Court File No. CV-22-00682153-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

MOTION RECORD
(Returnable September 28, 2022)

September 23, 2022

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Tab 1

Court File No. CV-22-00682153-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

NOTICE OF MOTION

(Termination and Discharge)
(Returnable September 28, 2022)

ARMSTRONG FLOORING CANADA LTD., (formerly AFI Canada Ltd., "**Armstrong Flooring Canada**") in its capacity as foreign representative of itself, as well as Armstrong Flooring, Inc., AFI Licensing LLC and Armstrong Flooring Latin America, Inc. (collectively, the "**U.S. Debtors**" and together with Armstrong Flooring Canada, collectively the "**Debtors**") will make a motion before a Judge presiding over the Commercial List on Wednesday, September 28, 2022 at 9:30 a.m., or as soon after that time as the motion can be heard by Judicial Video Conference via Zoom, Toronto, Ontario.

THE MOTION WILL BE HEARD ORALLY.

THE MOTION IS FOR:

1. Orders substantially in the form of the draft Orders attached at Tab 3 and Tab 4 of the Motion Record for, among other things:

   (a) abridging and validating the time for service of the Notice of Motion and the Motion Record and directing that any further service of the Notice of Motion and Motion Record be dispensed with such that this motion is properly returnable on September 28, 2022;

(b) effective upon the filing of the Information Officer's Certificate (as defined below), recognizing and enforcing in Canada an order of the United States Bankruptcy Court for the Southern District of Delaware (the "**U.S. Court**") dated July 13, 2022, *inter alia*, (i) approving the sale of certain of the Debtors' assets free and clear of all liens, claims, encumbrances and other interests, (ii) approving the assumption and assignment of certain executory contracts and unexpired leases related thereto, and (iii) granting related relief (the "**U.S. Sale Order**");

(c) approving a settlement agreement between Armstrong Flooring Canada and the U.S. Debtors, in accordance with the terms of the Settlement Agreement dated September 23, 2022 (the "**Settlement Agreement**") between Armstrong Flooring Canada and the U.S. Debtors;

(d) declaring that Grant Thornton Limited ("**Grant Thornton**"), in its capacity as Court-appointed information Officer (the "**Information Officer**"), shall, upon the satisfaction of the terms and conditions of the Settlement Agreement, file an Information Officer's certificate (the "**Information Officer's Certificate**") with the Court and deliver a copy to the service list by email;

(e) declaring that Element Fleet Management Inc., ("**Element**") is not a secured creditor of Armstrong Flooring Canada;

(f) directing the registrar of personal property security in Ontario to fully discharge and delete the registration made by Element pursuant to the provisions of the *Personal Property Security Act* (Ontario), R.S.O. 1990, c. P.10 (the "**PPSA**") on March 27, 2017 as File Number 725951925, bearing Registration Number 20170327 1402 1462 3216, from the personal property registry;

(g) approving the Pre-Filing Report of Grant Thornton as the proposed information officer, dated June 6, 2022 and the appendices thereto (the "**Pre-Filing Report**") and the activities of the proposed information officer described therein;

(h) approving the First Report of the Information Officer dated September 23, 2022 and the appendices thereto (the "**First Report**") and the activities of the Information Officer described therein;

(i) approving the fees and disbursements of the Information Officer for the period from May 9, 2022 to September 21, 2022, and approving the estimated fees and disbursements of the Information Officer up to its date of discharge, as described in the affidavit of Jonathan Krieger, sworn September 22, 2022 (the "**Krieger Affidavit**");

(j) approving the fees and disbursements of Lax O'Sullivan Lisus Gottlieb LLP ("**Lax**"), legal counsel to the Information Officer, for the period from May 1, 2022 to August 31, 2022, and approving the estimated fees and disbursements of Lax for services to be provided to the Information Officer up to its date of discharge, as described in the affidavit of Andrew Winton, sworn September 22, 2022 (the "**Winton Affidavit**");

(k) amending paragraph 19 of the Supplemental Order dated June 8, 2022 made by Justice Cavanagh, to read as follows:

> **THIS COURT ORDERS** that the Information Officer, counsel to the Information officer and Borden Ladner Gervais LLP ("**BLG**") shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property in Canada, which charge shall not exceed an aggregate amount of $600,000, as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 21 and 23 hereof.

(l) authorizing the payment of the fees and disbursements of BLG, by any of Armstrong Flooring Canada, or Grant Thornton, from the assets of Armstrong Flooring Canada;

(m) authorizing, the Information Officer to file an assignment in bankruptcy on behalf of Armstrong Flooring Canada under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

(n) authorizing Grant Thornton to act as trustee in bankruptcy on behalf of Armstrong Flooring Canada;

(o) effective upon the filing of the discharge certificate (the "**Discharge Certificate**") by the Information Officer with this Court, certifying that the Information Officer has attended to certain remaining matters, as described in the First Report:

i. terminating the stay of proceedings, as provided for in the Initial Recognition Order and the Supplemental Order both made by Justice Cavanagh on June 8, 2022, and terminating these proceedings commenced under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**");

ii. terminating, discharging and releasing the Administration Charge, as defined in and created by the Supplemental Order of Justice Cavanagh dated June 8, 2022;

iii. discharging Grant Thornton in its capacity as Information Officer; and

iv. releasing Grant Thornton in its capacity as Information Officer from any and all liability that it now has or may hereafter have in any way arising out of the acts or omissions of the Information Officer, while acting in its capacity as Information Officer in the CCAA proceedings, save and except for liability arising from any gross negligence or wilful misconduct on its part.

2. Such further and other relief as counsel may request and this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

1. on May 8, 2022, the Debtors commenced insolvency proceedings by filing voluntary petitions with the U.S. Court under Chapter 11 of Title 11 of the United States Bankruptcy Code (the "**U.S. Proceedings**");

2. as part of the first day motions (the "**First Day Motions**") that were heard by the U.S. Court on May 11, 2022, which hearing was continued on May 13, 2022 and May 17, 2022, the U.S. Court made several orders in the U.S. Proceedings (the "**First Day Orders**"), including an order authorizing Armstrong Flooring Canada to act as foreign representative in respect of the U.S. Proceedings and an order placing the Debtors under joint administration in the U.S. Proceedings;

3. on June 8, 2022, in these proceedings under Part IV of the CCAA (the "**Part IV CCAA Proceedings**") this Court made an Initial Recognition Order, *inter alia*, declaring that Armstrong Flooring Canada is the "foreign representative" as defined in section 45 of the CCAA and a Supplemental Order, *inter alia*, recognizing the First Day Orders, appointing Grant Thornton as the Information Officer and granting the Administration Charge in the amount of $300,000 in favour of the Information Officer and its counsel;

4. on July 13, 2022, the U.S. Court granted the U.S. Sale Order, which approved a transaction for the sale of certain of the Debtors' assets, including certain assets of Armstrong Flooring Canada (the "**U.S. Sale Transaction**");

5. Armstrong Flooring Canada seeks an order of this Court, among other things, recognizing the U.S. Sale Order to ensure consistency between the U.S. Proceedings and these Part IV CCAA Proceedings and to facilitate a consensual transaction which the U.S. Court has determined was negotiated and undertaken by the parties thereto at arm's length, in good faith and in compliance with all applicable orders of the U.S. Court, and which will support the maximization of the value of the Debtors' estates for the benefit of the stakeholders and an expeditious and orderly emergence from the U.S. Proceedings;

6. in light of the sale of the assets of Armstrong Flooring Canada pursuant to the U.S. Sale Transaction, it will be more efficient to terminate these Part IV CCAA proceedings and deal with the claims and distribution of the assets of Armstrong Flooring Canada in a bankruptcy;

7. Grant Thornton is a licenced insolvency trustee and given its role as Information Officer in these Part IV CCAA Proceedings, it is well placed to act as trustee in bankruptcy of Armstrong Flooring Canada;

8. the provisions of the CCAA, including Part IV thereof;

9. the provisions of the PPSA, including sections 56 and 67 thereof;

10. rules 2.03, 3.02, 16, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990. Reg. 194, as amended; and

11. such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the affidavit of Dalton Edgecomb, sworn September 26, 2022 and the exhibits referred to therein (the "**Edgecomb Affidavit**");

2. the First Report of Grant Thornton dated September 23, 2022;

3. the Krieger Affidavit;

4. the Winton Affidavit;

5. the affidavit of Michel S. Vermette sworn June 1, 2022 (without exhibits); and

6. such further and other evidence as counsel may advise and this Court may permit.

September 23, 2022

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Court File No.: CV-22-00682153-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,*
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

NOTICE OF MOTION
(Termination and Discharge)
(Returnable September 28, 2022)

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Tab 2

Court File No. CV-22-00682153-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AFFIDAVIT OF DALTON EDGECOMB

(Termination and Discharge)
(Sworn September 26, 2022)

I, **DALTON EDGECOMB**, of the City of Estero in the State of Florida, **MAKE OATH AND SAY as follows:**

1. I am an RTS Senior Managing Director with Riveron Management Services, LLC ("**RMS**"), the financial advisor to Armstrong Flooring, Inc. ("**AFI**"), a company with its head office located at 1770 Hempstead Road, Lancaster, Pennsylvania and its affiliated companies which are the Debtors (as defined below) in these proceedings, and as such have personal knowledge of the matters deposed to in this Affidavit, or where I do not possess such personal knowledge, I have stated the source of my information, and in all such cases I believe that both the information and the resulting statement to be true.

2. On June 8, 2022, the United States Bankruptcy Court for the District of Delaware (the "**US Court**") entered an Order (i) authorizing the employment and retention of Riveron Management Services, LLC effective *nunc pro tunc*, to the petition date, (ii) approving the terms

of Riveron Management Services LLC's employment and retention, (iii) designated Dalton Edgecomb as Chief Transformation Officer effective, *nunc pro tunc*, to the petition date, and (iv) granting related relief (the "**Chief Transformation Officer Order**). Paragraph 3 of the Chief Transformation Officer Order provides that the Debtors are authorized, pursuant to the provisions of the United States Bankruptcy Code (the "**US Code**"), to designate myself as the Chief Transformation Officer. Attached hereto and marked as **Exhibit** "**A**" is a true copy of the Chief Transformation Officer Order.

Introduction

3. On May 8, 2022 (the "**Filing Date**"), AFI, AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd. (collectively, the "**Debtors**" or the "**AFI Group**") filed voluntary petitions for relief pursuant to Chapter 11 of Title 11 ("**Chapter 11**") of the US Code (collectively, the "**Petitions**" and each a "**Petition**") with the US Court. Attached hereto and marked as **Exhibit** "**B**" is a true copy of the filed Petitions. The Debtors requested that the Petitions be jointly administered for procedural purposes only.

4. As part of the first day motions (the "**First Day Motions**") that were heard by the US Court on May 11, 2022, which hearing was continued on May 13, 2022 and May 17, 2022, the US Court made several orders (collectively, the "**First Day Orders**"), including an order appointing Armstrong Flooring Canada Ltd. as the foreign representative of the AFI Group.

5. In support of the Petitions, the Declaration of Michel S. Vermette, the President and Chief Executive Officer of AFI, was filed with the US Court (the "**First Day Declaration**"). The First Day Declaration sets out in greater detail, among other things, the history of the AFI Group and the challenges that led to the Chapter 11 proceedings before the US Court commenced by the Petitions (the "**US Proceedings**"). Attached hereto and marked as **Exhibit** "**C**" is a true copy of the First Day Declaration.

6. On June 1, 2022, the Affidavit of Michel S. Vermette (the "**Vermette Affidavit**") was sworn in connection with an application brought by Armstrong Canada Flooring Ltd. ("**Armstrong Flooring Canada**" or the "**Foreign Representative**") for an Initial Recognition Order and a Supplemental Order, pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**", and the within proceedings under Part IV

of the CCAA, the "**Part IV CCAA Proceedings**"). The Vermette Affidavit sets out in greater detail the background on this matter and provides a summary of the various First Day Orders. Attached hereto and marked as **Exhibit** "**D**" is a true copy of the Vermette Affidavit (without exhibits).

7. On June 8, 2022, the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") made the Initial Recognition Order (the "**Initial Recognition Order**") and the Supplemental Order (the "**Supplemental Order**", and together with the Initial Recognition Order, the "**Recognition Orders**"), which, among other things, declared Armstrong Flooring Canada a "foreign representative" pursuant to section 45 of the CCAA of the Debtors in respect of the US Proceedings, recognized the US Proceedings as a "foreign main proceeding" pursuant to section 45 of the CCAA, and recognized the First Day Orders. Attached hereto and marked as **Exhibit** "**E**" are true copies of the Recognition Orders and the Endorsement made by Mr. Justice Cavanagh on June 8, 2022.

8. The Supplemental Order, among other things, appointed Grant Thornton Limited ("**Grant Thornton**") as the Information Officer (the "**Information Officer**") of the Debtors, with the powers and duties set out in the Supplemental Order.

9. The Part IV CCAA Proceedings were brought with a view to creating a stay of proceedings in Canada, so that the Debtors could pursue a restructuring, subject to Orders entered by the US Court, with corresponding Recognition Orders being sought from the Canadian Court, in order to facilitate a cross-border restructuring and ensure consistency in the administration of the US Proceedings and the Part IV CCAA Proceedings for the benefit of the creditors and stakeholders of the Debtors.

10. This Affidavit is made in support of a motion by the Foreign Representative in the within Part IV CCAA Proceedings for Orders granting certain relief, including, *inter alia*:

(a) abridging and validating the time for service of the Notice of Motion and the Motion Record and directing that any further service of the Notice of Motion and Motion Record be dispensed with such that this motion is properly returnable on September 28, 2022;

(b) effective upon the filing of the Information Officer's Certificate (as defined below), recognizing and enforcing in Canada an order of the US Court dated July 13, 2022, *inter alia*, (i) approving the sale of certain of the Debtors' assets free and clear of all liens, claims, encumbrances and other interests, (ii) approving the assumption and assignment of certain executory contracts and unexpired leases related thereto, and (iii) granting related relief (the "**US Sale Order**");

(c) approving a settlement agreement between Armstrong Flooring Canada and the US Debtors, in accordance with the terms of the Settlement Agreement dated September 23, 2022 (the "**Settlement Agreement**") between Armstrong Flooring Canada and Armstrong Flooring, Inc., AFI Licensing LLC and Armstrong Flooring Latin America, Inc. (collectively, the "**US Debtors**");

(d) declaring that Grant Thornton in its capacity as Court-appointed Information Officer shall, upon the satisfaction of the terms and conditions of the Settlement Agreement, file an Information Officer's certificate (the "**Information Officer's Certificate**") with the Court and deliver a copy to the service list by email;

(e) declaring that Element Fleet Management Inc. is not a secured creditor of Armstrong Flooring Canada;

(f) directing the registrar of personal property security in Ontario to fully discharge and delete the registration made by Element Fleet Management Inc. pursuant to the provisions of the *Personal Property Security Act* (Ontario), R.S.O. 1990, c. P.10 (the "**PPSA**") on March 27, 2017 as File Number 725951925, bearing Registration Number 20170327 1402 1462 3216, from the personal property registry;

(g) approving the Pre-Filing Report of Grant Thornton as the proposed information officer, dated June 6, 2022 and the appendices thereto (the "**Pre-Filing Report**") and the activities of the proposed information officer described therein;

(h) approving the First Report of the Information Officer dated September 23, 2022 and the appendices thereto (the "**First Report**") and the activities of the Information Officer described therein;

(i) approving the fees and disbursements of the Information Officer for the period from May 9, 2022 to September 21, 2022, and approving the estimated fees and disbursements of the Information Officer up to its date of discharge, as described in the affidavit of Jonathan Krieger, sworn September 22, 2022 (the "**Krieger Affidavit**");

(j) approving the fees and disbursements of Lax O'Sullivan Lisus Gottlieb LLP ("**LOLG**"), legal counsel to the Information Officer, for the period from May 1, 2022 to August 31, 2022, and approving the estimated fees and disbursements of LOLG for services to be provided to the Information Officer up to its date of discharge, as described in the affidavit of Andrew Winton, sworn September 22, 2022 (the "**Winton Affidavit**");

(k) amending paragraph 19 of the Supplemental Order to read as follows:

> **THIS COURT ORDERS** that the Information Officer, counsel to the Information officer and Borden Ladner Gervais LLP ("**BLG**") shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property in Canada, which charge shall not exceed an aggregate amount of $600,000, as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 21 and 23 hereof.

(l) authorizing the payment of the fees and disbursements of BLG, by any of Armstrong Flooring Canada, or Grant Thornton, from the assets of Armstrong Flooring Canada;

(m) authorizing, the Information Officer to file an assignment in bankruptcy on behalf of Armstrong Flooring Canada under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**");

(n) authorizing Grant Thornton to act as trustee in bankruptcy on behalf of Armstrong Flooring Canada;

(o) effective upon the filing of the discharge certificate (the "**Discharge Certificate**") by the Information Officer with this Court, certifying that the Information Officer has attended to certain remaining matters, as described in the First Report:

i. terminating the stay of proceedings, as provided for in the Initial Recognition Order and the Supplemental Order, and terminating these proceedings commenced under Part IV of the CCAA;

ii. terminating, discharging and releasing the Administration Charge, as defined in and created by the Supplemental Order;

iii. discharging Grant Thornton in its capacity as Information Officer; and

iv. releasing Grant Thornton in its capacity as Information Officer from any and all liability that it now has or may hereafter have in any way arising out of the acts or omissions of the Information Officer, while acting in its capacity as Information Officer in the CCAA proceedings, save and except for liability arising from any gross negligence or wilful misconduct on its part.

11. Since the granting of the Recognition Orders on June 8, 2022 by the Canadian Court, the Debtors, through their Canadian counsel, BLG, together with the Information Officer and LOLG, attended at Court on September 12, 2022, to provide the Canadian Court with an update with respect to recent developments on various matters and to seek the Canadian Court's assistance in scheduling a motion for a hearing before the Canadian Court. Attached hereto and marked as **Exhibit** "**F**" is a true copy of the Endorsement of Mr. Justice Cavanagh, which, among other things, provides for the scheduling of a hearing of the next motion in the within Part IV CCAA Proceedings before the Canadian Court on September 28, 2022 at 9:30 am.

Asset Sale Process

12. On May 26, 2022, the Debtors filed a motion with the US Court seeking an Order from the US Court authorizing and approving procedures to facilitate the sale of its North American, Australian and Chinese assets ("**Bidding Procedures Order**"). On May 31, 2022, the US Court

entered the Bidding Procedures Order. The details with regard to the sale process pursued in the US Proceedings (the "**Sale Process**") are more particularly described in the First Report.

13. On July 13, 2022, the US Court entered the US Sale Order approving the sale of the North American assets (the "**Transferred Assets**") to AHF LLC and Gordon Brothers Commercial & Industrial LLC (the "**AHF/GB Consortium**") pursuant to the Asset Purchase Agreement dated July 10, 2022 (the "**APA**") among the Debtors, as sellers, and the AHF/GB Consortium, as purchasers, wherein the purchase price was in the amount of $107 million US, plus adjustments to valuations on account of accounts receivable, inventory and hold backs as set out in the APA.

14. In granting the US Sale Order, the US Court determined that the entry into the APA and the consummation of the Sale Transaction constitute sound exercises of business judgment, and such acts are in the best interests of the Debtors, their estates and creditors, and all parties in interest. The US Court was satisfied that (i) the Debtors conducted a robust marketing process to sell the Transferred Assets, (ii) the Sale Process as approved by the US Court pursuant to the Bidding Procedures Order were designed to yield the highest or otherwise best bids for the Transferred Assets, (iii) the APA and the Sale Transaction present the best opportunity to realize the highest value for the Transferred Assets, (iv) there is risk of deterioration of the value of the Transferred Assets if the Sale Transaction is not consummated promptly, and the APA and the Sale Transaction provide greater value to the Debtors' estates than would be provided by any other presently available alternative.

15. The US Court was further satisfied that the Debtors had determined, in a valid and sound exercise of their business judgment, and in accordance with the Sale Process and the Bidding Procedures Order, that the highest and best qualified bid for the Transferred Assets is that of the AHF/GB Consortium and that the APA would provide a greater recovery for the Debtors' estates than would be provided by any other available alternative.

16. The transaction in respect of the sale of the North American assets to the AHF/GB Consortium closed on July 22, 2022 (the "**Sale Transaction**").

17. The sale to the AHF/GB Consortium essentially included all of the accounts receivable of Armstrong Flooring Canada, but did not include the cash, pre-pays, or other assets of Armstrong Flooring Canada, as shown on Armstrong Flooring Canada's balance sheet. As at the date of the closing of the Sale Transaction, the book value of the accounts receivable for Armstrong Flooring Canada were approximately $4.7 million CDN.

18. In the Vermette Affidavit, the assets of Armstrong Flooring Canada were summarized as follows:

(a) a series of bank accounts standing to the credit of Armstrong Flooring Canada, both in Canadian and US dollars;

(b) accounts receivable in the amount of $3.2 million CDN; and

(c) inventory in the amount of approximately $103,000 CDN.

As of the closing of the Sale Transaction, the inventory had been sold in the normal course of business, leaving the main assets which consisted of the Canadian and US dollar bank accounts and the accounts receivable. As of the date of this Affidavit, the cash in the Canadian and US bank accounts for Armstrong Flooring Canada include the following:

(a) $1,989,021.49 CDN; and

(b) $7,542.36 U.S.

19. Following the closing of the Sale Transaction on July 22, 2022, Canadian counsel to the Debtors, the Information Officer and LOLG, were advised of the Sale Transaction and the subsequent closing thereof. Over the last few weeks, discussions have taken place as between the Canadian and US advisors to the Debtors, the Information Officer and LOLG in terms of seeking a Recognition Order from the Canadian Court in respect of the US Sale Order in order to effect an orderly transfer of the Canadian accounts receivable to the AHF/GB Consortium. In connection therewith, Armstrong Flooring Canada and the US Debtors have entered into a settlement agreement dated September 23, 2022 (the "**Settlement Agreement**") which memorializes the basis upon which the Foreign Representative would bring a motion to the Canadian Court in the within Part IV CCAA Proceedings to seek a Recognition Order in respect of the US Sale Order in exchange for, among other things, (i) a payment to Armstrong Flooring Canada in the amount of $500,000 US from the proceeds of sale arising from the Sale

Transaction, and (ii) a withdrawal, release and discharge of an inter-company claim held by AFI against Armstrong Flooring Canada in the net amount of $15,088,504 CDN as at July 31, 2022 (the "**Inter-Company Debt**"), in the proposed bankruptcy proceedings of Armstrong Flooring Canada pursuant to the BIA, which will be discussed in greater detail in the balance of this Affidavit. Attached hereto and marked as **Exhibit "G"** is a true copy of the Settlement Agreement.

