokey serving as financial advisor and Alvarez & Marsal North America, LLC serving as restructuring advisor.

Gibson Dunn & Crutcher LLP is serving as legal counsel to certain of the Company's term lenders, with Lazard serving as financial advisor.

About JOANN

For 80 years, JOANN has inspired creativity in the hearts, hands, and minds of its customers. From a single storefront in Cleveland, Ohio, the nation's category leader in sewing and fabrics and one of the fastest growing competitors in the arts and crafts industry has grown to include 829 store locations across 49 states and a robust e-commerce business. With the goal of helping every customer find their creative Happy Place, JOANN serves as a convenient single source for all of the supplies, guidance, and inspiration needed to achieve any project or passion.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Readers can generally identify forward-looking statements by the use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "seek," "vision," "should," or the negative thereof or other variations thereon or comparable terminology. Forward-looking statements include those we make regarding the Company's ability to continuing operating its business and implement the restructuring pursuant to the Chapter 11 cases, including the timetable of completing such transactions, if at all.

The preceding list is not intended to be an exhaustive list of all of the Company's forward-looking statements. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company's control. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included elsewhere in this press release are not guarantees. Any forward-looking statement that the Company makes in this press release speaks only as of the date of such statement. Except as required by law, the Company does not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking

statements, whether as a result of new information, future events or otherwise after the date of this press release.

Contacts

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JOANN

Cleansing Materials
March 2024

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Notice to and Undertaking by Recipients

This Presentation does not constitute an offer to sell or the solicitation of an offer to buy any security. The information contained herein is for informational purposes and may not be relied upon in connection with the purchase or sale of any security.

Forward-Looking Statements

This presentation contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this presentation are forward- looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "seek," "vision," or "should," or the negative thereof, and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events but not all forward-looking statements contain these identifying words.

The forward-looking statements contained in this presentation are based on assumptions that we have made in light of our industry experience and our perceptions of historical trends, current conditions, expected future developments and other factors that we believe are appropriate under the circumstances. As you consider this presentation, you should understand that these statements are not guarantees of performance or results. These assumptions and our future performance or results involve risks and uncertainties (many of which are beyond our control).

Forward-looking statements include, but are not limited to, statements and forecasts regarding projected financial performance, projected ABL availability and expected benefits of our cost-saving initiatives and are impacted by numerous factors, including: the effects of potential changes to U.S. trade regulations and policies, including tariffs, on our business; developments involving our competitors and our industry; potential future impacts of the COVID-19 pandemic; our ability to timely identify or effectively respond to consumer trends, and the potential effects of that ability on our relationship with our customers, the demand for our products and our market share; our expectations regarding the seasonality of our business; our ability to manage the distinct risks facing our e-Commerce business and maintain a relevant omni-channel experience for our customers; our ability to maintain or negotiate favorable lease terms; our ability to anticipate and effectively respond to disruptions or inefficiencies in our distribution network, e-Commerce fulfillment function and transportation system; our ability to execute on our growth strategy to renovate and improve the performance of our existing locations; our ability to execute on our cost-saving initiatives; our ability to attract and retain a qualified management team and other team members while controlling our labor costs; the impact of our debt and lease obligations on our ability to raise additional capital to fund our operations and maintain flexibility in operating our business; our reliance on and relationships with third party service providers; our reliance on and relationships with foreign suppliers and their ability to supply us with adequate, timely, and cost-effective product supplies; our ability to maintain security and prevent unauthorized access to electronic and other confidential information; the impacts of potential disruptions to our information systems, including our websites and mobile applications; our ability to respond to risks associated with existing and future payment options; our ability to maintain and enhance a strong brand image; our ability to maintain adequate insurance coverage; our status as a "controlled company" and LGP's control of us as a public company; and the impact of evolving governmental laws and regulations and the outcomes of legal proceedings.

Additional factors or events that could cause our actual performance to differ from these forward-looking statements may emerge from time-to-time, and it is not possible for us to predict all of them. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual financial condition, results of operations, future performance and business may vary in material respects from the performance projected in these forward- looking statements.

Any forward-looking statement made by us in this presentation speaks only as of the date on which it is made. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Industry Information

Market data and industry information used throughout this presentation is based on management's knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management's review of various sources, including publicly available information, industry reports and publications, surveys, our customers, distributors, suppliers, trade and business organizations and other contacts in the markets in which we operate. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of such industry and markets which we believe to be reasonable. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information. While we believe the estimated market position, market opportunity and market size information included in this presentation are generally reliable, such information, which is derived in part from management's estimates and beliefs, is inherently uncertain and imprecise. Market share data is subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process and other limitations inherent in any statistical survey of market share. In addition, customer preferences are subject to change. Accordingly, you are cautioned not to place undue reliance on such market share data. References herein to "market share" as it relates to estimates of market share, are to management's determination of the market share of the Creative Products industry as a whole and the various categories therein in the United States, based upon internal research, which primarily consists of an annual survey of Creative Products consumers as of July 31, 2020. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties.

Non-GAAP Financial Measures

We present Adjusted EBITDA, which is not a recognized financial measure under U.S. generally accepted accounting principles, because we believe it assists investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. We define "Adjusted EBITDA" as net income (loss) plus income tax provision (benefit), interest expense, net, debt related (gain) loss and depreciation and amortization, as further adjusted to eliminate the impact of certain non-cash items and other items that we do not consider indicative of our ongoing operating performance, including costs related to strategic initiatives, COVID-19 costs, technology development expense, stock-based compensation expense, loss on disposal and impairment of fixed and operating lease assets, goodwill and trade name impairment, sponsor management fees, location pre-opening and closing costs excluding loss on disposal of fixed assets and other one-time costs. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in our presentation of Adjusted EBITDA. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of Adjusted EBITDA in the future, and any such modification may be material. In addition, Adjusted EBITDA may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

Contents

Introduction

JOANN Inc. ("JOANN" or the "Company") is seeking to raise capital in conjunction with an equitization of its term loan, as it continues to realize the benefits of its strategic and cost reduction initiatives.