20. The Foreign Representative, in consultation with the Information Officer, is of the view that the Settlement Agreement reflects a fair outcome for the stakeholders of Armstrong Flooring Canada, as part of the request for a Recognition Order in respect of the US Sale Order. I understand that the Information Officer has indicated that it supports the Canadian Court's approval of the Settlement Agreement, which will be detailed in the First Report of the Information Officer.

21. The Foreign Representative also seeks recognition of the US Sale Order from the Canadian Court to ensure that the Sale Transaction can be consummated, which the US Court has determined to be a transaction that was negotiated and undertaken by the parties thereto at arm's length, in good faith and in compliance with all applicable Orders of the US Court, and which will support the maximization of the value of the Debtors' estates for the benefit of the stakeholders and an expeditious and orderly emergence from the US Proceedings. I understand that the Information Officer has indicated that it supports the Canadian Court's recognition of the US Sale Order and the inclusion of Armstrong Flooring Canada's accounts receivable in the Sale Transaction, provided that sufficient and fair value be allocated to Canada as contemplated and memorialized in the Settlement Agreement, and as further detailed in the First Report of the Information Officer.

Current Status of Armstrong Flooring Canada

22. As noted at Paragraph 75 of the Vermette Affidavit, at the time of the commencement of the Part IV CCAA Proceedings, Armstrong Flooring Canada employed only four Canadian employees, who were sales representatives. On or about July 22, 2022, Armstrong Flooring Canada terminated each of the four Canadian employees. As a result, there are no active business operations of Armstrong Flooring Canada.

23. The assets of Armstrong Flooring Canada, as of the date of this Affidavit, are described above. The liabilities of Armstrong Flooring Canada include outstanding accounts payable totalling approximately $674,003 USD as at September 2, 2022, as well as the above-referenced Inter-Company Debt owing to AFI in the net amount of $15,088,504 CDN as at July 31, 2022. In addition, the Canadian Pension Plan (as defined in the Vermette Affidavit) has a solvency deficiency of approximately $2,843,700 CDN as at July 31, 2022.

24. As noted in paragraph 73 of the Vermette Affidavit, Armstrong Flooring Canada is a British Columbia company. Attached hereto and marked as **Exhibit** "**H**" is a true copy of the British Columbia Corporate Registry search for Armstrong Flooring Canada obtained from the British Columbia Registry on May 9, 2022, which was also attached as Exhibit "R" of the Vermette Affidavit. At the time that this corporate search was obtained from the British Columbia Corporate Registry, Armstrong Flooring Canada's sole director and officer was Christopher S. Parisi, a resident of Downington, Pennsylvania.

25. In light of the closing of the Sale Transaction on July 22, 2022, Mr. Parisi, who was formerly the General Counsel of AFI, in addition to being the sole officer and director of Armstrong Flooring Canada, resigned as the officer and director of Armstrong Flooring Canada, effective August 31, 2022, and is no longer with AFI. Attached hereto and marked here to as **Exhibit** "**I**" is a copy of Mr. Parisi's resignation from Armstrong Flooring Canada. Attached hereto and marked as **Exhibit** "**J**" is the filed Notice Change of Director, together with the certified copy of the Notice of Articles, obtained from the British Columbia Registry Services on September 9, 2022.

Element Fleet Management Inc.

26. As noted in paragraphs 118 and 119 of the Vermette Affidavit, BLG conducted a search as against Armstrong Flooring Canada pursuant to the Ontario PPSA, with a file currency of April 11, 2022. The result of the Ontario PPSA search as against Armstrong Flooring Canada was attached to Exhibit "U" to the Vermette Affidavit and is attached hereto and marked as **Exhibit** "**K**" to this Affidavit. The Ontario PPSA search as against Armstrong Flooring Canada disclosed one registration in favour of Element Fleet Management Inc. ("**Element**"), as a secured party (the "**Element PPSA Registration**").

27. As referenced at paragraph 119 of the Vermette Affidavit, BLG also conducted a search of the Personal Property Registry of British Columbia as against Armstrong Flooring Canada, which disclosed no registrations under the *Personal Property Security Act* (British Columbia) (the "**BC PPSA**") as against Armstrong Flooring, which search report was attached as Exhibit "V" to the Vermette Affidavit and is attached hereto and marked as **Exhibit** "**L**".

28. Based upon the reviews conducted on the records of Armstrong Flooring Canada, there does not appear to be any documentation evidencing any obligations owing to Element on account of the Element PPSA Registration. Accordingly, BLG wrote to Element by letter dated August 17, 2022 (the "**Element Letter**"), requesting that Element file a discharge in respect of the Element PPSA Registration by no later than August 30, 2022. I am advised by Mr. Roger Jaipargas and do verily believe that BLG received no response to the Element Letter. Attached hereto and marked as **Exhibit** "**M**" is a true copy of the Element Letter. Further, I understand that Element was duly served with the materials in connection with the application brought by the Foreign Representative for the Recognition Orders on June 8, 2022 and did not serve any responding materials or appear at the hearing of the application, or otherwise provide any response thereto.

29. In light of the fact that the records of Armstrong Flooring Canada do not contain any indication that Element is currently a secured creditor of Armstrong Flooring Canada, and the fact that Element has failed to respond to the reasonable request made by BLG in the Element Letter or any other communications to date, Armstrong Flooring Canada is seeking certain relief pursuant to the provisions of the Ontario PPSA, including sections 56 and 67, with respect to the Element PPSA Registration. To the best of my knowledge, Armstrong Flooring Canada does not currently have any secured creditors, save and except for the Administration Charge, as defined and created in the Supplemental Order.

Expansion of the Administration Charge

30. The Supplemental Order provides for the sole Court-ordered charge in the within Part IV CCAA Proceedings, which is the Administration Charge. The Administration Charge provided for in the Supplemental Order is for the benefit of the Information Officer and LOLG, to the maximum amount of $300,000 CDN.

31. BLG has represented the Foreign Representative, together with the other Chapter 11 Debtors, throughout these Part IV CCAA Proceedings, with a view to maximizing realizations for the benefit of the stakeholders of the Debtors, and in particular, the stakeholders of Armstrong Flooring Canada. While BLG has been paid some of its fees throughout the course of these Part IV CCAA Proceedings, a number of its accounts remain outstanding. Given the proposed bankruptcy of Armstrong Flooring Canada (which will be discussed in further detail below), I believe that it is appropriate for the Administration Charge to be expanded, both in terms of beneficiary of the Administration Charge, to include BLG, and the quantum of same, to $600,000 CDN.

32. The Debtors could not have advanced the Part IV CCAA Proceedings, which has led to assets becoming available for creditors of Armstrong Flooring Canada, without the assistance of BLG, including in connection with the proposed settlement as detailed above. I understand that the Information Officer supports the relief sought in connection with the expansion of the Administration Charge to include BLG.

Proposed Bankruptcy of Armstrong Flooring Canada

33. On June 16, 2022, the US Court entered an Order establishing bar dates and related procedures for filing proofs of claim in the Chapter 11 Proceedings (the "**US Claims Bar Order**"). The US Claims Bar Order purports to call for claims to be filed against all of the Chapter 11 Debtors, on or prior to August 5, 2022 at 5pm eastern time (the "**General Bar Date**"). Attached hereto and marked as **Exhibit** "**N**" is a true copy of the US Claims Bar Order.

34. At this time, given the status of Armstrong Flooring Canada, the proposed settlement, as memorialized in the Settlement Agreement, and the funds that will be available for creditors of Armstrong Flooring Canada, the Foreign Representative is seeking an Order authorizing Grant Thornton, in its capacity as Information Officer in the Part IV CCAA Proceedings, to file an assignment in bankruptcy for Armstrong Flooring Canada, at which time the Part IV CCAA Proceedings would be terminated.

35. I am advised by Mr. Jaipargas and do verily believe, that the BIA provides for a ready-made claims process and scheme of distribution for creditors of Armstrong Flooring Canada.

36. I understand that Grant Thornton is a licensed insolvency trustee, for the purposes of the BIA, and that Grant Thornton is prepared to act as trustee in bankruptcy for Armstrong Flooring Canada, should the Canadian Court grant the relief sought by the Foreign Representative in respect of the motion returnable on September 28, 2022.

37. I believe that Grant Thornton is the appropriate party to act as the trustee in bankruptcy of Armstrong Flooring Canada, given its familiarity with Armstrong Flooring Canada, having acted as Information Officer in the current Part IV CCAA Proceedings.

38. I am advised by Mr. Jaipargas and do verily believe that upon the bankruptcy of Armstrong Flooring Canada, all of the assets of Armstrong Flooring Canada will vest with the Grant Thornton as trustee in bankruptcy of Armstrong Flooring Canada. I further understand from Mr. Jaipargas that creditors will have an opportunity to file a proof of claim and to receive a dividend from the bankruptcy of Armstrong Flooring Canada, subject to the trustee in bankruptcy's ability to review and potentially disallow claims, in the contemplated bankruptcy of Armstrong Flooring Canada.

39. The proposed bankruptcy of Armstrong Flooring Canada is the most cost efficient manner to wind up the current Part IV CCAA Proceedings and will eliminate the need for further attendances before the Canadian Court, which will inevitably conserve on professional costs.

40. This Affidavit is sworn in support of a motion brought by the Foreign Representative for the relief set out in paragraph 10 of this Affidavit and for no other or improper purpose.

SWORN BEFORE ME at the City of ●, in the State of Connecticut, this 26th day of September, 2022	)))	
	)))	
A Notary Public in and for the State of Connecticut	)	**DALTON EDGECOMB**

THIS IS EXHIBIT “A” TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26TH DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	**Chapter 11**
ARMSTRONG FLOORING, INC., *et al.*,	**Case No. 22-10426 (MFW)**
Debtors.[1]	**Jointly Administered**
	Related Docket Nos. 190, 307

ORDER (I) AUTHORIZING THE EMPLOYMENT AND RETENTION OF RIVERON MANAGEMENT SERVICES, LLC EFFECTIVE *NUNC PRO TUNC* TO THE PETITION DATE, (II) APPROVING THE TERMS OF RIVERON MANAGEMENT SERVICES, LLC'S EMPLOYMENT AND RETENTION, (III) DESIGNATING DALTON EDGECOMB AS CHIEF TRANSFORMATION OFFICER EFFECTIVE *NUNC PRO TUNC* TO THE PETITION DATE, AND (IV) GRANTING RELATED RELIEF

Upon the application (the "**Application**")[2] of the Debtors for entry of an order (this "**Order**") authorizing the Debtors to (a) employ and retain Riveron Management Services, LLC ("**RMS**") to provide interim management services to the Debtors, *nunc pro tunc* to the Petition Date; (b) approve the terms of RMS's employment and retention; (c) designate Dalton Edgecomb as Chief Transformation Officer of the Debtors (the "**CTO**"), *nunc pro tunc* to the Petition Date; and (d) granting related relief, all as more fully set forth in the Application; and upon the Edgecomb Declaration; and upon the First-Day Declaration; and this Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and the matter being a core

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[1] The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Armstrong Flooring, Inc. (3305); AFI Licensing LLC (3265); Armstrong Flooring Latin America, Inc. (2943); and Armstrong Flooring Canada Ltd. (N/A). The address of the Debtors' corporate headquarters is PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065.

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Application.

proceeding within the meaning of 28 U.S.C. § 157(b)(2); and the Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of these proceedings and the Application being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that notice of the Application and the hearing to consider the Application was sufficient under the circumstances; and upon consideration of any responses to the Application; and this Court being satisfied with the representations made in the Application and the Edgecomb Declaration that RMS represents no interest adverse to the estates; after due deliberation this Court having determined that the relief requested in the Application is necessary and essential for the Debtors' reorganization and such relief is in the best interests of the Debtors, their estates, their creditors, their stakeholders, and other parties in interest; and after due deliberation thereon, and good and sufficient cause appearing therefor; it is hereby;

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Application is GRANTED as set forth herein.

2. The Debtors are authorized, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, to employ and retain RMS to provide interim management services for the Debtors *nunc pro tunc* to the Petition Date, in accordance with the terms and conditions set forth in the Application, subject to the terms outlined herein, which apply notwithstanding anything in the Application or any exhibits related thereto to the contrary.

3. The Debtors are authorized, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, to designate Dalton Edgecomb as CTO in accordance with the terms and conditions set forth in the Application and the Edgecomb Declaration, subject to the terms outlined herein, which apply notwithstanding anything in the Application, the Edgecomb Declaration, or any exhibits related thereto to the contrary.

4. The terms of the Engagement Letter, including, without limitation, the compensation provisions, are reasonable terms and conditions of employment and are incorporated herein by reference and approved in all respects except as otherwise set forth herein. To the extent there is any inconsistency between the terms of this Order and the terms of the Engagement Letter, the terms of this Order shall control.

5. Upon employment and retention by the Debtors, Mr. Edgecomb shall be empowered and authorized to carry out all duties and responsibilities set forth in the Engagement Letter.

6. RMS and its affiliates shall not act in any other capacity (for example, and without limitation, as claims agent/claims administrator, financial advisor or investor/acquirer) in connection with the Chapter 11 Cases.

7. In the event the Debtors seek to have RMS personnel assume executive officer positions that are different than the positions disclosed in the Application, or to materially change the terms of the engagement by either (i) modifying the functions of personnel, (ii) adding new personnel, or (iii) altering or expanding the scope of the engagement, a motion to modify the retention shall be filed.

8. No principal, employee, or independent contractor of RMS and its affiliates shall serve as a director of any of the above-captioned Debtors during the pendency of the Chapter 11 Cases.

9. RMS shall be compensated weekly in the ordinary course for its services and reimbursed for any related expenses in accordance with the rates (as may be adjusted from time to time) and disbursement policies as set forth in the Application, the Edgecomb Declaration, the Engagement Letter, and any other applicable orders of this Court.

10. RMS shall file with the Court and serve on the Debtors, the Office of the United States Trustee for the District of Delaware (the "**U.S. Trustee**"), and counsel for any statutory committee that is appointed in these Chapter 11 Cases, a report of staffing on the engagement for the previous month. Such report shall include the names and functions filled of the individuals assigned. All staffing shall be subject to review by the Court in the event an objection is filed.

11. RMS shall file with the Court and serve on the Debtors, the U.S. Trustee, and counsel for any statutory committee that is appointed in these Chapter 11 Cases, reports of compensation earned and expenses incurred ("**Compensation Reports**") on a monthly basis. Compensation Reports shall contain summary charts which describe the services provided, identify the compensation earned and expenses incurred by RMS Professionals, as well as the names, job classifications, billing rates and functional areas of the RMS Professionals forming the services, and itemize the expenses incurred. Time records shall (i) be appended to the Compensation Reports, (ii) contained detailed time entries describing the task(s) performed, and (iii) be organized by project category. Where personnel are providing services at an hourly rate, the time entries shall identify the time spent completing each task in 1/10/hour increments and the corresponding charge (time multiplied by hourly rate) for each task; where personnel are providing services at a "flat" rate, the time entries shall be kept in hourly increments. All compensation shall be subject to review by the Court in the event an objection is filed. RMS will file its first Compensation Report by July 31, 2022 for the period covering the Petition Date through June 30, 2022.

12. RMS shall hold the Cash on Account to be applied to its final invoice in these Chapter 11 Cases.

13. Notwithstanding anything in the Application, the Edgecomb Declaration, or the Engagement Letter, RMS will not charge 3% of its professional fees to cover indirect internal expenses; rather, any actual expenses incurred by RMS will be itemized and included in the Compensation Reports filed with the Court.

14. Success fees, transaction fees, or other back-end fees shall be approved by the Court at the conclusion of the case on a reasonableness standard and are not being pre-approved by the entry of this Order. No success fee, transaction fee or back-end fee shall be sought upon conversion of the case, dismissal of the case for cause, or appointment of a trustee.

15. There shall be no indemnification of RMS or its affiliates, notwithstanding any other provision of this Order or the limitation of liability provision in Section 7 of Schedule C of the Engagement Letter.

16. The Debtors are permitted to indemnify those persons serving as executive officers on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors' director and officer insurance policy.

17. There shall be no indemnification of the Temporary Staff working on these Chapter 11 Cases.

18. RMS shall use its reasonable efforts to avoid any unnecessary duplication of services provided by any other retained professionals in these Chapter 11 Cases.

19. For a period of three years after the conclusion of the engagement, neither RMS nor its affiliates shall make any investments in the Debtors or the Reorganized Debtors.

20. RMS shall disclose any and all facts that may have a bearing on whether the firm, its affiliates, and/or any individuals working on the engagement hold or represent any interest

adverse to the Debtors, their creditors, or other parties in interest. The obligation to disclose identified in this subparagraph is a continuing obligation.

21. In the event of any inconsistency among the Engagement Letter, the Application, or the Edgecomb Declaration, and this Order, this Order shall govern.

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

23. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

24. The requirements set forth in Local Bankruptcy Rule 9013-1(b) are satisfied by the contents of the Application.

25. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

26. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: June 8th, 2022
Wilmington, Delaware

MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "B" TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26TH DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

Fill in this information to identify the case:			
United States Bankruptcy Court for the:			
	District of	Delaware (State)	
Case number (if known):		Chapter 11	☐ Check if this is an amended filing
22-10429 (MFW)			

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

04/22

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name

Armstrong Flooring Canada Ltd.

2. All other names debtor used in the last 8 years

Include any assumed names, trade names, and doing business as names

AFI Canada Ltd.

3. Debtor's federal Employer Identification Number (EIN)

N/A

4. Debtor's address

Principal place of business

40 King Street West
Number Street

Suite 2100

Toronto ON M5H 3C2
City State ZIP Code

County

Mailing address, if different from principal place of business

1770 Hempstead Road
Number Street

P.O. Box 10068
PO Box

Lancaster PA 17605
City State ZIP Code

Location of principal assets, if different from principal place of business

Number Street

City State ZIP Code

5. Debtor's website (URL)

https://www.armstrongflooring.com/

CERTIFIED: AS A TRUE COPY: ATTEST: UNA M. O'BOYLE U. S. BANKRUPTCY COURT By Deputy Clerk 5/13/2022

+1

Debtor Armstrong Flooring Canada Ltd. Case number (*if known*)
Name

6. Type of debtor

☐ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))
☐ Partnership (excluding LLP)
☒ Other. Specify: A British Columbia corporation

7. Describe debtor's business

A. *Check one:*

☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
☐ Railroad (as defined in 11 U.S.C. § 101(44))
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
☒ None of the above

B. *Check all that apply:*

☐ Tax-exempt entity (as described in 26 U.S.C. § 501)
☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See http://www.uscourts.gov/four-digit-national-association-naics-codes

3 2 7 1

8. Under which chapter of the Bankruptcy Code is the debtor filing?

Check one:
☐ Chapter 7
☐ Chapter 9
☒ Chapter 11. *Check **all** that apply*:
☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than $3,024,725 (amount subject to adjustment on 4/01/25 and every 3 years after that).
☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and it chooses to proceed under Subchapter V of Chapter 11.
☐ A plan is being filed with this petition.
☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11 (Official Form 201A) with this form .
☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.
☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

If more than 2 cases, attach a separate list.

☒ No
☐ Yes District ______ When ______ MM / DD / YYYY Case number ______
District ______ When ______ MM / DD / YYYY Case number ______

Debtor Armstrong Flooring Canada Ltd. Case number (*if known*)
Name

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

List all cases. If more than 1, attach a separate list.

☐ No

☒ Yes Debtor See Annex 1 Relationship Affiliate

District Delaware When Date hereof (MM / DD / YYYY)

Case Number, if known

11. Why is the case filed in *this district*?

Check all that apply:

☐ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

☒ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

☒ No

☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed

Why does the property need immediate attention? (*Check all that apply.*)

☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard?

☐ It needs to be physically secured or protected from the weather.

☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

☐ Other

Where is the property?

Number Street

City State Zip Code

Is the property insured?

☐ No

☐ Yes Insurance agency

Contact name

Phone

Statistical and administrative information

13. Debtor's estimation of available funds

Check one

☒ Funds will be available for distribution to unsecured creditors.

☐ After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

14. Estimated number of creditors (consolidated with debtor affiliates)*

☐ 1-49	☐ 1,000-5,000	☐ 25,001-50,000
☐ 50-99	☐ 5,001-10,000	☐ 50,001-100,000
☐ 100-199	☐ 10,001-25,000	☐ More than 100,000
☒ 200-999		

Debtor Armstrong Flooring Canada Ltd. Case number (*if known*)
Name

15.	**Estimated assets (consolidated with debtor affiliates)***	☐ $0-$50,000 ☐ $50,001-$100,000 ☐ $100,001-$500,000 ☐ $500,001-$1 million	☐ $1,000,001-$10 million ☐ $10,000,001-$50 million ☐ $50,000,001-$100 million ☒ $100,000,001-$500 million	☐ $500,000,001-$1 billion ☐ $1,000,000,001-$10 billion ☐ $10,000,000,001-$50 billion ☐ More than $50 billion
16.	**Estimated liabilities (consolidated with debtor affiliates)***	☐ $0-$50,000 ☐ $50,001-$100,000 ☐ $100,001-$500,000 ☐ $500,001-$1 million	☐ $1,000,001-$10 million ☐ $10,000,001-$50 million ☐ $50,000,001-$100 million ☒ $100,000,001-$500 million	☐ $500,000,001-$1 billion ☐ $1,000,000,001-$10 billion ☐ $10,000,000,001-$50 billion ☐ More than $50 billion

*Represents consolidated financial information for the Debtor and its affiliated entities. This does not constitute a statement or admission as to the creditors, assets, or liabilities of any of the debtor entities individually.

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to $500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 05/08/2022
MM / DD / YYYY

X */s/ Michel S. Vermette*
Signature of authorized representative of debtor

Michel S. Vermette
Printed name

Title President and Chief Executive Officer

18. Signature of attorney

X */s/ Joseph O. Larkin*
Signature of attorney for debtor

Date 05/08/2022
MM / DD / YYYY

Joseph O. Larkin
Printed name

Skadden, Arps, Slate, Meagher & Flom LLP
Firm name

920 N. King Street
Number Street

Wilmington
City

Delaware
State

19801
ZIP code

(302) 651-3000
Contact phone

Joseph.Larkin@skadden.com
Email address

4883
Bar number

Delaware
State

Annex 1

SCHEDULE OF DEBTORS

On the date hereof, each of the affiliated entities listed below (including the debtor in this chapter 11 case) filed in this Court a petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*., as amended. Substantially contemporaneously with the filing of these petitions, these entities filed a motion requesting that their respective chapter 11 cases be jointly administered for procedural purposes only.

No.	Debtor	FEDERAL EIN
1	Armstrong Flooring, Inc.	47-4303305
2	AFI Licensing LLC	36-4833265
3	Armstrong Flooring Latin America	35-2552943
4	Armstrong Flooring Canada Ltd.	N/A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	**Chapter 11**
ARMSTRONG FLOORING, INC., ***et al.,***	**Case No. 22-_____ (___)**
Debtors.[1]	**(Joint Administration Pending)**

CONSOLIDATED CORPORATE OWNERSHIP STATEMENT AND LIST OF EQUITY SECURITY HOLDERS PURSUANT TO FEDERAL RULES OF BANKRUPTCY PROCEDURE 1007 AND 7007.1

Pursuant to Rules 1007(a)(1) and 7007.1 of the Federal Rules of Bankruptcy Procedure, set forth below are the corporate entities that directly or indirectly own 10% or more of any class of equity interests as of the Petition Date:

1. Armstrong Flooring, Inc. is a publicly traded corporation. No entities have a direct or indirect ownership interest of 10% or more in Armstrong Flooring, Inc.

2. AFI Licensing LLC is wholly owned by Armstrong Flooring, Inc.

3. Armstrong Flooring Latin America, Inc. is wholly owned by Armstrong Flooring, Inc.

4. Armstrong Flooring Canada Ltd. is wholly owned by Armstrong Flooring, Inc.

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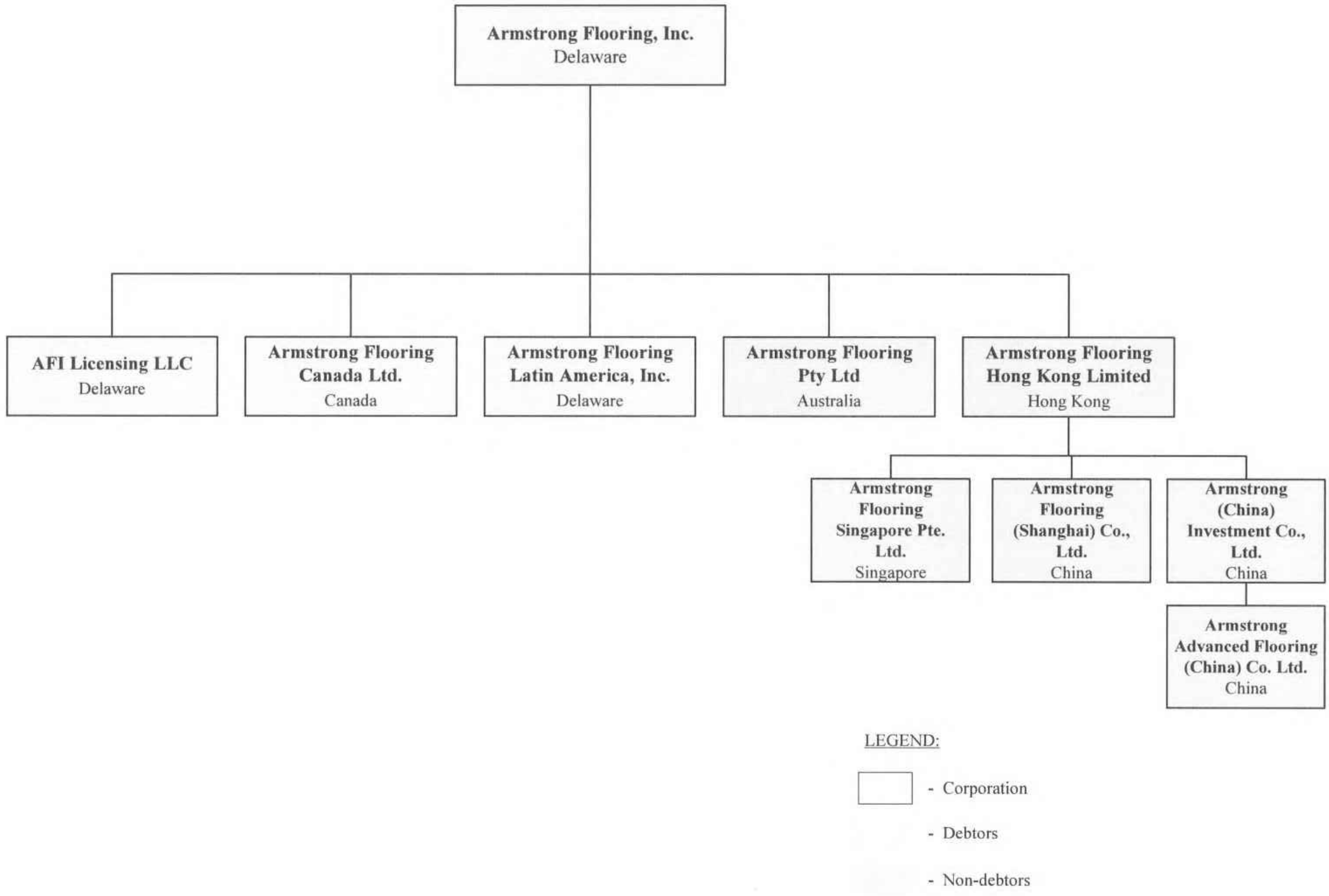
[1] The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Armstrong Flooring, Inc. (3305); AFI Licensing LLC (3265); Armstrong Flooring Latin America, Inc. (2943); and Armstrong Flooring Canada Ltd. (N/A). The address of the Debtors' corporate headquarters is PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065.

EXHIBIT A

Organizational Chart


Armstrong Flooring, Inc.
Delaware
AFI Licensing LLC
Delaware
Armstrong Flooring Canada Ltd.
Canada
Armstrong Flooring Latin America, Inc.
Delaware
Armstrong Flooring Pty Ltd
Australia
Armstrong Flooring Hong Kong Limited
Hong Kong
Armstrong Flooring Singapore Pte. Ltd.
Singapore
Armstrong Flooring (Shanghai) Co., Ltd.
China
Armstrong (China) Investment Co., Ltd.
China
Armstrong Advanced Flooring (China) Co. Ltd.
China
LEGEND:
- Corporation
- Debtors
- Non-debtors

Fill in this information to Identify the case:
Debtor Name: Armstrong Flooring, Inc., et al.
United States Bankruptcy Court for the: District of Delaware
Case Number (If known):

☐ Check if this is an amended filing

Official Form 204

Chapter 11 or Chapter 9 Cases: Consolidated List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders

12/15

A consolidated list of creditors holding the 30 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 30 largest unsecured claims.

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1	COLOUR STREAM LTD 3F NO 3 SEC 2 RENAI RD TAIPEI 226017 TAIWAN	JODYCHEN@DARDEFLOORING.COM	VENDOR	C/U/D			$5,987,475.59
2	YIBIN TIANYI NEW MATERIAL NO 61 WEST SECTION YIBIN 644000 CHINA	SMAN0425@QQ.COM	VENDOR	C/U/D			$5,925,169.67
3	ZHEJIANG TIANZHEN BAMBOO & WOOD DEVELOPMENT CO LTD WELLNESS INDUSTRY PARK ANJI ECONOMIC DEVELOPMENT AREA ANJI COUNTY ZHEJIANG PROVINCE 313300 CHINA	PHONE: 86-72-504-2411 NANCYL@TZBAMBOO.COM	VENDOR	C/U/D			$4,874,703.39
4	KLOCKNER-PENTAPLAST OF AMER INC 3585 KLOECKNER RD GORDONSVILLE, VA 22942	PHONE: 540-832-3600 REMITTANCE.US@KPFILMS.COM; ACCTSREC@KPFILMS.COM	VENDOR	C/U/D			$4,494,817.22
5	FLEXPORT INC 760 MARKET STREET SAN FRANCISCO, CA 94102	PHONE: 415-231-5252 REMITTANCE@FLEXPORT.COM	VENDOR	C/U/D			$3,334,973.82
6	EASTMAN CHEMICAL FINANCIAL CORP 200 S WILCOX DRIVE KINGSPORT, TN 37660	PHONE: 800-327-8626 GLOBALAR@EASTMAN.COM	VENDOR	C/U/D			$3,146,863.02

Debtor: Armstrong Flooring, Inc., et al. Case Number (if known):

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
7	HONG KONG EDSON TRADING LIMITED 28 CANTON ROAD TSIM SHA TSUI HONG KONG 999077 HONG KONG	ZOE@VNJUFENG.COM	VENDOR	C/U/D			$2,325,947.03
8	MEXICHEM SPECIALTY RESINS INC ATTN GENERAL MGR 33653 WALKER RD AVON LAKE, OH 44012	PHONE: 877-226-7355 ROBERT.WOLF@VESTOLIT.COM	VENDOR	C/U/D			$1,995,350.73
9	SDI INC ATTN CHIEF FINANCIAL OFFICER 1414 RADCLIFFE ST, STE 300 BRISTOL, PA 17604	PHONE: 863-533-1147 JACKIE.KRAMER@SDI.COM	VENDOR	C/U/D			$1,676,115.48
10	SPECIALTY MINERALS INC 2800 AYERS AVE LOS ANGELES, CA 90023	PHONE: 212-878-1840 US.CASH.RECEIPTS@MINERALSTECH.COM	VENDOR	C/U/D			$1,558,531.26
11	AHLSTROM MUNKSJO GLASSFIBRE OY AHLSTROMINTIE 19 KOTKA 48600 FINLAND	PHONE: 358 10 888 0 CHERYL.BROWN@AHLSTROM-MUNKSJO.COM	VENDOR	C/U/D			$1,363,260.68
12	OXYVINYLS LP 1950 N STEMMONS FRWY DALLAS, TX 75207	PHONE: 972-404-2144 ACCOUNTS_RECEIVABLE@OXY.COM	VENDOR	C/U/D			$1,302,958.10
13	TBL SERVICES INC 1005 BROOKSIDE ROAD ALLENTOWN, PA 18106	FINANCE@THINKTBL.COM	VENDOR	C/U/D			$1,243,877.16
14	EMERALD KALAMA LLC 1296 NORTHWEST THIRD KALAMA, WA 98625	CREDITDEPT@EMERALDMATERIALS.COM	VENDOR	C/U/D			$1,000,705.54
15	EXPEDITORS INTERNATIONAL INC 519 KAISER DRIVE FOLCROFT, PA 19032	PHONE: 610-534-2590 REMIT@EXPEDITORS.COM; AR-PHL@EXPEDITORS.COM	VENDOR	C/U/D			$991,838.59
16	ARDEX ENGINEERED CEMENTS 400 ARDEX PARK DRIVE ALIQUIPPA, PA 15001	PHONE: 888-512-7339 LORIE.WAGONER@ARDEXAMERICAS.COM	VENDOR	C/U/D			$971,940.68
17	HYUNDAI L & C USA LLC 1077 CHEONHO-DAERO SEOUL 5340 SOUTH KOREA	PHONE: 888-426-9421 JIMINYOU@HYUNDAILNCUSA.COM	VENDOR	C/U/D			$837,232.38
18	BOSTIK INC DEPT CH 19480 PALATINE, IL 60055	PHONE: 414-774-2250 BOSTIK.AR@BOSTIK.COM	VENDOR	C/U/D			$795,608.40
19	GIVENS INC 1720 S MILITARY HIGHWAY CHESAPEAKE, VA 23320	PHONE: 757-233-4300 AR@GIVENS.COM	VENDOR	C/U/D			$728,999.06
20	CAMGER COATINGS SYSTEM INC 364 MAIN STREET NORFOLK, MA 02056	PHONE: 508-528-5787 G.BESCHI@CAMGER.COM	VENDOR	C/U/D			$688,680.89
21	STERLING MEXICO INVESTMENTS LLC 999 VANDERBILT BEACH ROAD SUITE 606 NAPLES, FL 34108		VENDOR	C/U/D			$654,782.85

Debtor: Armstrong Flooring, Inc., et al. Case Number (if known):

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
22	VALTRIS SPECIALTY CHEMICALS 7500 EAST PLEASANT VALLEY RD INDEPENDENCE, OH 44131	PHONE: 216-875-7200 CHRISTINE.DEFLOOR@VALTRIS.COM	VENDOR	C/U/D			$618,637.30
23	OMNOVA SOLUTIONS INC 2011 ROCKY RIVER RD MONROE, NC 28110	PHONE: 216-682-7000 CFS@OMNOVA.COM	VENDOR	C/U/D			$609,606.48
24	TRONOX LLC 263 TRESSER BLVD STE 1100 STAMFORD, CT 06901-3227	PHONE: 203-705-3800 OKCCASHPOSTINGGROUP@TRONOX.COM	VENDOR	C/U/D			$557,946.92
25	J & M TANK LINES INC ATTN PRESIDENT 1100 CORPORATE PKWY BIRMINGHAM, AL 35238	PHONE: 800-456-8265 PSUMERFORD@JMTANK.COM; AR@JMTANK.COM	VENDOR	C/U/D			$542,376.33
26	THE SAMPLE GROUP NC INC. 179 MERRIMON AVE WEAVERVILLE, NC 28787	PHONE: 828-645-1410 ACCTGTSG@THESAMPLEGROUP.COM	VENDOR	C/U/D			$513,933.95
27	HAN RIGID PLASTICS USA LLC 980 W CIENEGA AVE SAN DIMAS, CA 91773	PHONE: 909-394-5832 MAY@HANRIGIDUSA.COM	VENDOR	C/U/D			$512,506.55
28	ART GUILD INC 300 WOLF DRIVE WEST DEPTFORD, NJ 08086	PHONE: 856-384-1999 BSANDONE@ARTGUILDINC.COM; CCLIVER@ARTGUILDINC.COM	VENDOR	C/U/D			$480,360.18
29	YIBIN TIANCHANG LOGISTICS CO DIAOHUANLOU ROAD YIBIN CITY 644000 CHINA	79501918@QQ.COM	VENDOR	C/U/D			$473,000.00
30	FEI GROUP 811 LIVINGSTON COURT SE, STE A MARIETTA, GA 30067	PHONE: 770-528-4748 JORTEGA@FEIGROUP.NET	VENDOR	C/U/D			$458,332.94

Fill in this information to identify the case:			
Debtor name	Armstrong Flooring, Inc., *et al.*		
United States Bankruptcy Court for the:		District of (State)	Delaware
Case number (If known):			

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING – Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to $500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets-Real and Personal Property* (Official Form 206A/B)
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☐ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☐ *Schedule H: Codebtors* (Official Form 206H)
- ☐ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ *Amended Schedule* ____________
- ☒ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☒ Other document that requires a declaration Corporate Ownership Statement.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 05/08/2022
MM/DD/YYYY

x */s/ Michel S. Vermette*
Signature of individual signing on behalf of debtor

Michel S. Vermette
Printed Name

President and Chief Executive Officer
Position or relationship to debtor

ACTION BY WRITTEN CONSENT

BY THE

BOARD OF DIRECTORS

OF

ARMSTRONG FLOORING CANADA LTD.

May 8, 2022

WHEREAS, the board of directors (the "**Board**") of Armstrong Flooring Canada Ltd., a British Columbia corporation (the "**Company**"), has reviewed and had the opportunity to ask questions about the materials presented by the management and the legal and financial advisors of the Company regarding potential present and future liabilities and liquidity of the Company, the strategic alternatives available to it, and the impact of the foregoing on the Company's businesses;

WHEREAS, the Board has consulted with the management and the legal and financial advisors of the Company to fully consider, and has considered, each of the strategic alternatives available to the Company; and

WHEREAS, the Board, acting pursuant to Section 140 of the *Business Corporations Act* (British Columbia), has determined that it is in the Company's best interest to seek relief under chapter 11 ("**Chapter 11**") of title 11 of the United States Code (the "**Bankruptcy Code**") and to file a simultaneous application under Part IV of the *Companies' Creditors Arrangement Act* (the "**CCAA**") in the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") for recognition of the Chapter 11 proceeding as a foreign proceeding under the CCAA and to seek such other insolvency or bankruptcy relief in Canada as may be necessary from time to time (the "**Canadian Proceedings**").

I. Chapter 11 Filing

WHEREAS, the Board has considered presentations by the management and the financial and legal advisors of the Company regarding the liabilities and liquidity situation of the Company, the strategic alternatives available to it, and the effect of the foregoing on the Company's business, creditors, stakeholders, and other parties in interest;

WHEREAS, the Board has had the opportunity to consult with the Company's management and financial and legal advisors and fully consider each of the strategic alternatives available to the Company;

WHEREAS, the Board, based on its review of all available alternatives and advice provided by such advisors and professionals, has determined that it is advisable and in the best interest of the Company and its stakeholders for the Company to take the actions specified in the following resolutions;

WHEREAS, the Board has been presented with a proposed voluntary petition (the "**Chapter 11 Petition**") to be filed by the Company in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") seeking relief under the provisions of Chapter 11 of the Bankruptcy Code, in which the authority to operate as a debtor in possession will be sought;

WHEREAS, the Board has had the opportunity to consult with the management and the legal and financial advisors of the Company regarding the material terms of the "first-day" pleadings, applications, affidavits, and other documents (collectively, the "**Chapter 11 Filings**") to be filed by the Company before the Bankruptcy Court in connection with the commencement of the Company's Chapter 11 case (the "**Bankruptcy Case**"); and

WHEREAS, the Board, having considered the financial and operational aspects of the Company's business and the best course of action to maximize value, has determined that it is advisable and in the best interest of the Company, its creditors, stakeholders, and other interested parties that the Company file the Chapter 11 Petition seeking relief under Chapter 11 of the Bankruptcy Code.

NOW, THEREFORE, BE IT RESOLVED, that the filing of the Chapter 11 Petition and Chapter 11 Filings be, and each hereby is, authorized and approved in all respects; and be it further

RESOLVED, that any officer of the Company on behalf of the Company (each an "**Authorized Person**"), be, and each of them individually hereby is, authorized and directed to enter into, execute and deliver, in the name and on behalf of the Company, to execute and verify the Chapter 11 Petition and the Chapter 11 Filings under Chapter 11 of the Bankruptcy Code and to cause the same to be filed in the Bankruptcy Court in such form and at such time as the Authorized Person(s) executing the Chapter 11 Petition and Chapter 11 Filings on behalf of the Company shall determine; and be it further

RESOLVED, that the Company is hereby authorized to initiate the Canadian Proceedings by filing or causing to be filed an application to recognize the Bankruptcy Case as a foreign proceeding under Part IV of the CCAA in the Canadian Court and to seek such other insolvency or bankruptcy relief in Canada as may be necessary from time to time; and be it further

RESOLVED, that each Authorized Person be, and each hereby is, authorized, empowered, and directed, on behalf of and in the name of the Company, to execute and verify such application of the Company under Part IV of the CCAA and to cause the same to be filed with the Canadian Court in such from and at such time as the Authorized Person(s) executing such application shall determine; and be it further

II. Debtor-in-Possession Financing

WHEREAS, the Board has determined that, in connection with the Bankruptcy Case, it is desirable and in the best interest of the Company, its creditors, stakeholders, and other interested parties to request that one or more potential financing sources provide the Company with a $30 million priming senior secured superpriority delayed-draw term loan facility (the "**DIP Financing**") subject to exceptions and limitations to be set forth in any orders of the Bankruptcy Court concerning the DIP Financing (the "**DIP Financing Orders**");

WHEREAS, the Board has been presented with and has reviewed the terms and provisions of the definitive debtor-in-possession financing agreements related to the DIP Financing (collectively, the "**DIP Financing Agreements**" and each a "**DIP Financing Agreement**") by and among Armstrong Flooring, Inc., as the borrower, certain of its affiliates and the Company, as guarantors, and JMB Capital Partners Lending, LLC, as administrative agent (collectively, with the other lenders party to the DIP Financing Agreements, the "**DIP Lenders**") pursuant to which the DIP Lenders have agreed to provide the Company with DIP Financing, which provides for the borrowing of loans, guaranteeing of obligations, granting of security and the pledging of collateral;

WHEREAS, in connection with the DIP Financing Agreement, the DIP Lenders require that the Company grant security interests in substantially all of its assets that now or hereafter come into the possession, custody or control of the Company, in order to secure the prompt and complete payment, observance, and performance of all obligations under each DIP Financing Agreement, subject to exceptions and limitations to be set forth in DIP Financing Orders and related documents contemplated thereunder (collectively, the "**DIP Documents**");

WHEREAS, the Board has determined that it is in the best interests of the Company, its creditors, stakeholders, and other interested parties, for the Company to (i) consummate the transactions contemplated by each DIP Financing Agreement provided to the Board of the Company including borrowing and/or guaranteeing the full amount of the DIP Financing, and (ii) empower, authorize and direct the Officers to take any and all actions as may be deemed appropriate to effect and perform the transactions contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED, that the form, terms and provisions of the DIP Financing Agreements are hereby, in all respects, authorized, ratified, approved and adopted by the Board on behalf of the Company; and be it further

RESOLVED, that the Company be, and hereby is, authorized to incur and to undertake any and all related transactions contemplated under each DIP Financing Agreement and the DIP Documents; and be it further

RESOLVED, that the Authorized Persons be, and each of them hereby is, empowered, authorized and directed, with full power of delegation, on behalf of and in the name of the Company, to cause the Company to negotiate, execute and deliver each DIP Financing Agreement and the related documents contemplated thereby, in such form and with such changes or amendments (substantial or otherwise) thereto as any one or more of the Authorized Persons may deem necessary, desirable or appropriate, in order to consummate the transactions contemplated by each DIP Financing Agreement; and be it further

RESOLVED, that the Authorized Persons be, and each of them hereby is, empowered, authorized and directed, with full power of delegation, on behalf of and in the name of the Company, to take all such further actions which shall be necessary, proper or advisable to perform the Company's obligations under or in connection with the DIP Financing Agreements, the DIP Documents and the transactions contemplated therein, and to carry out fully the intent of the foregoing resolutions.