- JOANN is currently on a path to return to a stabilized top line and a right-sized cost structure, after both positive and negative swings in performance during and after the COVID pandemic.
- Adjusted EBITDA is projected to increase from approximately $64mm in FY24(1) to $152mm in FY25(1).
- Management has implemented over $225mm of Focus, Simplify, Grow ("FSG") cost savings during FY24, the vast majority of which have been implemented and are starting to be realized. The full annualized benefit of these savings will be reflected in FY25(2).
- Free cash flow is projected to improve by $83mm in FY24 versus prior year and by an additional $74mm in FY25, largely as a result of the implemented cost savings.
- The Company's forecasted improvement in profitability and free cash flow in FY25 is not reliant on an increase in sales, and JOANN's revenue has historically been stable.
- Proceeds from the capital raise and interest savings from the equitization of the term loan will be used to help fund seasonal working capital needs primarily during the summer months.

(1) The Company's FY24 fiscal year end is February 3, 2024, and the FY25 fiscal year end is February 1, 2025.
(2) Not all the $225mm of cost savings will be reflected in Adjusted EBITDA, as a portion of the underlying costs relating to excess freight costs are excluded from the calculation of Adjusted EBITDA.

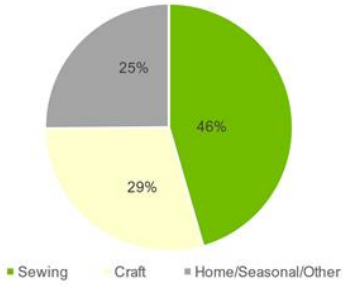
Company Overview

Company Overview

- JOANN is a U.S. specialty retailer of fabrics and crafts that operates JOANN Fabrics and Crafts retail stores as well as an e commerce platform.
- The Company was founded in 1943 in Cleveland, Ohio, and is currently headquartered in Hudson, Ohio.
- As of October 28, 2023, JOANN operated 829 stores across 49 states, less than ~4% of which are located in interior malls.
- In 2011, Leonard Green & Partners took the Company private for approximately $1.6bn.
- JOANN went public via initial public offering on March 12, 2021 at a value of $1.2bn(1), generating $76.9mm in aggregate net proceeds.

Historical and Forecasted Net Sales(2)

Revenue by Product Category (TTM Q2 FY24)



Historical and Forecasted Adjusted EBITDA(2)

JOANN

(1) Based on IPO offering price of $12 and pre-transaction net debt of $766.3mm as of 1/30/2021, adjusted for $76.9mm of net IPO proceeds
(2) Net sales and Adjusted EBITDA figures in FY18 and FY24E include the effect of a 53rd week

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JOANN Participates in a Robust Creative Products Industry

Unique and Vibrant Market with Tailwinds

- $37+ billion Sewing, Craft, and Décor industry, with stable spending(1)
- Core consumers include individual maker-sellers, creative enthusiasts and charitable givers
- Affordability of Sewing / Arts & Crafts projects and devoted customers contribute to consistent demand
- Seller platforms such as Etsy are complementary and drive growth, as JOANN is a major provider of supplies and project ideas
- Other digital and social media platforms (e.g., TikTok, Pinterest, Instagram, YouTube) fuel inspiration, enable engaged communities and serve as a connection point for customers to share their interests and projects

Business Model Behaves Similarly to Home Improvement Products

- Visual and tactile / project-based nature
- SKU-intensive assortments support component-based projects – this a key competitive advantage given that our customers' interests and projects are often widely varied and not confined solely to one activity
- Importance of skill-building and knowledgeable employees

e-Commerce is a Complement and a Growth Engine for JOANN

- Similar to stores, significant portion of SKUs are differentiated and non-branded / exclusives
- Large-scale online fulfillment requires the leverage from store support in order to be profitable
- Pure-play and mass retailers only have niche assortments due to challenges with proliferated SKUs

JOANN

(1) FY22 $37.8bn, FY23 $37.2bn

JOANN is the Clear Leader in Fabric & Sewing, and has Market-Leading Omni-Channel Capabilities

Our broad and dedicated assortment, convenient omni-channel shopping experience, value-added service offering and knowledgeable in-store team members set us apart from competitors and position us for further share gain

Category Leader in Sewing

~30%
leading market share in Sewing and growing share in Arts & Crafts category

~90,000
SKUs offered at an average location

~60%
of our net sales relate to differentiated items that cannot be directly cross-shopped

Market Size $37 billion

Sewing · Craft · Everyday Home Décor · Seasonal Home Décor

Market sizing reflects consumer spend among the following retailers:

JOANN	Amazon
Michael's	Local fabric/craft stores
Hobby Lobby	Dollar stores
Walmart	Home Improvement stores
Target	Misc. discount retailers

Market-leading Omni-Channel Capabilities

13%
Omni-channel net sales penetration

77 million
customers in marketing database

14.5+ million
mobile app downloads

~30%
of online sales picked up in-store including curbside

JOANN

Source: FY23 Total Industry Size based on 12-month Rolling. FY23 JOANN Share/Industry Share based FY23 Q1 & Q2. Note: Sample includes only female respondents as Male data was new for FY22 & has no YOY recorded data

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Opportunity Highlights

1. **Leader in Sewing and Strong Share in Arts & Crafts** → The nation's category leader in sewing and fabrics with approximately one-third market share, along with a significant share in the growing arts and crafts industry.

2. **Passionate Customer Base** → Enthusiastic repeat customers who use JOANN's products to create items that they gift, donate, sell, or use personally. Customer base is strong across broad age demographic from 18 – 55+. JOANN's top 1mm customers visit its stores on average 1.5 times per month.