III. Retention of Professionals

RESOLVED, that the Authorized Persons of the Company be, and each of them hereby is, authorized and empowered, on behalf of and in the name of the Company, to retain and employ professionals to render services to the Company in connection with the Bankruptcy Case, the Canadian Proceedings, and the transactions contemplated by the foregoing resolutions, including, without limitation, the law firm Skadden, Arps, Slate, Meagher & Flom LLP, to act as Chapter 11 counsel; Borden Ladner Gervais LLP, to act as counsel in the Canadian Proceedings; Groom Law Group, Chartered, to act as benefits counsel; Friedman Kaplan Seiler & Adelman LLP, to act as conflicts counsel; Chipman Brown Cicero & Cole, LLP, to act as efficiency counsel; Riveron Consulting, LP to act as financial advisor; Houlihan Lokey, to act as investment banker; and Epiq Corporate Restructuring, LLC, to act as claims and noticing agent and administrative advisor; and in connection herewith each Authorized Person is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed appropriate applications for authority to retain the services of the foregoing; and be it further

IV. Secretary

RESOLVED, that Christopher Parisi be, and he hereby is, authorized, empowered, and directed, on behalf of and in the name of the Company, to act as Secretary of the Company during the pendency of the Bankruptcy Case and until his successor is duly elected and shall qualify, or until his earlier death, resignation, or removal; and be it further

V. General Authority to Implement Resolutions

RESOLVED, that the Authorized Persons of the Company be, and each of them hereby is, authorized and empowered, on behalf of and in the name of the Company, to execute, deliver, perform, verify or file, or cause to be executed, delivered, performed, verified, or filed (or direct others to do so on their behalf as provided herein) all necessary documents, including, without limitation, all petitions, affidavits, statements, schedules, motions, lists, applications, pleadings, other papers, security documents, guarantees, reaffirmations, control agreements, and waivers of or amendments to existing documents, and to negotiate the forms, terms, and provisions of, and to execute and deliver any amendments, modifications, waivers, or consents to, any of the foregoing as may be approved by any Authorized Person, which amendments, modifications, waivers, or consents may provide for consent payments, fees, or other amounts payable or other modifications of or relief under such agreements or documents, the purpose of such amendments, modifications, waivers, or consents being to facilitate consummation of the transactions contemplated by the foregoing resolutions or for any other purpose, and, in connection with the foregoing, to employ and retain all assistance by legal counsel, investment bankers, accountants, restructuring professionals, or other professionals, and to take any and all action which the Authorized Person deems necessary or proper in connection with the Bankruptcy Case and the Canadian Proceedings, with a view to the successful prosecution of the Bankruptcy Case and the Canadian Proceedings contemplated by the foregoing resolutions and the successful consummation of the transactions contemplated by the foregoing resolutions, including, without limitation, any action necessary or proper to maintain the ordinary course operation of the Company's business; and be it further

RESOLVED, that the Authorized Persons of the Company be, and each of them hereby is, authorized to execute, deliver, and perform any and all special powers of attorney as such Authorized Person may deem necessary or desirable to facilitate consummation of the transactions contemplated by the foregoing resolutions, pursuant to which such Authorized Person will make certain appointments of attorneys to facilitate consummation of the transactions contemplated by the foregoing resolutions as the Company's true and lawful attorneys and authorize each such attorney to execute and deliver any and all documents of whatsoever nature and description that may be necessary or desirable to facilitate consummation of the transactions contemplated by the foregoing resolutions; and be it further

RESOLVED, that all acts lawfully done or actions lawfully taken by any Authorized Person to seek relief on behalf of the Company under Chapter 11 of the Bankruptcy Code, or in connection with the Bankruptcy Case or the Canadian Proceedings, or any matter related thereto, be, and hereby are, adopted, ratified, confirmed, and approved in all respects as the acts and deeds of the Company in all respects by the Board; and be it further

RESOLVED, that any and all actions previously taken by any Authorized Person, or by any employees or agents of the Company, on or before the date hereof, in connection with the matters contemplated by the foregoing resolutions be, and hereby are, ratified, confirmed, and approved in all respects by the Board; and be it further

RESOLVED, that the omission from these resolutions of any agreement, document, or other arrangement contemplated by any of the agreements, instruments, filings, or other documents described in the foregoing resolutions or any action to be taken in accordance with any requirement of any of the agreements, instruments, filings, or other documents described in the foregoing resolutions shall in no manner derogate from the authority of the Authorized Persons to take all actions necessary, desirable, proper, advisable, or appropriate to consummate, effectuate, carry out, or further the transaction contemplated by, and the intent and purposes of, the foregoing resolutions; and be it further

RESOLVED, that the authority conferred upon any Authorized Person of the Company by these resolutions is in addition to, and shall in no way limit, such other authority as such Authorized Person may have with respect to the subject matter of the foregoing resolutions, and that the omission from these resolutions of any agreement or other arrangement contemplated by any of the agreements, instruments, or documents described in the foregoing resolutions or any action to be taken in accordance with any requirement of any of the agreements, instruments, or documents described in the foregoing resolutions shall in no manner derogate from the authority of any Authorized Person to take any and all actions convenient, necessary, advisable, or appropriate to consummate, effectuate, carry out, perform, or further the transactions contemplated by and the intents and purposes of the foregoing resolutions; and be it further

RESOLVED, the Board has received sufficient notice of the actions and transactions relating to the matters contemplated by the foregoing resolutions, as may be required by the constating documents of the Company and other organizational documents of the Company, or hereby waives any right to have received such notice; and be it further

RESOLVED, that each of the Authorized Persons (and their designees and delegates) be, and hereby are, authorized and empowered to take all actions or not to take any action in the name of the Company with respect to the transactions contemplated by these resolutions hereunder as the sole shareholder, partner, member, managing member, or manager (or similar role) of each subsidiary of the Company, in each case, as such Authorized Person(s) shall deem necessary proper, appropriate, desirable, or advisable to effectuate the purposes of the transactions contemplated herein; and be it further

RESOLVED, that these resolutions be filed with the records of meetings of the Board.

* * *

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned, being the sole member of the Board, has executed and delivered this written consent as of the date first above written.

Christopher S. Parisi

Fill in this information to identify the case:				
United States Bankruptcy Court for the:				
	District of	Delaware (State)		
Case number (*if known*):		Chapter	11	
22-10426(MFW)				☐ Check if this is an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

04/22

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name — Armstrong Flooring, Inc.

2. All other names debtor used in the last 8 years — None

Include any assumed names, trade names, and doing business as names

3. Debtor's federal Employer Identification Number (EIN) — 47-4303305

4. Debtor's address

Principal place of business

1770 Hempstead Road
Number Street

P.O. Box 10068
P.O. Box

Lancaster PA 17605
City State ZIP Code

Lancaster
County

Mailing address, if different from principal place of business

Number Street

City State ZIP Code

Location of principal assets, if different from principal place of business

Number Street

City State ZIP Code

5. Debtor's website (URL) — https://www.armstrongflooring.com/

CERTIFIED: AS A TRUE COPY: ATTEST:
UNA M. O'BOYLE
U. S. BANKRUPTCY COURT
By ______ Deputy Clerk
5/13/2022

#1.

Debtor Armstrong Flooring, Inc. Case number (*if known*)
Name

6. Type of debtor

☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))
☐ Partnership (excluding LLP)
☐ Other. Specify:

7. Describe debtor's business

A. *Check one:*

☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
☐ Railroad (as defined in 11 U.S.C. § 101(44))
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
☒ None of the above

B. *Check all that apply:*

☐ Tax-exempt entity (as described in 26 U.S.C. § 501)
☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See http://www.uscourts.gov/four-digit-national-association-naics-codes

3 2 7 1

8. Under which chapter of the Bankruptcy Code is the debtor filing?

Check one:
☐ Chapter 7
☐ Chapter 9
☒ Chapter 11. *Check **all** that apply*:

☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than $3,024,725 (amount subject to adjustment on 4/01/25 and every 3 years after that).

☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).

☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and it chooses to proceed under Subchapter V of Chapter 11.

☐ A plan is being filed with this petition.

☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).

☒ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.

☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

If more than 2 cases, attach a separate list.

☒ No
☐ Yes District ______ When ______ Case number ______
MM / DD / YYYY

District ______ When ______ Case number ______
MM / DD / YYYY

Debtor Armstrong Flooring, Inc. Case number (*if known*)
Name

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

List all cases. If more than 1, attach a separate list.

☐ No

☒ Yes Debtor See Annex 1 Relationship Affiliate
District Delaware When Date hereof
MM / DD / YYYY
Case Number, if known

11. Why is the case filed in *this district*?

Check all that apply:

☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

☒ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

☒ No

☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed

Why does the property need immediate attention? (*Check all that apply.*)

☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard?

☐ It needs to be physically secured or protected from the weather.

☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

☐ Other

Where is the property?

Number Street

City State Zip Code

Is the property insured?

☐ No

☐ Yes Insurance agency

Contact name

Phone

Statistical and administrative information

13. Debtor's estimation of available funds

Check one:

☒ Funds will be available for distribution to unsecured creditors.

☐ After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

14. Estimated number of creditors (consolidated with debtor affiliates)*

☐ 1-49	☐ 1,000-5,000	☐ 25,001-50,000
☐ 50-99	☐ 5,001-10,000	☐ 50,001-100,000
☐ 100-199	☐ 10,001-25,000	☐ More than 100,000
☒ 200-999		

Debtor Armstrong Flooring, Inc. Case number (*if known*)
Name

15.	**Estimated assets** **(consolidated with debtor affiliates)***	☐ $0-$50,000 ☐ $50,001-$100,000 ☐ $100,001-$500,000 ☐ $500,001-$1 million	☐ $1,000,001-$10 million ☐ $10,000,001-$50 million ☐ $50,000,001-$100 million ☒ $100,000,001-$500 million	☐ $500,000,001-$1 billion ☐ $1,000,000,001-$10 billion ☐ $10,000,000,001-$50 billion ☐ More than $50 billion
16.	**Estimated liabilities** **(consolidated with debtor affiliates)***	☐ $0-$50,000 ☐ $50,001-$100,000 ☐ $100,001-$500,000 ☐ $500,001-$1 million	☐ $1,000,001-$10 million ☐ $10,000,001-$50 million ☐ $50,000,001-$100 million ☒ $100,000,001-$500 million	☐ $500,000,001-$1 billion ☐ $1,000,000,001-$10 billion ☐ $10,000,000,001-$50 billion ☐ More than $50 billion

*Represents consolidated financial information for the Debtor and its affiliated entities. This does not constitute a statement or admission as to the creditors, assets, or liabilities of any of the debtor entities individually.

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to $500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 05/08/2022
MM / DD / YYYY

✗ */s/ Michel S. Vermette*
Signature of authorized representative of debtor

Michel S. Vermette
Printed name

Title President and Chief Executive Officer

18. Signature of attorney

✗ */s/ Joseph O. Larkin*
Signature of attorney for debtor

Date 05/08/2022
MM / DD / YYYY

Joseph O. Larkin
Printed name

Skadden, Arps, Slate, Meagher & Flom LLP
Firm name

920 N. King Street
Number Street

Wilmington
City

Delaware 19801
State ZIP code

(302) 651-3000
Contact phone

Joseph.Larkin@skadden.com
Email address

4883
Bar number

Delaware
State

Official Form 201A (12/15)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	**Chapter 11**
ARMSTRONG FLOORING, INC.,	**Case No. 22-_____ (___)**
Debtor.	

Attachment to Voluntary Petition for Non-Individuals
Filing for Bankruptcy under Chapter 11

1. If any of the debtor's securities are registered under Section 12 of the Securities Exchange Act of 1934, the SEC file number is 001-37589.

2. The following financial data is the latest available information and refers to the debtor's condition on December 31, 2021.

a. Total assets $517,000,000

b. Total debts (including debts listed in 2.c., below) $317,800,000

c. Debt securities held by more than 500 holders

				Approximate number of holders:
secured ☐	unsecured ☐	subordinated ☐	$N/A	None
secured ☐	unsecured ☐	subordinated ☐	$N/A	None
secured ☐	unsecured ☐	subordinated ☐	$N/A	None
secured ☐	unsecured ☐	subordinated ☐	$N/A	None
secured ☐	unsecured ☐	subordinated ☐	$N/A	None

d. Number of shares of preferred stock None[1]
e. Number of shares of common stock 21,779,575[2]

Comments, if any: None.

3. Brief description of the debtor's business: Armstrong Flooring, Inc. is a leading global producer of resilient flooring products used primarily in the construction and renovation of commercial, residential, and institutional buildings.

4. List the names of any person who directly or indirectly owns, controls, or holds, with power to vote, 5% or more of the voting securities of debtor: GAMCO Investors, Inc. (8.959%).

---

1 15,000,000 preferred shares are authorized, but none are issued or outstanding.

2 100,000,000 shares of common stock are authorized; 28,376,662 are issued and 21,779,575 are outstanding.

Annex 1

SCHEDULE OF DEBTORS

On the date hereof, each of the affiliated entities listed below (including the debtor in this chapter 11 case) filed in this Court a petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*., as amended. Substantially contemporaneously with the filing of these petitions, these entities filed a motion requesting that their respective chapter 11 cases be jointly administered for procedural purposes only.

No.	Debtor	FEDERAL EIN
1	Armstrong Flooring, Inc.	47-4303305
2	AFI Licensing LLC	36-4833265
3	Armstrong Flooring Latin America	35-2552943
4	Armstrong Flooring Canada Ltd.	N/A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	**Chapter 11**
ARMSTRONG FLOORING, INC., ***et al.*****,**	**Case No. 22-_____ (___)**
Debtors.[1]	**(Joint Administration Pending)**

CONSOLIDATED CORPORATE OWNERSHIP STATEMENT AND LIST OF EQUITY SECURITY HOLDERS PURSUANT TO FEDERAL RULES OF BANKRUPTCY PROCEDURE 1007 AND 7007.1

Pursuant to Rules 1007(a)(1) and 7007.1 of the Federal Rules of Bankruptcy Procedure, set forth below are the corporate entities that directly or indirectly own 10% or more of any class of equity interests as of the Petition Date:

1. Armstrong Flooring, Inc. is a publicly traded corporation. No entities have a direct or indirect ownership interest of 10% or more in Armstrong Flooring, Inc.

2. AFI Licensing LLC is wholly owned by Armstrong Flooring, Inc.

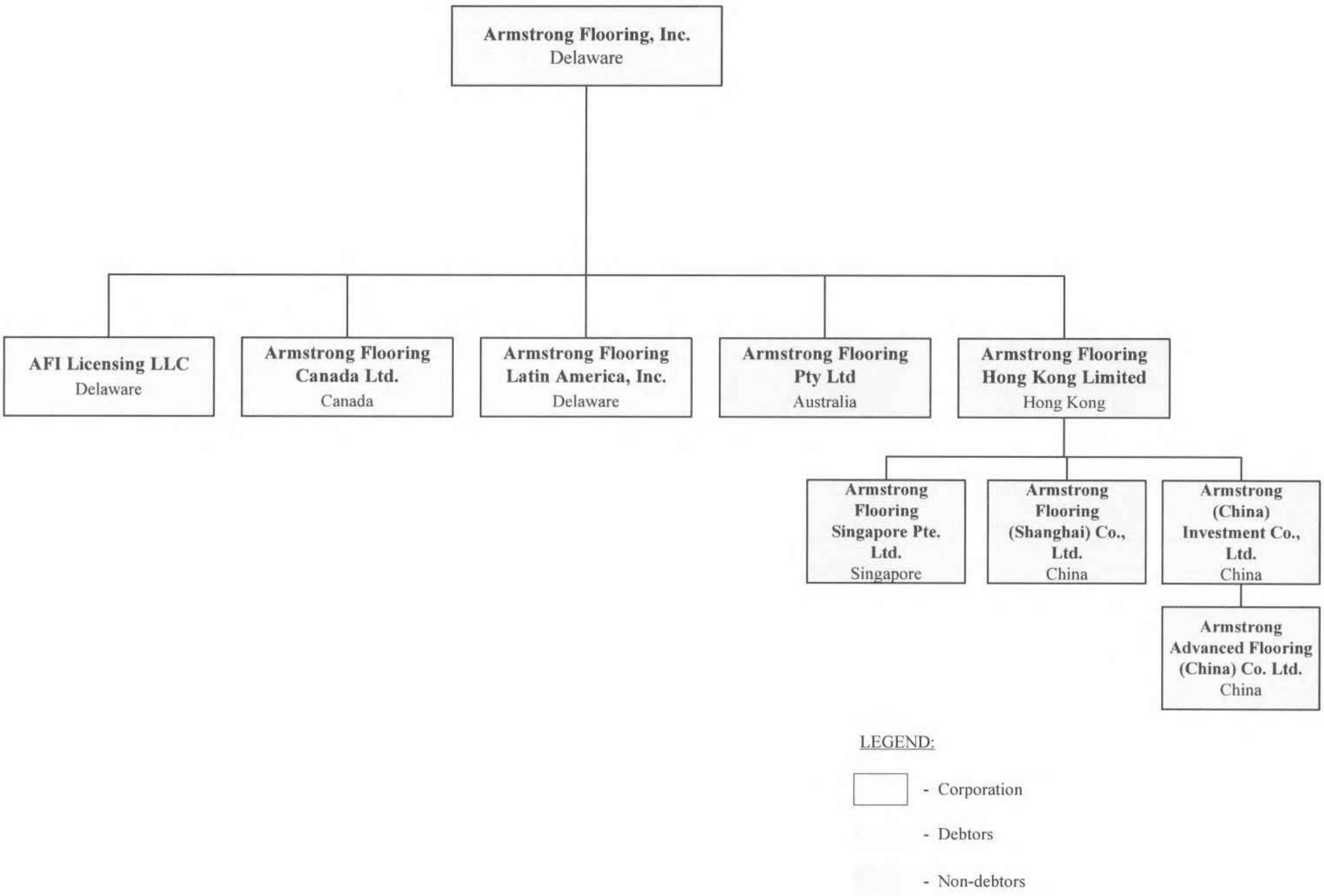
3. Armstrong Flooring Latin America, Inc. is wholly owned by Armstrong Flooring, Inc.

4. Armstrong Flooring Canada Ltd. is wholly owned by Armstrong Flooring, Inc.

[1] The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Armstrong Flooring, Inc. (3305); AFI Licensing LLC (3265); Armstrong Flooring Latin America, Inc. (2943); and Armstrong Flooring Canada Ltd. (N/A). The address of the Debtors' corporate headquarters is PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065.

EXHIBIT A

Organizational Chart


Armstrong Flooring, Inc.
Delaware
AFI Licensing LLC
Delaware
Armstrong Flooring Canada Ltd.
Canada
Armstrong Flooring Latin America, Inc.
Delaware
Armstrong Flooring Pty Ltd
Australia
Armstrong Flooring Hong Kong Limited
Hong Kong
Armstrong Flooring Singapore Pte. Ltd.
Singapore
Armstrong Flooring (Shanghai) Co., Ltd.
China
Armstrong (China) Investment Co., Ltd.
China
Armstrong Advanced Flooring (China) Co. Ltd.
China
LEGEND:
- Corporation
- Debtors
- Non-debtors

Fill in this information to Identify the case:

Debtor Name: Armstrong Flooring, Inc., et al.

United States Bankruptcy Court for the: District of Delaware

Case Number (If known):

☐ Check if this is an amended filing

Official Form 204

Chapter 11 or Chapter 9 Cases: Consolidated List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders

12/15

A consolidated list of creditors holding the 30 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 30 largest unsecured claims.