3. **National Footprint** → 96% of JOANN's stores are 4-wall profitable on a TTM basis.
Highly attractive retail presence across the US with a broad mix of regional coverage.

4. **Post-COVID Stabilized Operations** → Prior to COVID, the Company had a track record of consistent positive results. Having experienced an enormous increase in sales during COVID, this has been followed by a decline to pre-pandemic levels, putting strain on the cost structure and operations, which are now becoming stabilized.

5. **Right-Sized Cost Structure & Enhanced Operations** → The management team is implementing over $225mm of cost reductions identified over the last twelve months, the vast majority of which have already started to be realized. Management has installed improved operating processes to enhance the business, e.g. advanced data analytics.

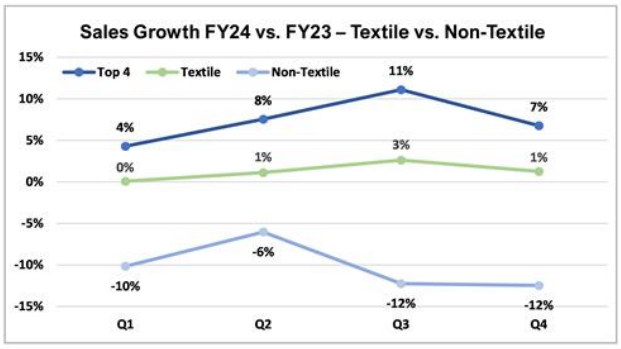
6. **Significant Online Sales Growth** → JOANN's online sales have grown at a CAGR of 24%[1] over the last five years. Current investment and improvements in fulfillment are expected to drive continued strong growth.

(1) Reflects FY19 to FY24E CAGR

FY24 Sales Performance

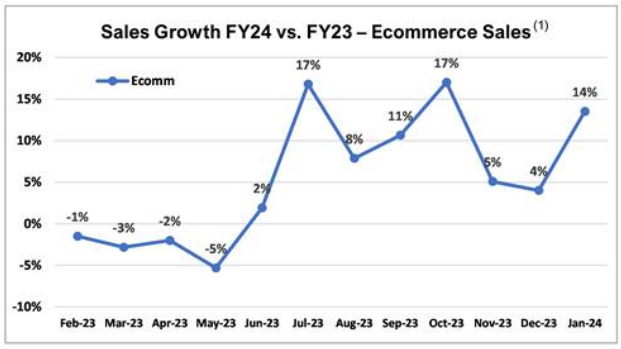
Two major themes in FY24 drove the topline:

1 Focus on Textiles (Sewing and Needle Arts categories)…



- Our Textile categories had sales of $1.2 billion through week 52, or 58% of total sales, and grew +1.3% over last year.
- Within Textiles, our top four categories by sales (Fleece, Cotton, Sewing Construction and Needle Arts) totaled $748 million and grew +7% over last year.

2 Growth in Ecommerce sales…

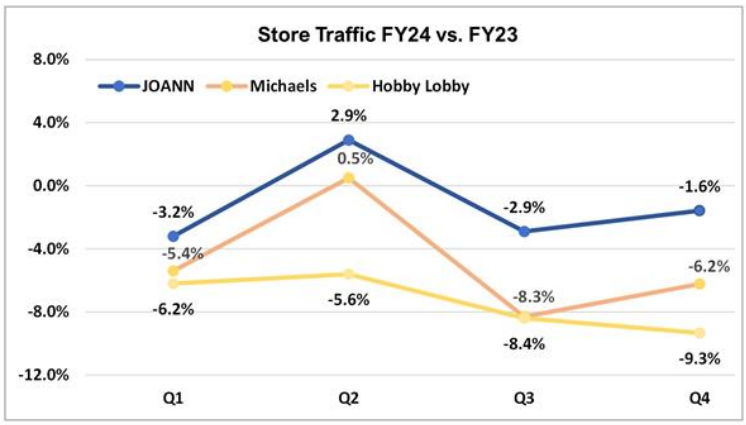


- In Q2 FY24, we began implementing several enhancements to our system that improved the online customer experience and order fulfilment.
- Since July 2023, Ecommerce sales have grown by +9% versus last year.
- November and December orders were +300k versus last year, which is equal to the total year-over-year increase from February to October.

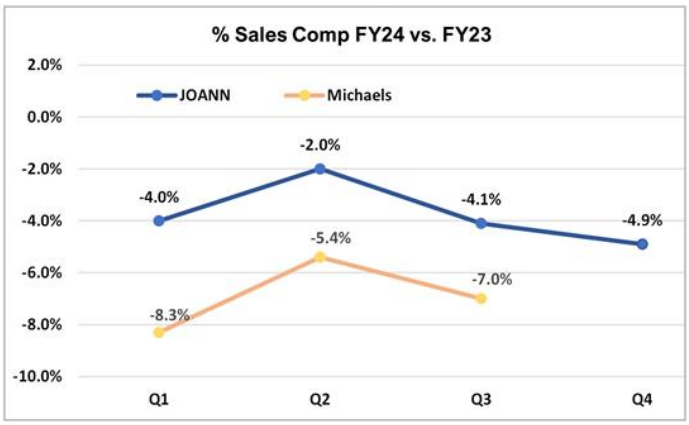
(1) Reflects actuals through week 51, January 20, 2024.

FY24 Store Traffic and Competitive Comparison

Our store traffic change from last year outpaced our main competitors every quarter.



Our sales comp % was better than our main competitor every quarter.