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1	COLOUR STREAM LTD 3F NO 3 SEC 2 RENAI RD TAIPEI 226017 TAIWAN	JODYCHEN@DARDEFLOORIN G.COM	VENDOR	C/U/D			$5,987,475.59
2	YIBIN TIANYI NEW MATERIAL NO 61 WEST SECTION YIBIN 644000 CHINA	SMAN0425@QQ.COM	VENDOR	C/U/D			$5,925,169.67
3	ZHEJIANG TIANZHEN BAMBOO & WOOD DEVELOPMENT CO LTD WELLNESS INDUSTRY PARK ANJI ECONOMIC DEVELOPMENT AREA ANJI COUNTY ZHEJIANG PROVINCE 313300 CHINA	PHONE: 86-72-504-2411 NANCYL@TZBAMBOO.COM	VENDOR	C/U/D			$4,874,703.39
4	KLOCKNER-PENTAPLAST OF AMER INC 3585 KLOECKNER RD GORDONSVILLE, VA 22942	PHONE: 540-832-3600 REMITTANCE.US@KPFILMS.C OM; ACCTSREC@KPFILMS.COM	VENDOR	C/U/D			$4,494,817.22
5	FLEXPORT INC 760 MARKET STREET SAN FRANCISCO, CA 94102	PHONE: 415-231-5252 REMITTANCE@FLEXPORT.CO M	VENDOR	C/U/D			$3,334,973.82
6	EASTMAN CHEMICAL FINANCIAL CORP 200 S WILCOX DRIVE KINGSPORT, TN 37660	PHONE: 800-327-8626 GLOBALAR@EASTMAN.COM	VENDOR	C/U/D			$3,146,863.02

Debtor: Armstrong Flooring, Inc., et al. Case Number (if known):

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
7	HONG KONG EDSON TRADING LIMITED 28 CANTON ROAD TSIM SHA TSUI HONG KONG 999077 HONG KONG	ZOE@VNJUFENG.COM	VENDOR	C/U/D			$2,325,947.03
8	MEXICHEM SPECIALTY RESINS INC ATTN GENERAL MGR 33653 WALKER RD AVON LAKE, OH 44012	PHONE: 877-226-7355 ROBERT.WOLF@VESTOLIT.COM	VENDOR	C/U/D			$1,995,350.73
9	SDI INC ATTN CHIEF FINANCIAL OFFICER 1414 RADCLIFFE ST, STE 300 BRISTOL, PA 17604	PHONE: 863-533-1147 JACKIE.KRAMER@SDI.COM	VENDOR	C/U/D			$1,676,115.48
10	SPECIALTY MINERALS INC 2800 AYERS AVE LOS ANGELES, CA 90023	PHONE: 212-878-1840 US.CASH.RECEIPTS@MINERALSTECH.COM	VENDOR	C/U/D			$1,558,531.26
11	AHLSTROM MUNKSJO GLASSFIBRE OY AHLSTROMINTIE 19 KOTKA 48600 FINLAND	PHONE: 358 10 888 0 CHERYL.BROWN@AHLSTROM-MUNKSJO.COM	VENDOR	C/U/D			$1,363,260.68
12	OXYVINYLS LP 1950 N STEMMONS FRWY DALLAS, TX 75207	PHONE: 972-404-2144 ACCOUNTS_RECEIVABLE@OXY.COM	VENDOR	C/U/D			$1,302,958.10
13	TBL SERVICES INC 1005 BROOKSIDE ROAD ALLENTOWN, PA 18106	FINANCE@THINKTBL.COM	VENDOR	C/U/D			$1,243,877.16
14	EMERALD KALAMA LLC 1296 NORTHWEST THIRD KALAMA, WA 98625	CREDITDEPT@EMERALDMATERIALS.COM	VENDOR	C/U/D			$1,000,705.54
15	EXPEDITORS INTERNATIONAL INC 519 KAISER DRIVE FOLCROFT, PA 19032	PHONE: 610-534-2590 REMIT@EXPEDITORS.COM; AR-PHL@EXPEDITORS.COM	VENDOR	C/U/D			$991,838.59
16	ARDEX ENGINEERED CEMENTS 400 ARDEX PARK DRIVE ALIQUIPPA, PA 15001	PHONE: 888-512-7339 LORIE.WAGONER@ARDEXAMERICAS.COM	VENDOR	C/U/D			$971,940.68
17	HYUNDAI L & C USA LLC 1077 CHEONHO-DAERO SEOUL 5340 SOUTH KOREA	PHONE: 888-426-9421 JIMINYOU@HYUNDAILNCUSA.COM	VENDOR	C/U/D			$837,232.38
18	BOSTIK INC DEPT CH 19480 PALATINE, IL 60055	PHONE: 414-774-2250 BOSTIK.AR@BOSTIK.COM	VENDOR	C/U/D			$795,608.40
19	GIVENS INC 1720 S MILITARY HIGHWAY CHESAPEAKE, VA 23320	PHONE: 757-233-4300 AR@GIVENS.COM	VENDOR	C/U/D			$728,999.06
20	CAMGER COATINGS SYSTEM INC 364 MAIN STREET NORFOLK, MA 02056	PHONE: 508-528-5787 G.BESCHI@CAMGER.COM	VENDOR	C/U/D			$688,680.89
21	STERLING MEXICO INVESTMENTS LLC 999 VANDERBILT BEACH ROAD SUITE 606 NAPLES, FL 34108		VENDOR	C/U/D			$654,782.85

Debtor: Armstrong Flooring, Inc., et al. Case Number (if known):

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
22	VALTRIS SPECIALTY CHEMICALS 7500 EAST PLEASANT VALLEY RD INDEPENDENCE, OH 44131	PHONE: 216-875-7200 CHRISTINE.DEFLOOR@VALTRIS.COM	VENDOR	C/U/D			$618,637.30
23	OMNOVA SOLUTIONS INC 2011 ROCKY RIVER RD MONROE, NC 28110	PHONE: 216-682-7000 CFS@OMNOVA.COM	VENDOR	C/U/D			$609,606.48
24	TRONOX LLC 263 TRESSER BLVD STE 1100 STAMFORD, CT 06901-3227	PHONE: 203-705-3800 OKCCASHPOSTINGGROUP@TRONOX.COM	VENDOR	C/U/D			$557,946.92
25	J & M TANK LINES INC ATTN PRESIDENT 1100 CORPORATE PKWY BIRMINGHAM, AL 35238	PHONE: 800-456-8265 PSUMERFORD@JMTANK.COM; AR@JMTANK.COM	VENDOR	C/U/D			$542,376.33
26	THE SAMPLE GROUP NC INC. 179 MERRIMON AVE WEAVERVILLE, NC 28787	PHONE: 828-645-1410 ACCTGTSG@THESAMPLEGROUP.COM	VENDOR	C/U/D			$513,933.95
27	HAN RIGID PLASTICS USA LLC 980 W CIENEGA AVE SAN DIMAS, CA 91773	PHONE: 909-394-5832 MAY@HANRIGIDUSA.COM	VENDOR	C/U/D			$512,506.55
28	ART GUILD INC 300 WOLF DRIVE WEST DEPTFORD, NJ 08086	PHONE: 856-384-1999 BSANDONE@ARTGUILDINC.COM; CCLIVER@ARTGUILDINC.COM	VENDOR	C/U/D			$480,360.18
29	YIBIN TIANCHANG LOGISTICS CO DIAOHUANLOU ROAD YIBIN CITY 644000 CHINA	79501918@QQ.COM	VENDOR	C/U/D			$473,000.00
30	FEI GROUP 811 LIVINGSTON COURT SE, STE A MARIETTA, GA 30067	PHONE: 770-528-4748 JORTEGA@FEIGROUP.NET	VENDOR	C/U/D			$458,332.94

Fill in this information to identify the case:			
Debtor name	Armstrong Flooring, Inc., *et al.*		
United States Bankruptcy Court for the:		District of (State)	Delaware
Case number (If known):			

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors 12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING – Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to $500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets-Real and Personal Property* (Official Form 206A/B)
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☐ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☐ *Schedule H: Codebtors* (Official Form 206H)
- ☐ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ *Amended Schedule* ____________
- ☒ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☒ Other document that requires a declaration Form 201A and Corporate Ownership Statement.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 05/08/2022
MM/DD/YYYY

x */s/ Michel S. Vermette*
Signature of individual signing on behalf of debtor

Michel S. Vermette
Printed Name

President and Chief Executive Officer
Position or relationship to debtor

SECRETARY'S CERTIFICATE

The undersigned, being the Secretary of Armstrong Flooring, Inc., a Delaware corporation (the "**Corporation**"), hereby certifies on behalf of the Corporation, as follows:

> Attached hereto as Annex A is a true, correct, and complete copy of resolutions duly adopted by the board of directors the Corporation, on May 8, 2022 (the "**Resolutions**"), and such Resolutions have not been modified or rescinded in whole, in part, or in any respect and are in full force and effect.

IN WITNESS WHEREOF, the undersigned, in his capacity as the Secretary of the Corporation, has duly executed and caused this certificate to be delivered as of May 8, 2022.

By: ______________________________
Name: Christopher S. Parisi
Title: Secretary of Armstrong Flooring, Inc.

ANNEX A

PROPOSED RESOLUTIONS FOR CONSIDERATION

BY THE BOARD OF DIRECTORS OF

ARMSTRONG FLOORING, INC.

AT A SPECIAL MEETING TO BE HELD ON

MAY 8, 2022

WHEREAS, all of the members of the board of directors (the "**Board**"), of Armstrong Flooring, Inc., a Delaware corporation (the "**Corporation**"), have considered presentations by the management and the financial and legal advisors of the Corporation regarding the liabilities and liquidity situation of the Corporation, the strategic alternatives available to it and the effect of the foregoing on the Corporation's business, creditors, stakeholders and other parties in interest;

WHEREAS, the Board has had the opportunity to consult with the Corporation's management and financial and legal advisors and fully consider each of the strategic alternatives available to the Corporation; and

WHEREAS, the Board, based on its review of all available alternatives and advice provided by such advisors and professionals, has determined that it is advisable and in the best interest of the Corporation and its stakeholders for the Corporation to take the actions specified in the following resolutions.

I. Chapter 11 Filing

WHEREAS, the Board has been presented with a proposed voluntary petition (the "**Chapter 11 Petition**") to be filed by the Corporation in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") seeking relief under the provisions of chapter 11 ("**Chapter 11**") of title 11 of the United States Code (the "**Bankruptcy Code**"), in which the authority to operate as a debtor in possession will be sought;

WHEREAS, the Board has had the opportunity to consult with the management and the legal and financial advisors of the Corporation regarding the material terms of the "first day" pleadings, applications, affidavits and other documents (collectively, the "**Chapter 11 Filings**") to be filed by the Corporation before the Bankruptcy Court in connection with the commencement of the Corporation's Chapter 11 case (the "**Bankruptcy Case**"); and

WHEREAS, the Board, having considered the financial and operational aspects of the Corporation's business and the best course of action to maximize value, has determined that it is advisable and in the best interest of the Corporation that the Chapter 11 Petition be filed by the Corporation seeking relief under the provisions of Chapter 11 of the Bankruptcy Code.

NOW, THEREFORE, BE IT RESOLVED, that the filing of the Chapter 11 Petition and

Chapter 11 Filings be, and each hereby is, authorized and approved in all respects; and be it further

RESOLVED, that any officer of the Corporation, on behalf of the Corporation (each such person, acting jointly or independently, being an "**Authorized Person**"), in each case, be, and each of them individually hereby is, authorized and directed to enter into, execute and deliver, in the name and on behalf of the Corporation, the Chapter 11 Petition and the Chapter 11 Filings in the name of the Corporation under Chapter 11 of the Bankruptcy Code and to cause the same to be filed in the Bankruptcy Court in such form and at such time as the Authorized Person(s) executing said Chapter 11 Petition and Chapter 11 Filings on behalf of the Corporation shall determine, with such modifications as such Authorized Person executing the same may deem necessary or appropriate to implement the transactions contemplated by the foregoing resolutions.

II. Debtor-in-Possession Financing

WHEREAS, the Board has determined that, in connection with the Bankruptcy Case, it is desirable and in the best interest of the Corporation, its creditors, stakeholders, and other interested parties to request that one or more potential financing sources provide the Corporation with a $30 million priming senior secured superpriority delayed-draw term loan facility (the "**DIP Financing**") subject to exceptions and limitations to be set forth in any orders of the Bankruptcy Court concerning the DIP Financing (the "**DIP Financing Orders**");

WHEREAS, the Board has been presented with and has reviewed the terms and provisions of the definitive debtor-in-possession financing agreements related to the DIP Financing (collectively, the "**DIP Financing Agreements**" and each a "**DIP Financing Agreement**") by and among the Corporation, as the borrower, certain of its affiliates, as guarantors, and JMB Capital Partners Lending, LLC, as administrative agent (collectively, with the other lenders party to the DIP Financing Agreements, the "**DIP Lenders**") pursuant to which the DIP Lenders have agreed to provide the Corporation with DIP Financing, which provides for the borrowing of loans, guaranteeing of obligations, granting of security and the pledging of collateral;

WHEREAS, in connection with the DIP Financing Agreements, the DIP Lenders require that the Corporation grant security interests in substantially all of its assets that now or hereafter come into the possession, custody or control of the Corporation, in order to secure the prompt and complete payment, observance, and performance of all obligations under each DIP Financing Agreement, subject to exceptions and limitations to be set forth in DIP Financing Orders and related documents contemplated thereunder (collectively, the "**DIP Documents**"); and

WHEREAS, the Board has determined that it is in the best interests of the Corporation, its creditors, stakeholders, and other interested parties, for the Corporation to (i) consummate the transactions contemplated by each DIP Financing Agreement provided to the Board including borrowing and/or guaranteeing the full amount of the DIP Financing, and (ii) empower, authorize and direct the Authorized Persons to take any and all actions as may be deemed appropriate to effect and perform the transactions contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED, that the form, terms and provisions of the DIP Financing Agreements are hereby, in all respects, authorized, ratified, approved and adopted by the Board on behalf of the Corporation; and be it further

RESOLVED, that the Corporation be, and hereby is, authorized to incur and to undertake any and all related transactions contemplated under each DIP Financing Agreement and the DIP Documents; and be it further

RESOLVED, that the Authorized Persons be, and each of them hereby is, empowered, authorized and directed, with full power of delegation, on behalf of and in the name of the Corporation, to cause the Corporation to negotiate, execute and deliver each DIP Financing Agreement and the related documents contemplated thereby, in such form and with such changes or amendments (substantial or otherwise) thereto as any one or more of such Authorized Persons may deem necessary, desirable or appropriate, in order to consummate the transactions contemplated by each DIP Financing Agreement; and be it further

RESOLVED, that the Authorized Persons be, and each of them hereby is, empowered, authorized and directed, with full power of delegation, on behalf of and in the name of the Corporation, to take all such further actions which shall be necessary, proper or advisable to perform the Corporation's obligations under or in connection with the DIP Financing Agreements, the DIP Documents and the transactions contemplated therein, and to carry out fully the intent of the foregoing resolutions; and be it further

III. Regulatory Filings

RESOLVED, that in order for the Corporation and its applicable subsidiaries to comply with all requirements under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "**Exchange Act**") and any applicable state securities laws or requirements of the New York Stock Exchange, the Authorized Persons are authorized and empowered, on behalf of the Corporation and its applicable subsidiaries, with the assistance of counsel, to take all action necessary, appropriate or advisable to cause to be prepared, executed and filed, all reports, statements, documents and information related to the Bankruptcy Case required to be filed by the Corporation and its applicable subsidiaries, and to take all other action necessary, appropriate or advisable in connection with the Exchange Act and any applicable federal or state securities laws or requirements of the New York Stock Exchange, including one or more Current Reports on Form 8-K and notifications to the New York Stock Exchange; and be it further

IV. Retention of Professionals

RESOLVED, that the Authorized Persons be, and each of them is, authorized and empowered, on behalf of and in the name of the Corporation, to retain and employ professionals to render services to the Corporation in connection with the Bankruptcy Case and the transactions contemplated by the foregoing resolutions, including, without limitation, the law firm Skadden, Arps, Slate, Meagher & Flom LLP, to act as Chapter 11 counsel; Groom Law Group, Chartered, to act as benefits counsel; Friedman Kaplan Seiler & Adelman LLP, to act as conflicts counsel; Chipman Brown Cicero & Cole, LLP, to act as efficiency counsel; Riveron Consulting, LP to act as financial advisor; Houlihan Lokey to act as investment banker; and Epiq Corporate Restructuring, LLC to act as claims and noticing agent and administrative advisor; and in connection herewith each Authorized Person is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed appropriate applications for authority to retain the services of the foregoing; and be it further

V. Secretary

RESOLVED, that Christopher Parisi be, and hereby is, authorized, empowered and directed, on behalf of and in the name of the Corporation, to act as Secretary of the Corporation during the pendency of the Bankruptcy Case and until his successor is duly elected and shall qualify, or until his earlier death, resignation or removal; and be it further

VI. General Authority to Implement Resolution*s*

RESOLVED, that the Authorized Persons be, and each of them is, authorized and empowered, on behalf of and in the name of the Corporation, to execute, deliver, perform, verify or file, or cause to be executed, delivered, performed, verified or filed (or direct others to do so on their behalf as provided herein) all necessary documents, including, without limitation, all petitions, affidavits, statements, schedules, motions, lists, applications, pleadings, other papers, security documents, guarantees, reaffirmations, control agreements, waivers of or amendments to existing documents, and to negotiate the forms, terms and provisions of, and to execute and deliver any amendments, modifications, waivers or consents to any of the foregoing as may be approved by any Authorized Person, which amendments, modifications, waivers or consents may provide for consent payments, fees or other amounts payable or other modifications of or relief under such agreements or documents, the purpose of such amendments, modifications, waivers or consents being to facilitate consummation of the transactions contemplated by the foregoing resolutions or for any other purpose, and, in connection with the foregoing, to employ and retain all assistance by legal counsel, investment bankers, accountants, restructuring professionals or other professionals, and to take any and all action which the Authorized Person deems necessary or proper in connection with the Bankruptcy Case, with a view to the successful prosecution of the Bankruptcy Case contemplated by the foregoing resolutions and the successful consummation of the transactions contemplated by the foregoing resolutions, including, without limitation, any action necessary or proper to maintain the ordinary course operation of the Corporation's business; and be it further

RESOLVED, that the Authorized Persons be, and each of them is, authorized to execute, deliver and perform any and all special powers of attorney as the Authorized Persons may deem necessary or desirable to facilitate consummation of the transactions contemplated by the foregoing resolutions, pursuant to which the Authorized Persons will make certain appointments of attorneys to facilitate consummation of the transactions contemplated by the foregoing resolutions as the Corporation's true and lawful attorneys and authorize each such attorney to execute and deliver any and all documents of whatsoever nature and description that may be necessary or desirable to facilitate consummation of the transactions contemplated by the foregoing resolutions; and be it further

RESOLVED, that all acts lawfully done or actions lawfully taken by any Authorized Person to seek relief on behalf of the Corporation under Chapter 11 of the Bankruptcy Code, or in connection with the Bankruptcy Case, or any matter related thereto, be, and hereby are, adopted, ratified, confirmed, and approved in all respects as the acts and deeds of the Corporation in all respects by the Board; and be it further

RESOLVED, that all acts lawfully done or actions lawfully taken by any Authorized Person, or by any employees or agents of the Corporation, on or before the date hereof in connections with the transactions contemplated by the foregoing resolutions be, and they hereby are, ratified, confirmed and approved in all respects by the Board; and be it further

RESOLVED, that the omission from these resolutions of any agreement, document or other arrangement contemplated by any of the agreements, instruments, filings or other documents described in the foregoing resolutions or any action to be taken in accordance with any requirement of any of the agreements, instruments, filings or other documents described in the foregoing resolutions shall in no manner derogate from the authority of the Authorized Persons to take all actions necessary, desirable, proper, advisable or appropriate to consummate, effectuate, carry out or further the transaction contemplated by, and the intent and purposes of, the foregoing resolutions; and be it further

RESOLVED, that the authority conferred upon any Authorized Person by these resolutions is in addition to, and shall in no way limit, such other authority as the Authorized Person may have with respect to the subject matter of the foregoing resolutions, and that the omission from these resolutions of any agreement or other arrangement contemplated by any of the agreements, instruments or documents described in the foregoing resolutions or any action to be taken in accordance with any requirement of any of the agreements, instruments or documents described in the foregoing resolutions shall in no manner derogate from the authority of any Authorized Person to take any and all actions convenient, necessary, advisable or appropriate to consummate, effectuate, carry out, perform or further the transactions contemplated by and the intents and purposes of the foregoing resolutions; and be it further

RESOLVED, the Board has received sufficient notice of the actions and transactions relating to the matters contemplated by the foregoing resolutions, as required by the Amended and Restated Bylaws of the Corporation, dated March 30, 2016, and other organizational documents of the Corporation, or hereby waive any right to have received such notice; and be it further

RESOLVED, that each of the Authorized Persons (and their designees and delegates) be, and hereby are, authorized and empowered to take all actions or not to take any action in the name of the Corporation with respect to the transactions contemplated by these resolutions hereunder as the sole shareholder, partner, member, managing member, manager (or similar role) of each subsidiary of the Corporation, in each case, as the Authorized Person(s) shall deem necessary proper, appropriate, desirable or advisable to effectuate the purposes of the transactions contemplated herein.

Fill in this information to identify the case:			
United States Bankruptcy Court for the:			
	District of	Delaware (State)	
Case number (if known):		Chapter 11	
22-10427 (MFW)			☐ Check if this is an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

04/22

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name — AFI Licensing LLC

2. All other names debtor used in the last 8 years — None

Include any assumed names, trade names, and doing business as names

3. Debtor's federal Employer Identification Number (EIN) — 36-4833265

4. Debtor's address

Principal place of business

1770 Hempstead Road
Number Street

P.O. Box 10068
P.O. Box

Lancaster PA 17605
City State ZIP Code

Lancaster
County

Mailing address, if different from principal place of business

Number Street

City State ZIP Code

Location of principal assets, if different from principal place of business

Number Street

City State ZIP Code

5. Debtor's website (URL) — https://www.armstrongflooring.com/

CERTIFIED: AS A TRUE COPY: ATTEST: UNA M. O'BOYLE U.S. BANKRUPTCY COURT By Deputy Clerk 5/13/2022

#1

Debtor AFI Licensing LLC Case number (*if known*)
Name

6. Type of debtor

☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))
☐ Partnership (excluding LLP)
☐ Other. Specify:

7. Describe debtor's business

A. *Check one:*

☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
☐ Railroad (as defined in 11 U.S.C. § 101(44))
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
☒ None of the above

B. *Check all that apply:*

☐ Tax-exempt entity (as described in 26 U.S.C. § 501)
☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See http://www.uscourts.gov/four-digit-national-association-naics-codes

3 2 7 1

8. Under which chapter of the Bankruptcy Code is the debtor filing?

Check one:
☐ Chapter 7
☐ Chapter 9
☒ Chapter 11. *Check **all** that apply*:

- ☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than $3,024,725 (amount subject to adjustment on 4/01/25 and every 3 years after that).
- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and it chooses to proceed under Subchapter V of Chapter 11.
- ☐ A plan is being filed with this petition.
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- ☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
- ☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

If more than 2 cases, attach a separate list.

☒ No
☐ Yes District ______ When ______ (MM / DD / YYYY) Case number ______

District ______ When ______ (MM / DD / YYYY) Case number ______

Debtor AFI Licensing LLC Case number (*if known*)
Name

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

List all cases. If more than 1, attach a separate list.

☐ No

☒ Yes Debtor See Annex 1 Relationship Affiliate

District Delaware When Date hereof

MM / DD / YYYY

Case Number, if known

11. Why is the case filed in *this district*?

Check all that apply:

☐ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

☒ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

☒ No

☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed

Why does the property need immediate attention? (*Check all that apply.*)

☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard?

☐ It needs to be physically secured or protected from the weather.

☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

☐ Other

Where is the property?

Number Street

City State Zip Code

Is the property insured?

☐ No

☐ Yes Insurance agency

Contact name

Phone

Statistical and administrative information

13. Debtor's estimation of available funds

Check one:

☒ Funds will be available for distribution to unsecured creditors.

☐ After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

14. Estimated number of creditors (consolidated with debtor affiliates)*

☐ 1-49	☐ 1,000-5,000	☐ 25,001-50,000
☐ 50-99	☐ 5,001-10,000	☐ 50,001-100,000
☐ 100-199	☐ 10,001-25,000	☐ More than 100,000
☒ 200-999		

Debtor AFI Licensing LLC Case number (*if known*)
Name

15. Estimated assets (consolidated with debtor affiliates)*	☐ $0-$50,000 ☐ $50,001-$100,000 ☐ $100,001-$500,000 ☐ $500,001-$1 million	☐ $1,000,001-$10 million ☐ $10,000,001-$50 million ☐ $50,000,001-$100 million ☒ $100,000,001-$500 million	☐ $500,000,001-$1 billion ☐ $1,000,000,001-$10 billion ☐ $10,000,000,001-$50 billion ☐ More than $50 billion
16. Estimated liabilities (consolidated with debtor affiliates)*	☐ $0-$50,000 ☐ $50,001-$100,000 ☐ $100,001-$500,000 ☐ $500,001-$1 million	☐ $1,000,001-$10 million ☐ $10,000,001-$50 million ☐ $50,000,001-$100 million ☒ $100,000,001-$500 million	☐ $500,000,001-$1 billion ☐ $1,000,000,001-$10 billion ☐ $10,000,000,001-$50 billion ☐ More than $50 billion

*Represents consolidated financial information for the Debtor and its affiliated entities. This does not constitute a statement or admission as to the creditors, assets, or liabilities of any of the debtor entities individually.

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to $500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 05/08/2022
MM / DD / YYYY

✘ */s/ Michel S. Vermette*
Signature of authorized representative of debtor

Michel S. Vermette
Printed name

Title President and Chief Executive Officer

18. Signature of attorney

✘ */s/ Joseph O. Larkin*
Signature of attorney for debtor

Date 05/08/2022
MM / DD / YYYY

Joseph O. Larkin
Printed name

Skadden, Arps, Slate, Meagher & Flom LLP
Firm name

920 N. King Street
Number Street

Wilmington
City

Delaware 19801
State ZIP code

(302) 651-3000
Contact phone

Joseph.Larkin@skadden.com
Email address

4883
Bar number

Delaware
State

Annex 1

SCHEDULE OF DEBTORS

On the date hereof, each of the affiliated entities listed below (including the debtor in this chapter 11 case) filed in this Court a petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, as amended. Substantially contemporaneously with the filing of these petitions, these entities filed a motion requesting that their respective chapter 11 cases be jointly administered for procedural purposes only.

No.	Debtor	FEDERAL EIN
1	Armstrong Flooring, Inc.	47-4303305
2	AFI Licensing LLC	36-4833265
3	Armstrong Flooring Latin America	35-2552943
4	Armstrong Flooring Canada Ltd.	N/A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re ARMSTRONG FLOORING, INC., *et al.*, Debtors.[1]	Chapter 11 Case No. 22-_____ (___) (Joint Administration Pending)

CONSOLIDATED CORPORATE OWNERSHIP STATEMENT AND LIST OF EQUITY SECURITY HOLDERS PURSUANT TO FEDERAL RULES OF BANKRUPTCY PROCEDURE 1007 AND 7007.1

Pursuant to Rules 1007(a)(1) and 7007.1 of the Federal Rules of Bankruptcy Procedure, set forth below are the corporate entities that directly or indirectly own 10% or more of any class of equity interests as of the Petition Date:

1. Armstrong Flooring, Inc. is a publicly traded corporation. No entities have a direct or indirect ownership interest of 10% or more in Armstrong Flooring, Inc.

2. AFI Licensing LLC is wholly owned by Armstrong Flooring, Inc.

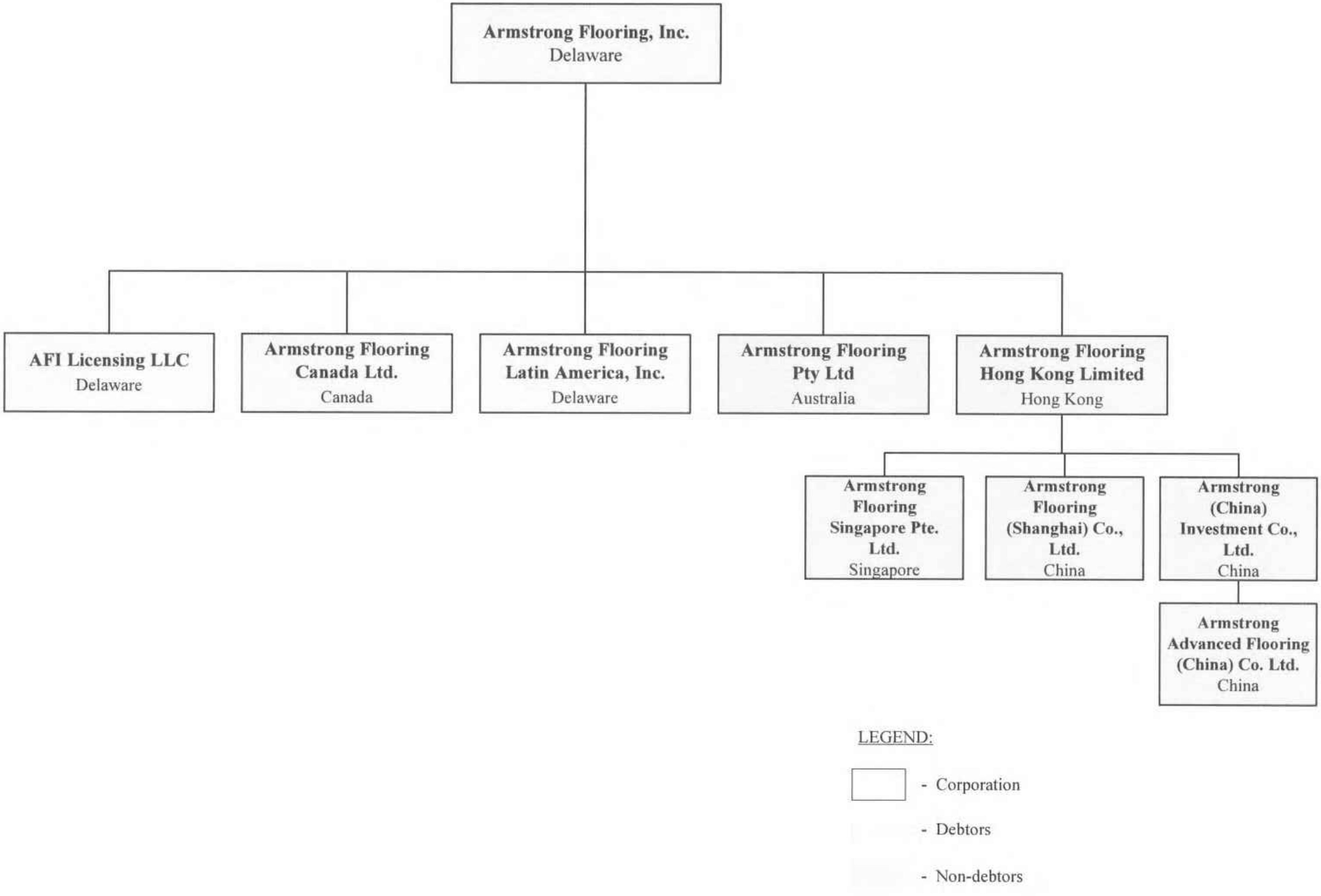
3. Armstrong Flooring Latin America, Inc. is wholly owned by Armstrong Flooring, Inc.

4. Armstrong Flooring Canada Ltd. is wholly owned by Armstrong Flooring, Inc.

[1] The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Armstrong Flooring, Inc. (3305); AFI Licensing LLC (3265); Armstrong Flooring Latin America, Inc. (2943); and Armstrong Flooring Canada Ltd. (N/A). The address of the Debtors' corporate headquarters is PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065.

EXHIBIT A

Organizational Chart


Armstrong Flooring, Inc.
Delaware
AFI Licensing LLC
Delaware
Armstrong Flooring Canada Ltd.
Canada
Armstrong Flooring Latin America, Inc.
Delaware
Armstrong Flooring Pty Ltd
Australia
Armstrong Flooring Hong Kong Limited
Hong Kong
Armstrong Flooring Singapore Pte. Ltd.
Singapore
Armstrong Flooring (Shanghai) Co., Ltd.
China
Armstrong (China) Investment Co., Ltd.
China
Armstrong Advanced Flooring (China) Co. Ltd.
China
LEGEND:
- Corporation
- Debtors
- Non-debtors

Fill in this information to Identify the case:

Debtor Name: Armstrong Flooring, Inc., et al.

United States Bankruptcy Court for the: District of Delaware

Case Number (If known):

☐ Check if this is an amended filing

Official Form 204

Chapter 11 or Chapter 9 Cases: Consolidated List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders

12/15

A consolidated list of creditors holding the 30 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 30 largest unsecured claims.

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1	COLOUR STREAM LTD 3F NO 3 SEC 2 RENAI RD TAIPEI 226017 TAIWAN	JODYCHEN@DARDEFLOORIN G.COM	VENDOR	C/U/D			$5,987,475.59
2	YIBIN TIANYI NEW MATERIAL NO 61 WEST SECTION YIBIN 644000 CHINA	SMAN0425@QQ.COM	VENDOR	C/U/D			$5,925,169.67
3	ZHEJIANG TIANZHEN BAMBOO & WOOD DEVELOPMENT CO LTD WELLNESS INDUSTRY PARK ANJI ECONOMIC DEVELOPMENT AREA ANJI COUNTY ZHEJIANG PROVINCE 313300 CHINA	PHONE: 86-72-504-2411 NANCYL@TZBAMBOO.COM	VENDOR	C/U/D			$4,874,703.39
4	KLOCKNER-PENTAPLAST OF AMER INC 3585 KLOECKNER RD GORDONSVILLE, VA 22942	PHONE: 540-832-3600 REMITTANCE.US@KPFILMS.C OM; ACCTSREC@KPFILMS.COM	VENDOR	C/U/D			$4,494,817.22
5	FLEXPORT INC 760 MARKET STREET SAN FRANCISCO, CA 94102	PHONE: 415-231-5252 REMITTANCE@FLEXPORT.CO M	VENDOR	C/U/D			$3,334,973.82
6	EASTMAN CHEMICAL FINANCIAL CORP 200 S WILCOX DRIVE KINGSPORT, TN 37660	PHONE: 800-327-8626 GLOBALAR@EASTMAN.COM	VENDOR	C/U/D			$3,146,863.02

Debtor: Armstrong Flooring, Inc., et al. Case Number (if known):

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
7	HONG KONG EDSON TRADING LIMITED 28 CANTON ROAD TSIM SHA TSUI HONG KONG 999077 HONG KONG	ZOE@VNJUFENG.COM	VENDOR	C/U/D			$2,325,947.03
8	MEXICHEM SPECIALTY RESINS INC ATTN GENERAL MGR 33653 WALKER RD AVON LAKE, OH 44012	PHONE: 877-226-7355 ROBERT.WOLF@VESTOLIT.COM	VENDOR	C/U/D			$1,995,350.73
9	SDI INC ATTN CHIEF FINANCIAL OFFICER 1414 RADCLIFFE ST, STE 300 BRISTOL, PA 17604	PHONE: 863-533-1147 JACKIE.KRAMER@SDI.COM	VENDOR	C/U/D			$1,676,115.48
10	SPECIALTY MINERALS INC 2800 AYERS AVE LOS ANGELES, CA 90023	PHONE: 212-878-1840 US.CASH.RECEIPTS@MINERALSTECH.COM	VENDOR	C/U/D			$1,558,531.26
11	AHLSTROM MUNKSJO GLASSFIBRE OY AHLSTROMINTIE 19 KOTKA 48600 FINLAND	PHONE: 358 10 888 0 CHERYL.BROWN@AHLSTROM-MUNKSJO.COM	VENDOR	C/U/D			$1,363,260.68
12	OXYVINYLS LP 1950 N STEMMONS FRWY DALLAS, TX 75207	PHONE: 972-404-2144 ACCOUNTS_RECEIVABLE@OXY.COM	VENDOR	C/U/D			$1,302,958.10
13	TBL SERVICES INC 1005 BROOKSIDE ROAD ALLENTOWN, PA 18106	FINANCE@THINKTBL.COM	VENDOR	C/U/D			$1,243,877.16
14	EMERALD KALAMA LLC 1296 NORTHWEST THIRD KALAMA, WA 98625	CREDITDEPT@EMERALDMATERIALS.COM	VENDOR	C/U/D			$1,000,705.54
15	EXPEDITORS INTERNATIONAL INC 519 KAISER DRIVE FOLCROFT, PA 19032	PHONE: 610-534-2590 REMIT@EXPEDITORS.COM; AR-PHL@EXPEDITORS.COM	VENDOR	C/U/D			$991,838.59
16	ARDEX ENGINEERED CEMENTS 400 ARDEX PARK DRIVE ALIQUIPPA, PA 15001	PHONE: 888-512-7339 LORIE.WAGONER@ARDEXAMERICAS.COM	VENDOR	C/U/D			$971,940.68
17	HYUNDAI L & C USA LLC 1077 CHEONHO-DAERO SEOUL 5340 SOUTH KOREA	PHONE: 888-426-9421 JIMINYOU@HYUNDAILNCUSA.COM	VENDOR	C/U/D			$837,232.38
18	BOSTIK INC DEPT CH 19480 PALATINE, IL 60055	PHONE: 414-774-2250 BOSTIK.AR@BOSTIK.COM	VENDOR	C/U/D			$795,608.40
19	GIVENS INC 1720 S MILITARY HIGHWAY CHESAPEAKE, VA 23320	PHONE: 757-233-4300 AR@GIVENS.COM	VENDOR	C/U/D			$728,999.06
20	CAMGER COATINGS SYSTEM INC 364 MAIN STREET NORFOLK, MA 02056	PHONE: 508-528-5787 G.BESCHI@CAMGER.COM	VENDOR	C/U/D			$688,680.89
21	STERLING MEXICO INVESTMENTS LLC 999 VANDERBILT BEACH ROAD SUITE 606 NAPLES, FL 34108		VENDOR	C/U/D			$654,782.85

Debtor: Armstrong Flooring, Inc., et al. Case Number (if known):

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
22	VALTRIS SPECIALTY CHEMICALS 7500 EAST PLEASANT VALLEY RD INDEPENDENCE, OH 44131	PHONE: 216-875-7200 CHRISTINE.DEFLOOR@VALTRIS.COM	VENDOR	C/U/D			$618,637.30
23	OMNOVA SOLUTIONS INC 2011 ROCKY RIVER RD MONROE, NC 28110	PHONE: 216-682-7000 CFS@OMNOVA.COM	VENDOR	C/U/D			$609,606.48
24	TRONOX LLC 263 TRESSER BLVD STE 1100 STAMFORD, CT 06901-3227	PHONE: 203-705-3800 OKCCASHPOSTINGGROUP@TRONOX.COM	VENDOR	C/U/D			$557,946.92
25	J & M TANK LINES INC ATTN PRESIDENT 1100 CORPORATE PKWY BIRMINGHAM, AL 35238	PHONE: 800-456-8265 PSUMERFORD@JMTANK.COM; AR@JMTANK.COM	VENDOR	C/U/D			$542,376.33
26	THE SAMPLE GROUP NC INC. 179 MERRIMON AVE WEAVERVILLE, NC 28787	PHONE: 828-645-1410 ACCTGTSG@THESAMPLEGROUP.COM	VENDOR	C/U/D			$513,933.95
27	HAN RIGID PLASTICS USA LLC 980 W CIENEGA AVE SAN DIMAS, CA 91773	PHONE: 909-394-5832 MAY@HANRIGIDUSA.COM	VENDOR	C/U/D			$512,506.55
28	ART GUILD INC 300 WOLF DRIVE WEST DEPTFORD, NJ 08086	PHONE: 856-384-1999 BSANDONE@ARTGUILDINC.COM; CCLIVER@ARTGUILDINC.COM	VENDOR	C/U/D			$480,360.18
29	YIBIN TIANCHANG LOGISTICS CO DIAOHUANLOU ROAD YIBIN CITY 644000 CHINA	79501918@QQ.COM	VENDOR	C/U/D			$473,000.00
30	FEI GROUP 811 LIVINGSTON COURT SE, STE A MARIETTA, GA 30067	PHONE: 770-528-4748 JORTEGA@FEIGROUP.NET	VENDOR	C/U/D			$458,332.94

Fill in this information to identify the case:			
Debtor name	Armstrong Flooring, Inc., *et al.*		
United States Bankruptcy Court for the:		District of (State)	Delaware
Case number (If known):			

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors 12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING – Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to $500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

☐ *Schedule A/B: Assets-Real and Personal Property* (Official Form 206A/B)

☐ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)

☐ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)

☐ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)

☐ *Schedule H: Codebtors* (Official Form 206H)

☐ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)

☐ *Amended Schedule* ____________

☒ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)

☒ Other document that requires a declaration Corporate Ownership Statement.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 05/08/2022
MM/DD/YYYY

x */s/ Michel S. Vermette*
Signature of individual signing on behalf of debtor

Michel S. Vermette
Printed Name

President and Chief Executive Officer
Position or relationship to debtor

ACTION BY WRITTEN CONSENT

OF

THE BOARD OF MANAGERS

OF

AFI LICENSING LLC

May 8, 2022

The undersigned, being the sole member of the Board of Managers (the "**Board**"), of AFI Licensing LLC, a Delaware limited liability company (the "**Company**"), acting pursuant to the organizational documents of the Company, hereby adopts, by this written consent, the following resolutions with the same force and effect as if they had been unanimously adopted at a duly convened meeting of the Board, and direct that this action by written consent be filed with the minutes of the Company:

I. Chapter 11 Filing

WHEREAS, the Board has considered presentations by the management and the financial and legal advisors of the Company regarding the liabilities and liquidity situation of the Company, the strategic alternatives available to it and the effect of the foregoing on the Company's business, creditors, stakeholders and other parties in interest;

WHEREAS, the Board has had the opportunity to consult with the Company's management and financial and legal advisors and fully consider each of the strategic alternatives available to the Company;

WHEREAS, the Board, based on its review of all available alternatives and advice provided by such advisors and professionals, has determined that it is advisable and in the best interest of the Company and its stakeholders for the Company to take the actions specified in the following resolutions;

WHEREAS, the Board has been presented with a proposed voluntary petition (the "**Chapter 11 Petition**") to be filed by the Company in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") seeking relief under the provisions of chapter 11 ("**Chapter 11**") of title 11 of the United States Code (the "**Bankruptcy Code**"), in which the authority to operate as a debtor in possession will be sought;

WHEREAS, the Board has had the opportunity to consult with the management and the legal and financial advisors of the Company regarding the material terms of the "first day" pleadings, applications, affidavits and other documents (collectively, the "**Chapter 11 Filings**") to be filed by the Company before the Bankruptcy Court in connection with the commencement of the Company's Chapter 11 case (the "**Bankruptcy Case**"); and

WHEREAS, the Board, having considered the financial and operational aspects of the Company's business and the best course of action to maximize value, has determined that it is advisable and in the best interest of the Company that the Chapter 11 Petition be filed by the Company seeking relief under the provisions of Chapter 11 of the Bankruptcy Code.

NOW, THEREFORE, BE IT RESOLVED, that the filing of the Chapter 11 Petition and Chapter 11 Filings be, and each hereby is, authorized and approved in all respects; and be it further

RESOLVED, that any officer of the Company, on behalf of the Company (each such person, acting jointly or independently, being an "**Authorized Person**"), in each case, be, and each of them individually hereby is, authorized and directed to enter into, execute and deliver, in the name and on behalf of the Company, the Chapter 11 Petition and the Chapter 11 Filings in the name of the Company under Chapter 11 of the Bankruptcy Code and to cause the same to be filed in the Bankruptcy Court in such form and at such time as the Authorized Person(s) executing said Chapter 11 Petition and Chapter 11 Filings on behalf of the Company shall determine, with such modifications as such Authorized Person executing the same may deem necessary or appropriate to implement the transactions contemplated by the foregoing resolutions.

II. Debtor-in-Possession Financing

WHEREAS, the Board has determined that, in connection with the Bankruptcy Case, it is desirable and in the best interest of the Company, its creditors, stakeholders, and other interested parties to request that one or more potential financing sources provide the Company with a $30 million priming senior secured superpriority delayed-draw term loan facility (the "**DIP Financing**") subject to exceptions and limitations to be set forth in any orders of the Bankruptcy Court concerning the DIP Financing (the "**DIP Financing Orders**");

WHEREAS, the Board has been presented with and has reviewed the terms and provisions of the definitive debtor-in-possession financing agreements related to the DIP Financing (collectively, the "**DIP Financing Agreements**" and each a "**DIP Financing Agreement**") by and among Armstrong Flooring, Inc., as the borrower, certain of its affiliates and the Company, as guarantors, and JMB Capital Partners Lending, LLC, as administrative agent (collectively, with the other lenders party to the DIP Financing Agreements, the "**DIP Lenders**") pursuant to which the DIP Lenders have agreed to provide the Company with DIP Financing, which provides for the borrowing of loans, guaranteeing of obligations, granting of security and the pledging of collateral;

WHEREAS, in connection with the DIP Financing Agreements, the DIP Lenders require that the Company grant security interests in substantially all of its assets that now or hereafter come into the possession, custody or control of the Company, in order to secure the prompt and complete payment, observance, and performance of all obligations under each DIP Financing Agreement, subject to exceptions and limitations to be set forth in DIP Financing Orders and related documents contemplated thereunder (collectively, the "**DIP Documents**"); and

WHEREAS, the Board has determined that it is in the best interests of the Company, its creditors, stakeholders, and other interested parties, for the Company to (i) consummate the transactions contemplated by each DIP Financing Agreement provided to the Board including borrowing and/or guaranteeing the full amount of the DIP Financing, and (ii) empower, authorize and direct the Authorized Persons to take any and all actions as may be deemed appropriate to effect and perform the transactions contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED, that the form, terms and provisions of the DIP Financing Agreements are hereby, in all respects, authorized, ratified, approved and adopted by the Board on behalf of the Company; and be it further

RESOLVED, that the Company be, and hereby is, authorized to incur and to undertake any and all related transactions contemplated under each DIP Financing Agreement and the DIP Documents; and be it further

RESOLVED, that the Authorized Persons be, and each of them hereby is, empowered, authorized and directed, with full power of delegation, on behalf of and in the name of the Company, to cause the Company to negotiate, execute and deliver each DIP Financing Agreement and the related documents contemplated thereby, in such form and with such changes or amendments (substantial or otherwise) thereto as any one or more of such Authorized Persons may deem necessary, desirable or appropriate, in order to consummate the transactions contemplated by each DIP Financing Agreement; and be it further

RESOLVED, that the Authorized Persons be, and each of them hereby is, empowered, authorized and directed, with full power of delegation, on behalf of and in the name of the Company, to take all such further actions which shall be necessary, proper or advisable to perform the Company's obligations under or in connection with the DIP Financing Agreements, the DIP Documents and the transactions contemplated therein, and to carry out fully the intent of the foregoing resolutions.