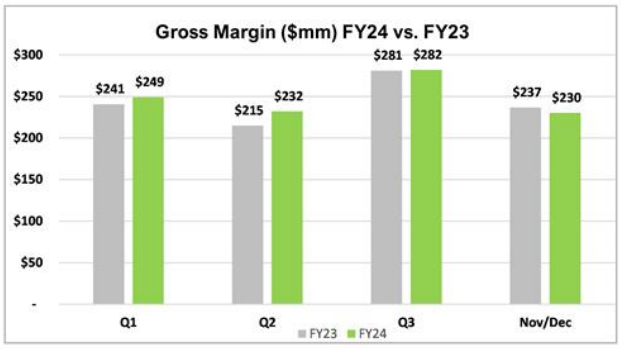


Source: Placer AI, February 2023 through January 2024

FY24 Margin Improvement and Cost Control

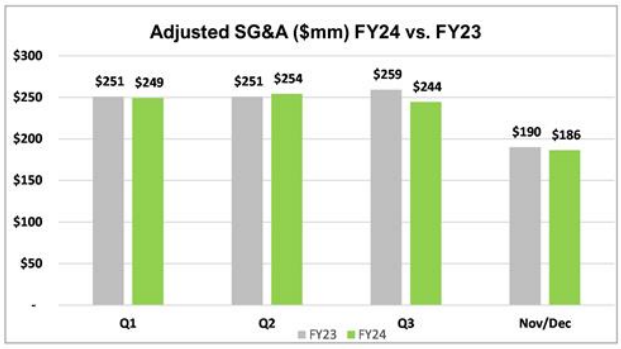
Significant progress was made on reducing costs in FY24, with more to come in FY25:

Gross Margin increased by $20 million through December versus last year…



- Year-to-date through December, gross margin totaled $993 million, an increase of $20 million versus FY23.
- As a % of sales, gross margin increased by +290 basis points from 47.3% to 50.2%.

Adjusted SG&A[1] decreased by $17 million through December versus last year…



- Year-to-date through December, adjusted SG&A totaled $935 million, a decrease of $17 million versus FY23.

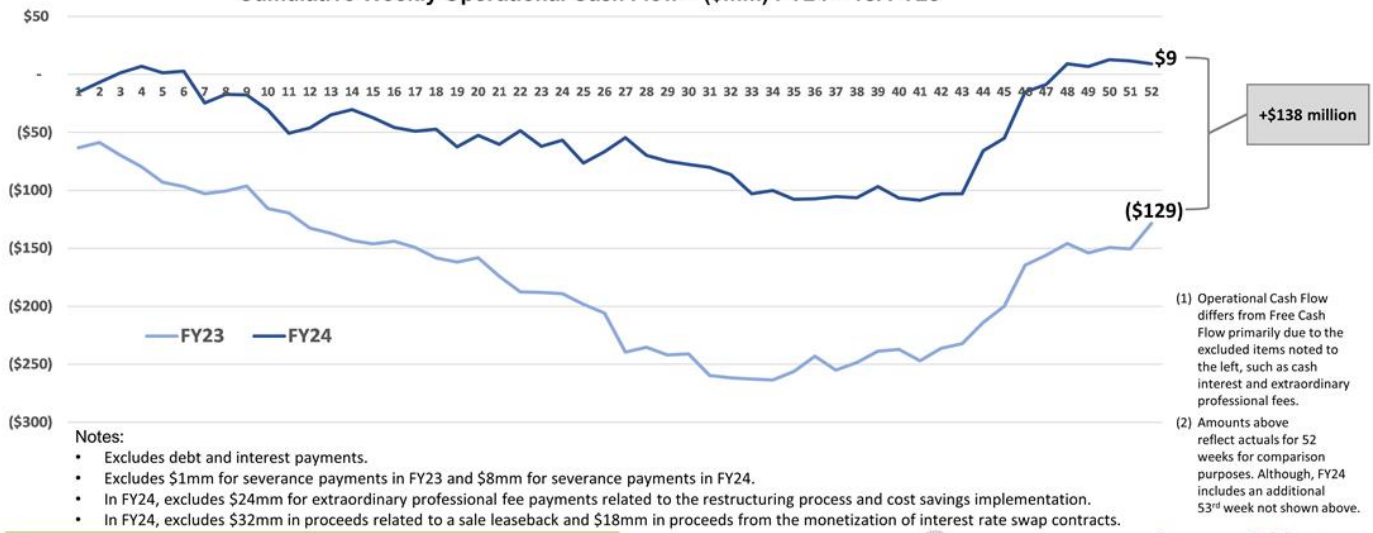
(1) Adjusted SG&A is SG&A excluding costs which are added back for Adjusted EBITDA purposes, primarily extraordinary professional fees and other one-time costs, as well as stock-based comp, etc.

FY24 Operational Cash Flow

Significant improvement in operational cash flow in FY24 versus FY23

As a result of cost savings implemented by the management team and other improvements, operational cash flow increased by $138 million in FY24 versus FY23.

Cumulative Weekly Operational Cash Flow(1) ($mm) FY24(2) vs. FY23



Notes:

- Excludes debt and interest payments.
- Excludes $1mm for severance payments in FY23 and $8mm for severance payments in FY24.
- In FY24, excludes $24mm for extraordinary professional fee payments related to the restructuring process and cost savings implementation.
- In FY24, excludes $32mm in proceeds related to a sale leaseback and $18mm in proceeds from the monetization of interest rate swap contracts.

(1) Operational Cash Flow differs from Free Cash Flow primarily due to the excluded items noted to the left, such as cash interest and extraordinary professional fees.

(2) Amounts above reflect actuals for 52 weeks for comparison purposes. Although, FY24 includes an additional 53rd week not shown above.