III. Retention of Professionals

RESOLVED, that the Authorized Persons be, and each of them is, authorized and empowered, on behalf of and in the name of the Company, to retain and employ professionals to render services to the Company in connection with the Bankruptcy Case and the transactions contemplated by the foregoing resolutions, including, without limitation, the law firm Skadden, Arps, Slate, Meagher & Flom LLP, to act as Chapter 11 counsel; Groom Law Group, Chartered, to act as benefits counsel; Friedman Kaplan Seiler & Adelman LLP, to act as conflicts counsel; Chipman Brown Cicero & Cole, LLP, to act as efficiency counsel; Riveron Consulting, LP to act as financial advisor; Houlihan Lokey to act as investment banker; and Epiq Corporate Restructuring, LLC to act as claims and noticing agent and administrative advisor; and in connection herewith each Authorized Person is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed appropriate applications for authority to retain the services of the foregoing; and be it further

IV. Secretary

RESOLVED, that Christopher Parisi be, and hereby is, authorized, empowered and directed, on behalf of and in the name of the Company, to act as Secretary of the Company during the pendency of the Bankruptcy Case and until his successor is duly elected and shall qualify, or until his earlier death, resignation or removal; and be it further

V. General Authority to Implement Resolutions

RESOLVED, that the Authorized Persons be, and each of them is, authorized and empowered, on behalf of and in the name of the Company, to execute, deliver, perform, verify or file, or cause to be executed, delivered, performed, verified or filed (or direct others to do so on their behalf as provided herein) all necessary documents, including, without limitation, all petitions, affidavits, statements, schedules, motions, lists, applications, pleadings, other papers, security documents, guarantees, reaffirmations, control agreements, waivers of or amendments to existing documents, and to negotiate the forms, terms and provisions of, and to execute and deliver any amendments, modifications, waivers or consents to any of the foregoing as may be approved by any Authorized Person, which amendments, modifications, waivers or consents may provide for consent payments, fees or other amounts payable or other modifications of or relief under such agreements or documents, the purpose of such amendments, modifications, waivers or consents being to facilitate consummation of the transactions contemplated by the foregoing resolutions or for any other purpose, and, in connection with the foregoing, to employ and retain all assistance by legal counsel, investment bankers, accountants, restructuring professionals or other professionals, and to take any and all action which the Authorized Person deems necessary or proper in connection with the Bankruptcy Case, with a view to the successful prosecution of the Bankruptcy Case contemplated by the foregoing resolutions and the successful consummation of the transactions contemplated by the foregoing resolutions, including, without limitation, any action necessary or proper to maintain the ordinary course operation of the Company's business; and be it further

RESOLVED, that the Authorized Persons be, and each of them is, authorized to execute, deliver and perform any and all special powers of attorney as the Authorized Persons may deem necessary or desirable to facilitate consummation of the transactions contemplated by the foregoing resolutions, pursuant to which the Authorized Persons will make certain appointments of attorneys to facilitate consummation of the transactions contemplated by the foregoing resolutions as the Company's true and lawful attorneys and authorize each such attorney to execute and deliver any and all documents of whatsoever nature and description that may be necessary or desirable to facilitate consummation of the transactions contemplated by the foregoing resolutions; and be it further

RESOLVED, that all acts lawfully done or actions lawfully taken by any Authorized Person to seek relief on behalf of the Company under Chapter 11 of the Bankruptcy Code, or in connection with the Bankruptcy Case, or any matter related thereto, be, and hereby are, adopted, ratified, confirmed, and approved in all respects as the acts and deeds of the Company in all respects by the Board; and be it further

RESOLVED, that all acts lawfully done or actions lawfully taken by any Authorized Person, or by any employees or agents of the Company, on or before the date hereof in connections with the transactions contemplated by the foregoing resolutions be, and they hereby are, ratified, confirmed and approved in all respects by the Board; and be it further

RESOLVED, that the omission from these resolutions of any agreement, document or other arrangement contemplated by any of the agreements, instruments, filings or other documents described in the foregoing resolutions or any action to be taken in accordance with any requirement of any of the agreements, instruments, filings or other documents described in the foregoing resolutions shall in no manner derogate from the authority of the Authorized Persons to take all actions necessary, desirable, proper, advisable or appropriate to consummate, effectuate, carry out or further the transaction contemplated by, and the intent and purposes of, the foregoing resolutions; and be it further

RESOLVED, that the authority conferred upon any Authorized Person by these resolutions is in addition to, and shall in no way limit, such other authority as the Authorized Person may have with respect to the subject matter of the foregoing resolutions, and that the omission from these resolutions of any agreement or other arrangement contemplated by any of the agreements, instruments or documents described in the foregoing resolutions or any action to be taken in accordance with any requirement of any of the agreements, instruments or documents described in the foregoing resolutions shall in no manner derogate from the authority of any Authorized Person to take any and all actions convenient, necessary, advisable or appropriate to consummate, effectuate, carry out, perform or further the transactions contemplated by and the intents and purposes of the foregoing resolutions; and be it further

RESOLVED, the Board has received sufficient notice of the actions and transactions relating to the matters contemplated by the foregoing resolutions, as may be required by the organizational documents of the Company, or hereby waive any right to have received such notice; and be it further

RESOLVED, that each of the Authorized Persons (and their designees and delegates) be, and hereby are, authorized and empowered to take all actions or not to take any action in the name of the Company with respect to the transactions contemplated by these resolutions hereunder as the sole shareholder, partner, member, managing member, manager (or similar role) of each subsidiary of the Company, in each case, as the Authorized Person(s) shall deem necessary proper, appropriate, desirable or advisable to effectuate the purposes of the transactions contemplated herein.

* * *

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the undersigned, being the sole member of the Board of Managers of AFI Licensing LLC, has executed and delivered this written consent as of the date first written above.

Christopher S. Parisi

Fill in this information to identify the case:				
United States Bankruptcy Court for the:				
	District of	Delaware (State)		
Case number (*if known*):		Chapter	11	
22-10428(MFW)				☐ Check if this is an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

04/22

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name

Armstrong Flooring Latin America, Inc.

2. All other names debtor used in the last 8 years

Include any assumed names, trade names, and doing business as names

None

3. Debtor's federal Employer Identification Number (EIN)

35-2552943

4. Debtor's address

Principal place of business

1770 Hempstead Road
Number Street

P.O. Box 10068
P.O. Box

Lancaster PA 17605
City State ZIP Code

Lancaster
County

Mailing address, if different from principal place of business

Number Street

City State ZIP Code

Location of principal assets, if different from principal place of business

Number Street

City State ZIP Code

5. Debtor's website (URL)

https://www.armstrongflooring.com/

CERTIFIED:
AS A TRUE COPY:
ATTEST:
UNA M. O'BOYLE
U. S. BANKRUPTCY COURT
By Deputy Clerk
5/13/2022

+1.

6. Type of debtor

☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))
☐ Partnership (excluding LLP)
☐ Other. Specify:

7. Describe debtor's business

A. *Check one:*

☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
☐ Railroad (as defined in 11 U.S.C. § 101(44))
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
☒ None of the above

B. *Check all that apply:*

☐ Tax-exempt entity (as described in 26 U.S.C. § 501)
☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See http://www.uscourts.gov/four-digit-national-association-naics-codes

3 2 7 1

8. Under which chapter of the Bankruptcy Code is the debtor filing?

Check one:
☐ Chapter 7
☐ Chapter 9
☒ Chapter 11. *Check **all** that apply*:

☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than $3,024,725 (amount subject to adjustment on 4/01/25 and every 3 years after that).

☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).

☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and it chooses to proceed under Subchapter V of Chapter 11.

☐ A plan is being filed with this petition.

☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).

☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.

☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

If more than 2 cases, attach a separate list.

☒ No
☐ Yes District ____ When ____ MM / DD / YYYY Case number ____

District ____ When ____ MM / DD / YYYY Case number ____

Debtor Armstrong Flooring Latin America, Inc. Case number (*if known*)
Name

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

List all cases. If more than 1, attach a separate list.

☐ No

☒ Yes Debtor See Annex 1 Relationship Affiliate

District Delaware When Date hereof

MM / DD / YYYY

Case Number, if known

11. Why is the case filed in *this district*?

Check all that apply:

☐ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

☒ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

☒ No

☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed

Why does the property need immediate attention? (*Check all that apply.*)

☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard?

☐ It needs to be physically secured or protected from the weather.

☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

☐ Other

Where is the property?

Number Street

City State Zip Code

Is the property insured?

☐ No

☐ Yes Insurance agency

Contact name

Phone

Statistical and administrative information

13. Debtor's estimation of available funds

Check one:

☒ Funds will be available for distribution to unsecured creditors.

☐ After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

14. Estimated number of creditors (consolidated with debtor affiliates)*

☐ 1-49	☐ 1,000-5,000	☐ 25,001-50,000
☐ 50-99	☐ 5,001-10,000	☐ 50,001-100,000
☐ 100-199	☐ 10,001-25,000	☐ More than 100,000
☒ 200-999		

Debtor Armstrong Flooring Latin America, Inc. Case number (*if known*)
Name

15.	**Estimated assets (consolidated with debtor affiliates)***	☐ $0-$50,000 ☐ $50,001-$100,000 ☐ $100,001-$500,000 ☐ $500,001-$1 million	☐ $1,000,001-$10 million ☐ $10,000,001-$50 million ☐ $50,000,001-$100 million ☒ $100,000,001-$500 million	☐ $500,000,001-$1 billion ☐ $1,000,000,001-$10 billion ☐ $10,000,000,001-$50 billion ☐ More than $50 billion
16.	**Estimated liabilities (consolidated with debtor affiliates)***	☐ $0-$50,000 ☐ $50,001-$100,000 ☐ $100,001-$500,000 ☐ $500,001-$1 million	☐ $1,000,001-$10 million ☐ $10,000,001-$50 million ☐ $50,000,001-$100 million ☒ $100,000,001-$500 million	☐ $500,000,001-$1 billion ☐ $1,000,000,001-$10 billion ☐ $10,000,000,001-$50 billion ☐ More than $50 billion

*Represents consolidated financial information for the Debtor and its affiliated entities. This does not constitute a statement or admission as to the creditors, assets, or liabilities of any of the debtor entities individually.

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to $500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 05/08/2022
MM / DD / YYYY

✗ */s/ Michel S. Vermette*
Signature of authorized representative of debtor

Michel S. Vermette
Printed name

Title President and Chief Executive Officer

18. Signature of attorney

✗ */s/ Joseph O. Larkin*
Signature of attorney for debtor

Date 05/08/2022
MM / DD / YYYY

Joseph O. Larkin
Printed name

Skadden, Arps, Slate, Meagher & Flom LLP
Firm name

920 N. King Street
Number Street

Wilmington
City

Delaware
State

19801
ZIP code

(302) 651-3000
Contact phone

Joseph.Larkin@skadden.com
Email address

4883
Bar number

Delaware
State

Annex 1

SCHEDULE OF DEBTORS

On the date hereof, each of the affiliated entities listed below (including the debtor in this chapter 11 case) filed in this Court a petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*., as amended. Substantially contemporaneously with the filing of these petitions, these entities filed a motion requesting that their respective chapter 11 cases be jointly administered for procedural purposes only.

No.	Debtor	FEDERAL EIN
1	Armstrong Flooring, Inc.	47-4303305
2	AFI Licensing LLC	36-4833265
3	Armstrong Flooring Latin America	35-2552943
4	Armstrong Flooring Canada Ltd.	N/A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re **ARMSTRONG FLOORING, INC.,** ***et al.*****,** **Debtors.**[1]	**Chapter 11** **Case No. 22-_____ (___)** **(Joint Administration Pending)**

CONSOLIDATED CORPORATE OWNERSHIP STATEMENT AND LIST OF EQUITY SECURITY HOLDERS PURSUANT TO FEDERAL RULES OF BANKRUPTCY PROCEDURE 1007 AND 7007.1

Pursuant to Rules 1007(a)(1) and 7007.1 of the Federal Rules of Bankruptcy Procedure, set forth below are the corporate entities that directly or indirectly own 10% or more of any class of equity interests as of the Petition Date:

1. Armstrong Flooring, Inc. is a publicly traded corporation. No entities have a direct or indirect ownership interest of 10% or more in Armstrong Flooring, Inc.

2. AFI Licensing LLC is wholly owned by Armstrong Flooring, Inc.

3. Armstrong Flooring Latin America, Inc. is wholly owned by Armstrong Flooring, Inc.

4. Armstrong Flooring Canada Ltd. is wholly owned by Armstrong Flooring, Inc.

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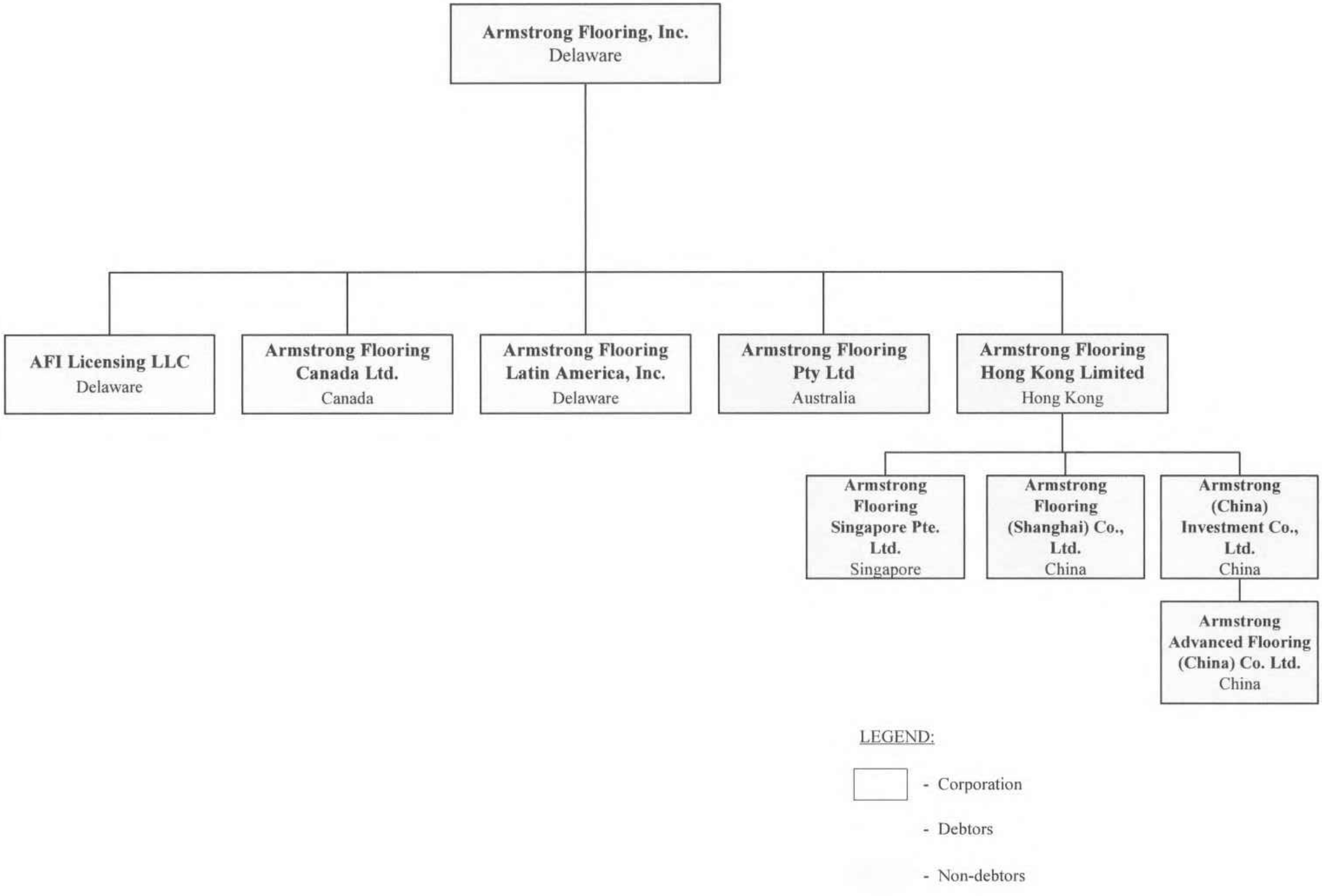
[1] The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Armstrong Flooring, Inc. (3305); AFI Licensing LLC (3265); Armstrong Flooring Latin America, Inc. (2943); and Armstrong Flooring Canada Ltd. (N/A). The address of the Debtors' corporate headquarters is PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065.

EXHIBIT A

Organizational Chart


Armstrong Flooring, Inc.
Delaware
AFI Licensing LLC
Delaware
Armstrong Flooring Canada Ltd.
Canada
Armstrong Flooring Latin America, Inc.
Delaware
Armstrong Flooring Pty Ltd
Australia
Armstrong Flooring Hong Kong Limited
Hong Kong
Armstrong Flooring Singapore Pte. Ltd.
Singapore
Armstrong Flooring (Shanghai) Co., Ltd.
China
Armstrong (China) Investment Co., Ltd.
China
Armstrong Advanced Flooring (China) Co. Ltd.
China
LEGEND:
- Corporation
- Debtors
- Non-debtors

Fill in this information to identify the case:

Debtor Name: Armstrong Flooring, Inc., et al.

United States Bankruptcy Court for the: District of Delaware

Case Number (If known):

☐ Check if this is an amended filing

Official Form 204

Chapter 11 or Chapter 9 Cases: Consolidated List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders

12/15

A consolidated list of creditors holding the 30 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 30 largest unsecured claims.

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1	COLOUR STREAM LTD 3F NO 3 SEC 2 RENAI RD TAIPEI 226017 TAIWAN	JODYCHEN@DARDEFLOORING.COM	VENDOR	C/U/D			$5,987,475.59
2	YIBIN TIANYI NEW MATERIAL NO 61 WEST SECTION YIBIN 644000 CHINA	SMAN0425@QQ.COM	VENDOR	C/U/D			$5,925,169.67
3	ZHEJIANG TIANZHEN BAMBOO & WOOD DEVELOPMENT CO LTD WELLNESS INDUSTRY PARK ANJI ECONOMIC DEVELOPMENT AREA ANJI COUNTY ZHEJIANG PROVINCE 313300 CHINA	PHONE: 86-72-504-2411 NANCYL@TZBAMBOO.COM	VENDOR	C/U/D			$4,874,703.39
4	KLOCKNER-PENTAPLAST OF AMER INC 3585 KLOECKNER RD GORDONSVILLE, VA 22942	PHONE: 540-832-3600 REMITTANCE.US@KPFILMS.COM; ACCTSREC@KPFILMS.COM	VENDOR	C/U/D			$4,494,817.22
5	FLEXPORT INC 760 MARKET STREET SAN FRANCISCO, CA 94102	PHONE: 415-231-5252 REMITTANCE@FLEXPORT.COM	VENDOR	C/U/D			$3,334,973.82
6	EASTMAN CHEMICAL FINANCIAL CORP 200 S WILCOX DRIVE KINGSPORT, TN 37660	PHONE: 800-327-8626 GLOBALAR@EASTMAN.COM	VENDOR	C/U/D			$3,146,863.02

Debtor: Armstrong Flooring, Inc., et al. Case Number (if known):

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
7	HONG KONG EDSON TRADING LIMITED 28 CANTON ROAD TSIM SHA TSUI HONG KONG 999077 HONG KONG	ZOE@VNJUFENG.COM	VENDOR	C/U/D			$2,325,947.03
8	MEXICHEM SPECIALTY RESINS INC ATTN GENERAL MGR 33653 WALKER RD AVON LAKE, OH 44012	PHONE: 877-226-7355 ROBERT.WOLF@VESTOLIT.COM	VENDOR	C/U/D			$1,995,350.73
9	SDI INC ATTN CHIEF FINANCIAL OFFICER 1414 RADCLIFFE ST, STE 300 BRISTOL, PA 17604	PHONE: 863-533-1147 JACKIE.KRAMER@SDI.COM	VENDOR	C/U/D			$1,676,115.48
10	SPECIALTY MINERALS INC 2800 AYERS AVE LOS ANGELES, CA 90023	PHONE: 212-878-1840 US.CASH.RECEIPTS@MINERALSTECH.COM	VENDOR	C/U/D			$1,558,531.26
11	AHLSTROM MUNKSJO GLASSFIBRE OY AHLSTROMINTIE 19 KOTKA 48600 FINLAND	PHONE: 358 10 888 0 CHERYL.BROWN@AHLSTROM-MUNKSJO.COM	VENDOR	C/U/D			$1,363,260.68
12	OXYVINYLS LP 1950 N STEMMONS FRWY DALLAS, TX 75207	PHONE: 972-404-2144 ACCOUNTS_RECEIVABLE@OXY.COM	VENDOR	C/U/D			$1,302,958.10
13	TBL SERVICES INC 1005 BROOKSIDE ROAD ALLENTOWN, PA 18106	FINANCE@THINKTBL.COM	VENDOR	C/U/D			$1,243,877.16
14	EMERALD KALAMA LLC 1296 NORTHWEST THIRD KALAMA, WA 98625	CREDITDEPT@EMERALDMATERIALS.COM	VENDOR	C/U/D			$1,000,705.54
15	EXPEDITORS INTERNATIONAL INC 519 KAISER DRIVE FOLCROFT, PA 19032	PHONE: 610-534-2590 REMIT@EXPEDITORS.COM; AR-PHL@EXPEDITORS.COM	VENDOR	C/U/D			$991,838.59
16	ARDEX ENGINEERED CEMENTS 400 ARDEX PARK DRIVE ALIQUIPPA, PA 15001	PHONE: 888-512-7339 LORIE.WAGONER@ARDEXAMERICAS.COM	VENDOR	C/U/D			$971,940.68
17	HYUNDAI L & C USA LLC 1077 CHEONHO-DAERO SEOUL 5340 SOUTH KOREA	PHONE: 888-426-9421 JIMINYOU@HYUNDAILNCUSA.COM	VENDOR	C/U/D			$837,232.38
18	BOSTIK INC DEPT CH 19480 PALATINE, IL 60055	PHONE: 414-774-2250 BOSTIK.AR@BOSTIK.COM	VENDOR	C/U/D			$795,608.40
19	GIVENS INC 1720 S MILITARY HIGHWAY CHESAPEAKE, VA 23320	PHONE: 757-233-4300 AR@GIVENS.COM	VENDOR	C/U/D			$728,999.06
20	CAMGER COATINGS SYSTEM INC 364 MAIN STREET NORFOLK, MA 02056	PHONE: 508-528-5787 G.BESCHI@CAMGER.COM	VENDOR	C/U/D			$688,680.89
21	STERLING MEXICO INVESTMENTS LLC 999 VANDERBILT BEACH ROAD SUITE 606 NAPLES, FL 34108		VENDOR	C/U/D			$654,782.85