February Business Update

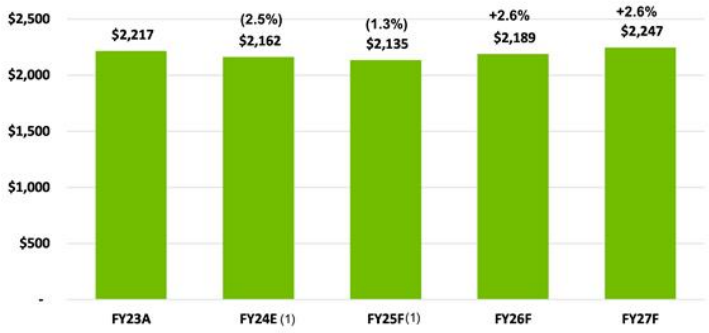
- February sales were $143.5 million, -5.8% to last year and -5.5% on a comparable store basis. Ecommerce sales were +6% to last year, at 15% of total company sales, a +230 bps increase in penetration over last year.
- Store traffic continued a positive trend from Q4, with JOANN traffic +0.5% to last year, versus Michaels at -1.4% and Hobby Lobby at -4.6%.
- The business is seeing a continued headwind in items per transaction and store conversion due to deteriorating basic inventory in-stocks given vendors holding merchandise receipts. Overall transactions were flat to last year in February at +0.1%, with the sales decline coming from a lower IPT (items per transaction) reducing average basket.
- The core Textiles business continues to outperform the balance of the business, consistent with Q4 and FY23 trends. In February, the Textiles business was just -1.5% to last year versus non-Textiles businesses at -12.5%. A significant portion of our non-Textiles businesses are supported by domestic suppliers, where we have our worst in-stocks due to vendor holds.
  - Needle Arts continued with strong double-digit growth in the month of February versus last year. We continue to differentiate ourselves from competition with increased inventory investment in a balance of both national brands and owned private brands.
  - Craft Technology continues as a primary headwind, contributing -120 bps to February comp sales.

Financial Forecast

Financial Forecast | Summary

By FY27, sales are projected to increase to $2.2 billion, which is an average increase of +1.3% per year from FY24, but still below pre-COVID levels. Adjusted EBITDA is projected to return to 10% of sales.

Net Sales by Year ($mm), % Change



Adjusted EBITDA by Year ($mm), % of Sales

(1) FY24 includes a 53rd week. All other years have 52 weeks. FY25 sales growth would be +0.5% on a 52-week basis.

Financial Forecast | Key Assumptions

Financial projections on the following pages cover the remainder of FY24 as well as FY25 to FY27.

Net Sales	• Total sales are projected to grow 1.3% per year on average from FY24 to FY27, comprised of a decline in Store Walk-In Sales of -2% per year on average, offset by continued strong growth in online sales of +19% per year on average.
Margin	• Merchandise Margin is projected to continue improving over the next three years as the benefits of the Company's new sourcing program are realized.
Store Labor	• Store Labor expense is projected to decrease on an absolute basis and as a percent of store sales, driven by the implementation of a new store operating model and more efficient processes for e-commerce order fulfillment.
Corporate Expenses	• Significant action has been taken in FY23 and FY24 to reduce corporate expenses and right-size the organization through headcount reductions and other cost controls.
Total Cost Savings	• JOANN is implementing over $225mm of FSG cost savings relative to FY23, the benefits of which are expected to be fully reflected in FY25(1).
Capex	• Gross capex is estimated to range between $40mm and $60mm per year, which includes maintenance capex, store-related projects and other capex such as IT.

(1) Not all the $225mm of cost savings will be reflected in Adjusted EBITDA, as a portion of the underlying costs relating to excess freight costs are excluded from the calculation of Adjusted EBITDA.

Financial Forecast | Summary Financials FY23 to FY27

Adj. EBITDA is projected to return to the historical level of approximately 10% of net sales by FY27, based on modest growth in net sales (primarily driven by continued strong growth in ecommerce sales), coupled with the positive impact from the recent cost savings initiatives.

						YoY Change / % of Net Sales				
$ in millions	FY23A	FY24E	FY25F	FY26F	FY27F	FY23A	FY24E	FY25F	FY26F	FY27F
Store Walk-In Sales	1,929.6	1,859.7	1,782.6	1,764.8	1,747.2		(69.8)	(77.1)	(17.8)	(17.6)
% Growth	*(8.5%)*	*(3.6%)*	*(4.1%)*	*(1.0%)*	*(1.0%)*		*4.9%*	*(0.5%)*	*3.1%*	*–*
Ecomm Sales	271.4	288.9	340.9	411.0	485.0		17.5	52.0	70.1	74.0
% Growth	*(7.9%)*	*6.4%*	*18.0%*	*20.6%*	*18.0%*		*14.4%*	*11.6%*	*2.6%*	*(2.6%)*
Other Sales	15.9	13.7	11.3	13.7	14.9		(2.2)	(2.4)	2.3	1.2
Net Sales	**2,216.9**	**2,162.3**	**2,134.8**	**2,189.4**	**2,247.1**		**(54.6)**	**(27.4)**	**54.6**	**57.6**
% Growth	*(8.3%)*	*(2.5%)*(1)	*(1.3%)*(1)	*2.6%*	*2.6%*		*5.8%*	*1.2%*	*3.8%*	*0.1%*
Gross Margin (2)	**1,040.3**	**1,079.3**	**1,111.7**	**1,154.1**	**1,194.1**		**39.0**	**32.4**	**42.4**	**40.1**
% Margin	*46.9%*	*49.9%*	*52.1%*	*52.7%*	*53.1%*		*3.0%*	*2.2%*	*0.6%*	*0.4%*
						% of Net Sales:				
Total Store Expenses	730.5	724.7	668.9	674.8	679.0	*33.0%*	*33.5%*	*31.3%*	*30.8%*	*30.2%*
Total Non-Store Expenses	167.8	172.8	173.8	160.4	167.9	*7.6%*	*8.0%*	*8.1%*	*7.3%*	*7.5%*
Total Corporate Expenses	175.2	191.8	176.7	144.6	146.2	*7.9%*	*8.9%*	*8.3%*	*6.6%*	*6.5%*
Total SG&A	**1,073.5**	**1,089.3**	**1,019.4**	**979.8**	**993.1**	***48.4%***	***50.4%***	***47.7%***	***44.8%***	***44.2%***
Equity Method Investment Income	2.2	5.4	3.6	-	-		3.2	(1.8)	(3.6)	-
Other Non-Cash or Non-Recurring (3)	94.0	(3.6)	-	-	-		97.6	(3.6)	-	-
EBITDA	**(129.4)**	**(11.8)**	**88.7**	**174.3**	**201.0**		**117.6**	**100.5**	**85.5**	**26.7**
Adj. EBITDA Add-Backs	227.8	76.3	63.4	26.3	26.8		(151.6)	(12.9)	(37.1)	0.5
Adj. EBITDA	**98.5**	**64.5**	**152.1**	**200.6**	**227.8**		**(34.0)**	**87.6**	**48.5**	**27.2**
% Margin	*4.4%*	*3.0%*	*7.1%*	*9.2%*	*10.1%*		*(1.5%)*	*4.1%*	*2.0%*	*1.0%*
Memo: Number of Stores	833	821	806	796	791		(12)	(15)	(10)	(5)

(1) FY24 includes an additional 53rd week, which contributes approximately +1.7% of growth in FY24 versus FY23 and -1.7% growth in FY25 versus FY24. After adjusting for this factor, FY25 growth is flat to FY24.

(2) The Company does not report on or allocate resources based on profitability of store sales versus ecomm sales. However, the ecomm margin is lower than the in-store margin due to freight expense.

(3) Could incur non-cash Goodwill and/or Trademark Impairment charge in Q4 FY24 close period.

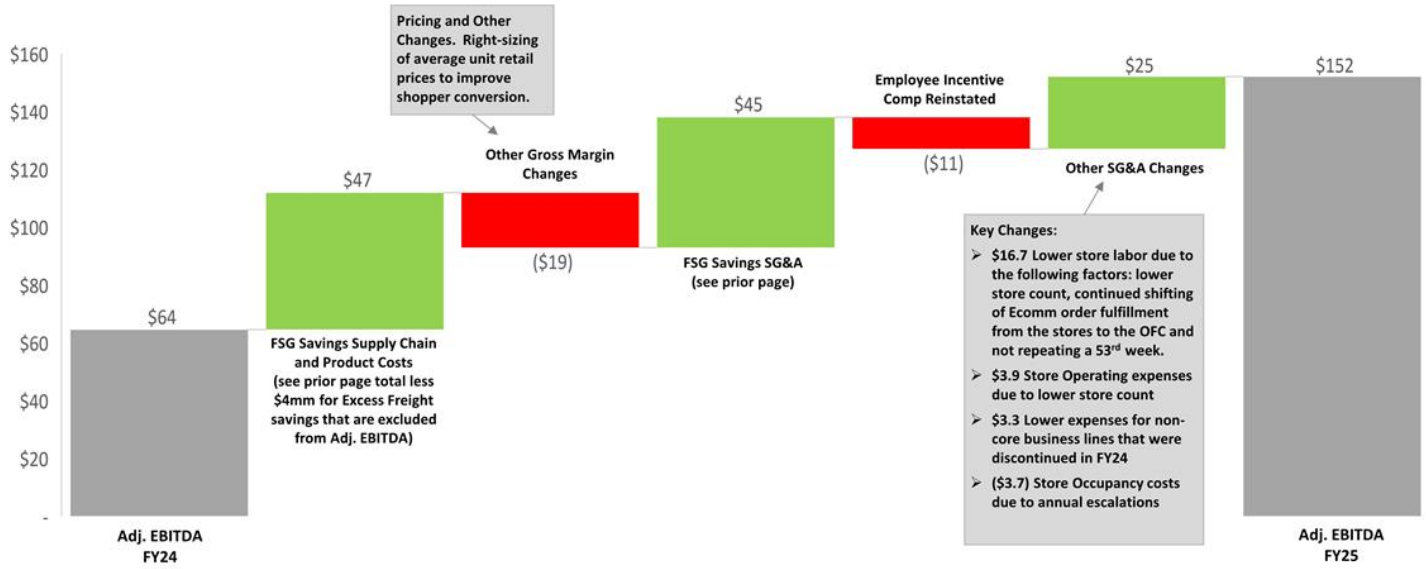
Financial Forecast | Focus, Simplify, Grow

The management team has implemented initiatives to focus, grow, and simplify its operations. These initiatives are on track to deliver annualized savings of at least $225mm.

	P&L Savings versus FY23			
$ in millions	FY24	FY25	Total	Status of Savings Initiative
Supply Chain	$ 105	$ 5	$ 110	• Complete. The elevated container rates from FY23 have declined and have contributed to significant operational cash flow savings this year. However, recent disruptions in the global shipping market could result in cost headwinds in FY25. Also, rates for domestic freight have also come down and are reflected in actuals for this year.
Product Costs	12	46	58	• Complete. Contract negotiations have been completed with product suppliers. Products purchased at the lower rates have already started flowing into inventory, and the P&L benefit will occur through FY25 as revenue and costs are recognized when sales are made. The average unit cost of COGS in FY25 is projected to decrease by 5%. Additional savings are expected in FY26.
SG&A	43	45	88	• 90% Complete. Savings are primarily from the implementation of a new store operating model that was trialed in Summer 2023 and rolled out to all stores in Fall 2023, as well as headcount reductions that occurred in 2023.
Total Savings	**$ 160**	**$ 97**	**$ 256**	

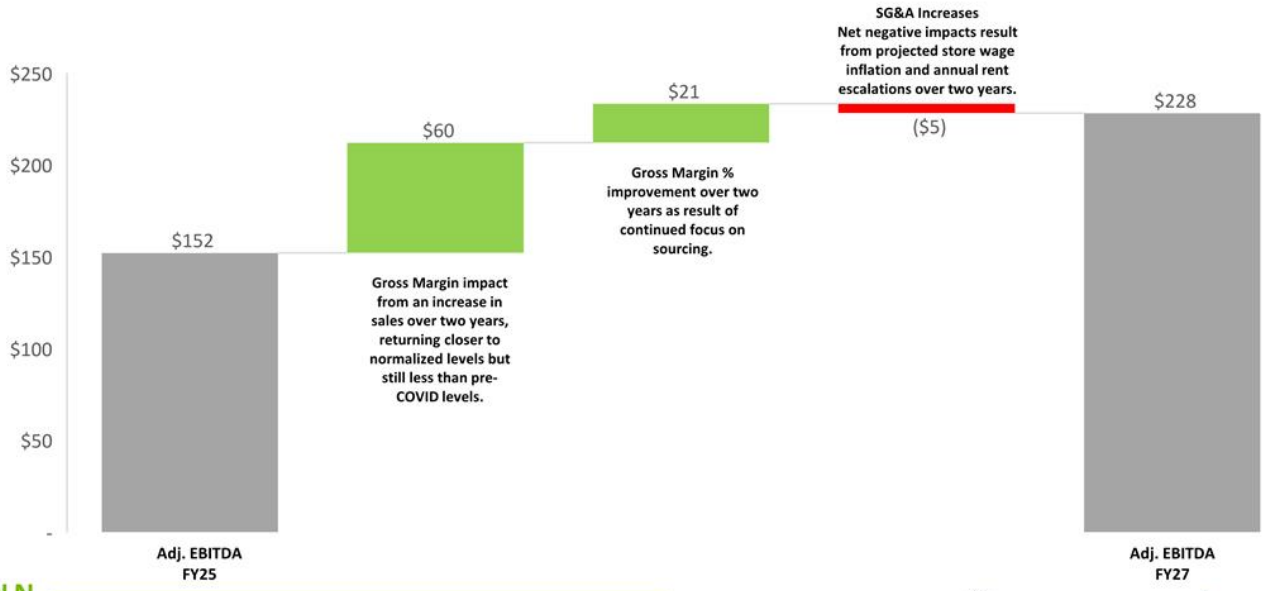
Financial Forecast | Adjusted EBITDA Bridge FY24 to FY25

FY25 includes the incremental benefit of FSG savings that have already been implemented as shown on the prior page. In addition, other projected changes in gross margin and SG&A are described below.



Financial Forecast | Adjusted EBITDA Bridge FY25 to FY27

By FY27, Adjusted EBITDA is projected to increase to $228 million as a result of modest sales increases and gross margin improvements, partially offset by potential cost inflation and annual rent escalations.



Financial Forecast | Post-Transaction Availability Forecast

Below is projected ABL Availability by quarter assuming a potential transaction raising new capital and an equitization of the term loan.

Financial Forecast | 4-Wall Analysis

- The Company does not have significantly negative 4-Wall contribution stores. Negative 4-Wall stores are proactively managed, with 31 net store closures since FY18.
- The average remaining lease length as of October 2023 is 3.6 years (excluding lease extension options).

- 792 (96%) of JOANN stores have Four Wall Profitability over the LTM.

4-Wall Contribution Margin % Threshold	# of Stores	% of Stores	TTM Sales	TTM-1 Sales	Sales YoY %	Store Contribution	Store Contribution %
Greater than 25%	63	8%	$180.1	$183.0	(2%)	$49.1	27%
25% to 20%	171	21%	$464.6	$480.9	(3%)	$103.5	22%
20% to 15%	247	30%	$613.4	$616.3	(0%)	$107.4	18%
15% to 10%	181	22%	$451.1	$471.1	(4%)	$57.5	13%
10% to 5%	91	11%	$181.2	$191.4	(5%)	$14.2	8%
5% to 0%	39	5%	$89.7	$85.0	6%	$2.5	3%
0% to -5%	12	1%	$24.4	$15.3	59%	($0.6)	(2%)
-5% to -10%	6	1%	$6.9	$5.9	17%	($0.5)	(8%)
-10% to -20%	6	1%	$12.1	$11.6	4%	($1.8)	(15%)
Less than -20%	13	2%	$25.3	$24.3	4%	($9.8)	(39%)
Total - All Stores	**829**	**100%**	**$2,048.7**	**$2,084.6**	**(2%)**	**$321.6**	**16%**

- Of the 37 negative 4-wall contribution locations, five are already planned to be closed by the end of FY25, and 13 are either new locations or experienced business disruption in the TTM period.

Appendix

Financial Forecast | Adj. EBITDA to Availability FY24 to FY27

Below is a reconciliation from Adjusted EBITDA to Net Cash Flow and Projected ABL Availability assuming a potential transaction raising new capital and an equitization of the term loan.

$ in millions	FY23	Q1	Q2	Q3	Q4	FY24F	Q1	Q2	Q3	Q4	FY25F	FY26E	FY27E
Adjusted EBITDA	**$ 98.5**	**$ 3.5**	**$ (21.9)**	**$ 37.5**	**$ 45.4**	**$ 64.5**	**$ 18.3**	**$ 5.3**	**$ 59.7**	**$ 68.8**	**$ 152.1**	**$ 200.6**	**$ 227.8**
Cash Add-Backs	(26.6)	(7.0)	(10.3)	(18.0)	(9.7)	(45.0)	(34.1)	(3.1)	(9.4)	(3.1)	(49.8)	(13.6)	(12.6)
Cash Interest	(59.9)	(21.8)	(26.5)	(27.2)	(28.9)	(104.4)	(14.5)	(10.2)	(22.2)	(16.5)	(63.4)	(61.8)	(58.7)
Capex (gross)	(96.9)	(18.5)	(11.0)	(6.7)	(12.3)	(48.5)	(6.9)	(11.5)	(10.2)	(6.8)	(35.3)	(55.8)	(55.9)
Changes in Working Capital	6.7	(5.8)	11.6	(58.2)	117.5	65.2	(32.4)	(38.1)	(18.7)	69.7	(19.6)	(12.0)	(12.0)
Other	(93.9)	(2.7)	(1.5)	(2.8)	(14.4)	(21.4)	0.1	(0.1)	0.3	0.2	0.6	1.3	1.2
Free Cash Flow	**$ (172.1)**	**$ (52.3)**	**$ (59.5)**	**$ (75.3)**	**$ 97.6**	**$ (89.6)**	**$ (69.5)**	**$ (57.7)**	**$ (0.6)**	**$ 112.3**	**$ (15.4)**	**$ 58.7**	**$ 89.8**
Financing and Other Cash Flows	(33.1)	(11.2)	(3.1)	30.0	(5.4)	10.3	105.0	(2.1)	(1.4)	(1.5)	99.9	(5.1)	(5.1)
Net Cash Flow Before ABL	**$ (205.2)**	**$ (63.5)**	**$ (62.6)**	**$ (45.3)**	**$ 92.1**	**$ (79.3)**	**$ 35.4**	**$ (59.7)**	**$ (2.0)**	**$ 110.8**	**$ 84.5**	**$ 53.5**	**$ 84.7**
ABL Availability Forecast:													
Borrowing Base				500.0	374.1	374.1	379.7	451.1	500.0	409.3	409.3	415.5	422.0
ABL Paydown (Draw)					98.1	98.1	35.4	(59.7)	(2.0)	110.8	84.5	53.5	84.7
Change in LCs					-	-	-	-	-	-	-	-	-
ABL Availability				**$ 72.1**	**$ 44.3**	**$ 44.3**	**$ 85.3**	**$ 97.0**	**$ 143.9**	**$ 164.0**	**$ 164.0**	**$ 223.8**	**$ 315.0**

Financial Forecast | EBITDA Adjustments FY23 to FY27

Below are reconciling items between Net Income (Loss) and Adjusted EBITDA.

$ in millions	FY23	Q1	Q2	Q3	Q4	FY24E	Q1	Q2	Q3	Q4	FY25F	FY26F	FY27F
Net Income (Loss)	**(200.6)**	**(54.2)**	**(73.2)**	**(21.6)**	**(15.2)**	**(164.3)**	**(45.1)**	**(27.5)**	**9.9**	**22.5**	**(40.2)**	**24.5**	**48.0**
Income Taxes (Benefit)	(73.1)	(7.8)	(11.5)	(11.0)	(1.8)	(32.0)	(12.5)	(7.5)	3.1	6.6	(10.3)	6.9	13.5
Interest Expense, Net	64.0	25.3	26.8	28.4	25.4	105.9	21.1	17.2	17.9	17.1	73.3	66.6	63.4
Depreciation and Amortization	80.4	20.3	18.9	22.4	17.0	78.6	16.8	16.4	16.4	16.4	66.0	76.3	76.1
EBITDA[1]	**(129.4)**	**(16.4)**	**(39.0)**	**18.1**	**25.5**	**(11.8)**	**(19.8)**	**(1.4)**	**47.3**	**62.6**	**88.7**	**174.3**	**201.0**
Other amortization[2]	1.8	0.7	1.0	1.9	0.8	4.4	0.9	0.8	0.7	0.7	3.2	0.9	0.8
Gain on sale leaseback[3]	-	-	-	(12.1)	6.8	(5.3)	-	-	-	-	-	-	-
Strategic initiatives[4]	9.4	3.6	6.2	6.5	6.6	22.9	27.0	-	4.8	-	31.8	-	-
Excess import freight costs[5]	91.2	3.9	0.3	-	-	4.2	-	-	-	-	-	-	-
Technology development expense[6]	9.7	1.7	1.9	2.0	1.5	7.1	1.2	1.2	1.2	1.2	4.8	4.4	3.4
Stock-based compensation expense	7.3	5.3	1.5	(0.2)	1.4	8.0	2.1	1.5	1.3	1.4	6.4	9.4	10.8
Loss on disposal and impairment of fixed and operating lease assets	4.7	0.6	2.9	9.3	0.3	13.0	-	0.3	-	0.2	0.5	-	-
Intangible asset impairment[7]	95.0	-	-	1.7	-	1.7	-	-	-	-	-	-	-
Loss from equity method investments	2.2	2.5	1.2	0.8	0.9	5.4	0.9	0.9	0.9	0.9	3.6	-	-
Other[8]	6.4	1.7	2.2	9.4	1.6	14.9	6.0	1.9	3.4	1.9	13.2	9.2	9.2
Adjusted EBITDA	**98.5**	**3.5**	**(21.9)**	**37.5**	**45.4**	**64.5**	**18.3**	**5.3**	**59.7**	**68.8**	**152.1**	**198.2**	**225.1**

1) EBITDA is a non-GAAP measure. Amounts above tie to the amounts shown on the previous slide "Summary Financials".
2) "Other amortization" represents amortization of content and capitalized cloud-based system implementation costs.
3) "Investment remeasurement" represents net gains and losses associated with our equity investments without readily determinable fair values.
4) "Gain on sale leaseback" represents the gain attributable to the sale leaseback of our facility in Hudson, Ohio.
5) "Strategic initiatives" represents non-recurring costs, such as third-party consulting costs and one-time start-up costs, that are not part of our ongoing operations and are incurred to execute differentiated, project-based strategic initiatives.

(continued on next page)

Financial Forecast | EBITDA Adjustments FY23 to FY27

(continued from prior page)

6) “Technology development expense” represents one-time IT project management and implementation expenses, such as temporary labor costs, third-party consulting fees and user fees incurred during the development period of a new software application, that are not part of our ongoing operations and are typically redundant during the initial implementation of software applications or other technology systems across different functional operations of our business before they are in productive use.
7) "Intangible asset impairment" represents impairment charges on our technology intangible asset, which resulted from an analysis of the asset during the third quarter of fiscal 2024.
8) “Other” represents the one-time impact of employee severance, employee recruitment and employee transition costs, as well as the one-time impact of certain legal matters and other asset disposals and impairments.