Debtor: Armstrong Flooring, Inc., et al. Case Number (if known):

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
22	VALTRIS SPECIALTY CHEMICALS 7500 EAST PLEASANT VALLEY RD INDEPENDENCE, OH 44131	PHONE: 216-875-7200 CHRISTINE.DEFLOOR@VALTRIS.COM	VENDOR	C/U/D			$618,637.30
23	OMNOVA SOLUTIONS INC 2011 ROCKY RIVER RD MONROE, NC 28110	PHONE: 216-682-7000 CFS@OMNOVA.COM	VENDOR	C/U/D			$609,606.48
24	TRONOX LLC 263 TRESSER BLVD STE 1100 STAMFORD, CT 06901-3227	PHONE: 203-705-3800 OKCCASHPOSTINGGROUP@TRONOX.COM	VENDOR	C/U/D			$557,946.92
25	J & M TANK LINES INC ATTN PRESIDENT 1100 CORPORATE PKWY BIRMINGHAM, AL 35238	PHONE: 800-456-8265 PSUMERFORD@JMTANK.COM; AR@JMTANK.COM	VENDOR	C/U/D			$542,376.33
26	THE SAMPLE GROUP NC INC. 179 MERRIMON AVE WEAVERVILLE, NC 28787	PHONE: 828-645-1410 ACCTGTSG@THESAMPLEGROUP.COM	VENDOR	C/U/D			$513,933.95
27	HAN RIGID PLASTICS USA LLC 980 W CIENEGA AVE SAN DIMAS, CA 91773	PHONE: 909-394-5832 MAY@HANRIGIDUSA.COM	VENDOR	C/U/D			$512,506.55
28	ART GUILD INC 300 WOLF DRIVE WEST DEPTFORD, NJ 08086	PHONE: 856-384-1999 BSANDONE@ARTGUILDINC.COM; CCLIVER@ARTGUILDINC.COM	VENDOR	C/U/D			$480,360.18
29	YIBIN TIANCHANG LOGISTICS CO DIAOHUANLOU ROAD YIBIN CITY 644000 CHINA	79501918@QQ.COM	VENDOR	C/U/D			$473,000.00
30	FEI GROUP 811 LIVINGSTON COURT SE, STE A MARIETTA, GA 30067	PHONE: 770-528-4748 JORTEGA@FEIGROUP.NET	VENDOR	C/U/D			$458,332.94

Fill in this information to identify the case:			
Debtor name	Armstrong Flooring, Inc., *et al.*		
United States Bankruptcy Court for the:		District of (State)	Delaware
Case number (If known):			

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING – Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to $500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets-Real and Personal Property* (Official Form 206A/B)
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☐ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☐ *Schedule H: Codebtors* (Official Form 206H)
- ☐ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ *Amended Schedule* ____________
- ☒ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☒ Other document that requires a declaration Corporate Ownership Statement.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 05/08/2022
MM/DD/YYYY

x /s/ Michel S. Vermette
Signature of individual signing on behalf of debtor

Michel S. Vermette
Printed Name

President and Chief Executive Officer
Position or relationship to debtor

ACTION BY UNANIMOUS WRITTEN CONSENT

OF

THE BOARD OF DIRECTORS

OF

ARMSTRONG FLOORING LATIN AMERICA, INC.

May 8, 2022

The undersigned, being all the members of the Board of Directors (the "**Board**"), of Armstrong Flooring Latin America, Inc., a Delaware corporation (the "**Corporation**"), acting pursuant to the organizational documents of the Corporation, hereby adopt, by this written consent ("**Action by Unanimous Written Consent**"), the following resolutions with the same force and effect as if they had been unanimously adopted at a duly convened meeting of the Board, and direct that this Action by Unanimous Written Consent be filed with the minutes of the Corporation:

I. Chapter 11 Filing

WHEREAS, the Board has considered presentations by the management and the financial and legal advisors of the Corporation regarding the liabilities and liquidity situation of the Corporation, the strategic alternatives available to it and the effect of the foregoing on the Corporation's business, creditors, stakeholders and other parties in interest;

WHEREAS, the Board has had the opportunity to consult with the Corporation's management and financial and legal advisors and fully consider each of the strategic alternatives available to the Corporation;

WHEREAS, the Board, based on its review of all available alternatives and advice provided by such advisors and professionals, has determined that it is advisable and in the best interest of the Corporation and its stakeholders for the Corporation to take the actions specified in the following resolutions;

WHEREAS, the Board has been presented with a proposed voluntary petition (the "**Chapter 11 Petition**") to be filed by the Corporation in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") seeking relief under the provisions of chapter 11 ("**Chapter 11**") of title 11 of the United States Code (the "**Bankruptcy Code**"), in which the authority to operate as a debtor in possession will be sought;

WHEREAS, the Board has had the opportunity to consult with the management and the legal and financial advisors of the Corporation regarding the material terms of the "first day" pleadings, applications, affidavits and other documents (collectively, the "**Chapter 11 Filings**") to be filed by the Corporation before the Bankruptcy Court in connection with the commencement of the Corporation's Chapter 11 case (the "**Bankruptcy Case**"); and

WHEREAS, the Board, having considered the financial and operational aspects of the Corporation's business and the best course of action to maximize value, has determined that it is advisable and in the best interest of the Corporation that the Chapter 11 Petition be filed by the Corporation seeking relief under the provisions of Chapter 11 of the Bankruptcy Code.

NOW, THEREFORE, BE IT RESOLVED, that the filing of the Chapter 11 Petition and Chapter 11 Filings be, and each hereby is, authorized and approved in all respects; and be it further

RESOLVED, that any officer of the Corporation, on behalf of the Corporation (each such person, acting jointly or independently, being an "**Authorized Person**"), in each case, be, and each of them individually hereby is, authorized and directed to enter into, execute and deliver, in the name and on behalf of the Corporation, the Chapter 11 Petition and the Chapter 11 Filings in the name of the Corporation under Chapter 11 of the Bankruptcy Code and to cause the same to be filed in the Bankruptcy Court in such form and at such time as the Authorized Person(s) executing said Chapter 11 Petition and Chapter 11 Filings on behalf of the Corporation shall determine, with such modifications as such Authorized Person executing the same may deem necessary or appropriate to implement the transactions contemplated by the foregoing resolutions.

II. Debtor-in-Possession Financing

WHEREAS, the Board has determined that, in connection with the Bankruptcy Case, it is desirable and in the best interest of the Company, its creditors, stakeholders, and other interested parties to request that one or more potential financing sources provide the Company with a $30 million priming senior secured superpriority delayed-draw term loan facility (the "**DIP Financing**") subject to exceptions and limitations to be set forth in any orders of the Bankruptcy Court concerning the DIP Financing (the "**DIP Financing Orders**");

WHEREAS, the Board has been presented with and has reviewed the terms and provisions of the definitive debtor-in-possession financing agreements related to the DIP Financing (collectively, the "**DIP Financing Agreements**" and each a "**DIP Financing Agreement**") by and among Armstrong Flooring, Inc., as the borrower, certain of its affiliates and the Company, as guarantors, and JMB Capital Partners Lending, LLC, as administrative agent (collectively, with the other lenders party to the DIP Financing Agreements, the "**DIP Lenders**") pursuant to which the DIP Lenders have agreed to provide the Company with DIP Financing, which provides for the borrowing of loans, guaranteeing of obligations, granting of security and the pledging of collateral;

WHEREAS, in connection with the DIP Financing Agreements, the DIP Lenders require that the Corporation grant security interests in substantially all of its assets that now or hereafter come into the possession, custody or control of the Corporation, in order to secure the prompt and complete payment, observance, and performance of all obligations under each DIP Financing Agreement, subject to exceptions and limitations to be set forth in DIP Financing Orders and related documents contemplated thereunder (collectively, the "**DIP Documents**"); and

WHEREAS, the Board has determined that it is in the best interests of the Corporation, its creditors, stakeholders, and other interested parties, for the Corporation to (i) consummate the transactions contemplated by each DIP Financing Agreement provided to the Board including borrowing and/or guaranteeing the full amount of the DIP Financing, and (ii) empower, authorize and direct the Authorized Persons to take any and all actions as may be deemed appropriate to effect and perform the transactions contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED, that the form, terms and provisions of the DIP Financing Agreements are hereby, in all respects, authorized, ratified, approved and adopted by the Board on behalf of the Corporation; and be it further

RESOLVED, that the Corporation be, and hereby is, authorized to incur and to undertake any and all related transactions contemplated under each DIP Financing Agreement and the DIP Documents; and be it further

RESOLVED, that the Authorized Persons be, and each of them hereby is, empowered, authorized and directed, with full power of delegation, on behalf of and in the name of the Corporation, to cause the Corporation to negotiate, execute and deliver each DIP Financing Agreement and the related documents contemplated thereby, in such form and with such changes or amendments (substantial or otherwise) thereto as any one or more of such Authorized Persons may deem necessary, desirable or appropriate, in order to consummate the transactions contemplated by each DIP Financing Agreement; and be it further

RESOLVED, that the Authorized Persons be, and each of them hereby is, empowered, authorized and directed, with full power of delegation, on behalf of and in the name of the Corporation, to take all such further actions which shall be necessary, proper or advisable to perform the Corporation's obligations under or in connection with the DIP Financing Agreements, the DIP Documents and the transactions contemplated therein, and to carry out fully the intent of the foregoing resolutions.

III. Retention of Professionals

RESOLVED, that the Authorized Persons be, and each of them is, authorized and empowered, on behalf of and in the name of the Corporation, to retain and employ professionals to render services to the Corporation in connection with the Bankruptcy Case and the transactions contemplated by the foregoing resolutions, including, without limitation, the law firm Skadden, Arps, Slate, Meagher & Flom LLP, to act as Chapter 11 counsel; Groom Law Group, Chartered, to act as benefits counsel; Friedman Kaplan Seiler & Adelman LLP, to act as conflicts counsel; Chipman Brown Cicero & Cole, LLP, to act as efficiency counsel; Riveron Consulting, LP to act as financial advisor; Houlihan Lokey to act as investment banker; and Epiq Corporate Restructuring, LLC to act as claims and noticing agent and administrative advisor; and in connection herewith each Authorized Person is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed appropriate applications for authority to retain the services of the foregoing; and be it further

IV. Secretary

RESOLVED, that Christopher Parisi be, and hereby is, authorized, empowered and directed, on behalf of and in the name of the Corporation, to act as Secretary of the Corporation during the pendency of the Bankruptcy Case and until his successor is duly elected and shall qualify, or until his earlier death, resignation or removal; and be it further

V. General Authority to Implement Resolutions

RESOLVED, that the Authorized Persons be, and each of them is, authorized and empowered, on behalf of and in the name of the Corporation, to execute, deliver, perform, verify or file, or cause to be executed, delivered, performed, verified or filed (or direct others to do so on their behalf as provided herein) all necessary documents, including, without limitation, all petitions, affidavits, statements, schedules, motions, lists, applications, pleadings, other papers, security documents, guarantees, reaffirmations, control agreements, waivers of or amendments to existing documents, and to negotiate the forms, terms and provisions of, and to execute and deliver any amendments, modifications, waivers or consents to any of the foregoing as may be approved by any Authorized Person, which amendments, modifications, waivers or consents may provide for consent payments, fees or other amounts payable or other modifications of or relief under such agreements or documents, the purpose of such amendments, modifications, waivers or consents being to facilitate consummation of the transactions contemplated by the foregoing resolutions or for any other purpose, and, in connection with the foregoing, to employ and retain all assistance by legal counsel, investment bankers, accountants, restructuring professionals or other professionals, and to take any and all action which the Authorized Person deems necessary or proper in connection with the Bankruptcy Case, with a view to the successful prosecution of the Bankruptcy Case contemplated by the foregoing resolutions and the successful consummation of the transactions contemplated by the foregoing resolutions, including, without limitation, any action necessary or proper to maintain the ordinary course operation of the Corporation's business; and be it further

RESOLVED, that the Authorized Persons be, and each of them is, authorized to execute, deliver and perform any and all special powers of attorney as the Authorized Persons may deem necessary or desirable to facilitate consummation of the transactions contemplated by the foregoing resolutions, pursuant to which the Authorized Persons will make certain appointments of attorneys to facilitate consummation of the transactions contemplated by the foregoing resolutions as the Corporation's true and lawful attorneys and authorize each such attorney to execute and deliver any and all documents of whatsoever nature and description that may be necessary or desirable to facilitate consummation of the transactions contemplated by the foregoing resolutions; and be it further

RESOLVED, that all acts lawfully done or actions lawfully taken by any Authorized Person to seek relief on behalf of the Corporation under Chapter 11 of the Bankruptcy Code, or in connection with the Bankruptcy Case, or any matter related thereto, be, and hereby are, adopted, ratified, confirmed, and approved in all respects as the acts and deeds of the Corporation in all respects by the Board; and be it further

RESOLVED, that all acts lawfully done or actions lawfully taken by any Authorized Person, or by any employees or agents of the Corporation, on or before the date hereof in connections with the transactions contemplated by the foregoing resolutions be, and they hereby are, ratified, confirmed and approved in all respects by the Board; and be it further

RESOLVED, that the omission from these resolutions of any agreement, document or other arrangement contemplated by any of the agreements, instruments, filings or other documents described in the foregoing resolutions or any action to be taken in accordance with any requirement of any of the agreements, instruments, filings or other documents described in the foregoing resolutions shall in no manner derogate from the authority of the Authorized Persons to take all actions necessary, desirable, proper, advisable or appropriate to consummate, effectuate, carry out or further the transaction contemplated by, and the intent and purposes of, the foregoing resolutions; and be it further

RESOLVED, that the authority conferred upon any Authorized Person by these resolutions is in addition to, and shall in no way limit, such other authority as the Authorized Person may have with respect to the subject matter of the foregoing resolutions, and that the omission from these resolutions of any agreement or other arrangement contemplated by any of the agreements, instruments or documents described in the foregoing resolutions or any action to be taken in accordance with any requirement of any of the agreements, instruments or documents described in the foregoing resolutions shall in no manner derogate from the authority of any Authorized Person to take any and all actions convenient, necessary, advisable or appropriate to consummate, effectuate, carry out, perform or further the transactions contemplated by and the intents and purposes of the foregoing resolutions; and be it further

RESOLVED, the Board has received sufficient notice of the actions and transactions relating to the matters contemplated by the foregoing resolutions, as may be required by the organizational documents of the Corporation, or hereby waive any right to have received such notice; and be it further

RESOLVED, that each of the Authorized Persons (and their designees and delegates) be, and hereby are, authorized and empowered to take all actions or not to take any action in the name of the Corporation with respect to the transactions contemplated by these resolutions hereunder as the sole shareholder, partner, member, managing member, manager (or similar role) of each subsidiary of the Corporation, in each case, as the Authorized Person(s) shall deem necessary proper, appropriate, desirable or advisable to effectuate the purposes of the transactions contemplated herein.

* * *

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the undersigned, being the sole member of the board of directors of Armstrong Flooring Latin America, Inc., has executed and delivered this written consent as of the date first written above.

Christopher S. Parisi

THIS IS EXHIBIT “C” TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26^{TH} DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	**Chapter 11**
ARMSTRONG FLOORING, INC., *et al.*,	**Case No. 22-10426 (___)**
Debtors.[1]	**(Joint Administration Pending)**

DECLARATION OF MICHEL S. VERMETTE IN SUPPORT OF
CHAPTER 11 PETITIONS AND FIRST-DAY PAPERS

I, Michel S. Vermette, hereby declare under penalty of perjury that the following is true to the best of my knowledge, information, and belief:

1. I am President and Chief Executive Officer of Armstrong Flooring, Inc. ("**Armstrong**") and its debtor affiliates (collectively, the "**Debtors**" or the "**Company**") in the above-captioned chapter 11 cases (the "**Chapter 11 Cases**").

2. On the date hereof (the "**Petition Date**"), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") with the United States Bankruptcy Court for the District of Delaware (the "**Court**"). In connection therewith, Armstrong plans to seek recognition of these proceedings in Ontario, Canada pursuant to section 46 of the Canadian Companies' Creditors Arrangement Act. The Debtors' First Day Papers (as defined below) include a motion for entry of an order appointing Armstrong Flooring Canada Ltd. as the foreign representative with respect to its planned foreign recognition proceeding.

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[1] The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Armstrong Flooring, Inc. (3305); AFI Licensing LLC (3265); Armstrong Flooring Latin America, Inc. (2943); and Armstrong Flooring Canada Ltd. (N/A). The address of the Debtors' corporate headquarters is PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065.

3. To minimize any business disruption caused by the commencement of these Chapter 11 Cases, the Debtors seek various types of relief through "first-day" applications and motions filed contemporaneously herewith (collectively, the "**First-Day Papers**") and summarized in **Exhibit B** hereto.[2] I submit this declaration (this "**Declaration**") in support of the Debtors' (a) voluntary petitions for relief under chapter 11 of the Bankruptcy Code and (b) First-Day Papers. I am authorized to submit this Declaration on behalf of the Debtors.

4. I joined Armstrong in September 2019. Prior to joining Armstrong, I served as President, Residential Carpet at Mohawk Industries, where I led market strategy, product development, manufacturing, and innovation of the residential carpet business in North America. I also served in leadership roles across Mohawk Industries' finance, sales and marketing, and business development operations, including President Mohawk Group, and Chief Financial Officer of Mohawk Industries' North American Flooring Unit. At Mohawk Group, I launched the first Certified Living Product in flooring, and the organization was recognized regularly for top product awards. I joined Mohawk Industries in 2002, when the company acquired Dal-Tile. I earned a bachelor's degree in Management Accounting at the University of Quebec, in Montreal, Canada.

5. As a result of my tenure as Chief Executive Officer of Armstrong, my review of relevant documents, and my discussions with other members of Armstrong's management team, I am familiar with the Debtors' day-to-day operations, business affairs, and books and records. Except as otherwise noted, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto. Except as otherwise stated, all facts set

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[2] Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the applicable First-Day Papers.

forth in this Declaration are based on my personal knowledge, my discussions with other members of the Debtors' management, my review of relevant documents, or my opinion, based on my experience and knowledge of the Debtors' operations and financial condition. In making this Declaration, I have relied in part on information and materials that the Debtors' personnel and advisors have gathered, prepared, verified, and provided to me for my use in preparing this Declaration.

6. This Declaration is divided into two parts. Part I provides background information about the Debtors, their business operations, corporate and capital structures, and the circumstances surrounding the commencement of the Chapter 11 Cases. Part II sets forth the relevant facts in support of each of the First-Day Papers.

PART I

BACKGROUND

I. Chapter 11 Filings

7. On the date hereof (the "**Petition Date**"), each of the Debtors commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code. The Debtors have requested that the Chapter 11 cases be jointly administered.

8. The Debtors continue to operate their businesses and manage their properties as debtors and debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

9. To date, the Office of the United States Trustee for the District of Delaware (the "**U.S. Trustee**") has not appointed a creditors' committee in the Chapter 11 Cases, nor has any trustee or examiner been appointed therein.

II. The Debtors' Business

A. Introduction and History

10. The Company is a leading global producer of resilient flooring products for use primarily in the construction and renovation of commercial, residential, and institutional buildings. On April 1, 2016, the Company became an independent publicly-traded company when Armstrong World Industries, Inc. ("**AWI**"), a public corporation, separated its Resilient Flooring and Wood Flooring businesses from its Building Products business. As a result of the spin-off, the Company and AWI each became independent, publicly-traded companies, with the Company owning and operating the Resilient Flooring and Wood Flooring segments, and AWI continuing to own and operate a ceilings business.

11. The Company's flooring products include, but are not limited to, vinyl composition tile, vinyl sheet, and luxury vinyl tile, which is the Company's fastest-growing resilient flooring product category. The Company sells its products in North American commercial and residential markets as well as in commercial markets in the Pacific Rim (primarily China and Australia). The majority of the Company's sales are in North America, where the Company is the largest producer of resilient flooring products.

12. In the North American commercial market, the Company's products are used in commercial and institutional buildings as well as single- and multi-family housing. In each sector, revenue opportunities come from both new construction and renovation of existing buildings. In the Pacific Rim, the Company's products are primarily used in the healthcare, education, and retail sectors.

13. The Company's customers include both specialty retailers as well as independent wholesale flooring distributors who resell the products to retailers, builders, contractors, installers, and others. The majority of the Company's sales are to distributors. The Company also maintains relationships with subcontractors' alliances, architectural and design firms,

facility owners, national home centers, flooring retailers, major home builders, and retail buying groups.

14. The Company's corporate headquarters are located in Lancaster, Pennsylvania. The Debtors maintain flooring plants in Illinois, Mississippi, Oklahoma, and Pennsylvania; Armstrong's non-debtor affiliates maintain international flooring plants in China and Australia.

III. The Debtors' Corporate and Capital Structures

15. Debtor Armstrong Flooring, Inc. is the direct parent company of each of the other Debtors, which are all incorporated in Delaware except for Armstrong Flooring Canada Ltd., which is a Canadian company. A corporate organization chart of the Debtors and certain non-Debtor affiliates is attached hereto as **Exhibit A**. Debtors Armstrong Flooring, Inc. and AFI Licensing LLC, and non-Debtor Armstrong Flooring Pty Ltd, are obligated as borrowers or guarantors on two secured credit facilities, the ABL Credit Facility and the Term Loan Facility (each as defined below). As of the Petition Date, the aggregate, outstanding principal amount of the Debtors' long-term funded indebtedness is approximately $160.5 million, consisting of (a) approximately $62.5 million in principal amount outstanding under the ABL Credit Facility, and (b) approximately $98 million in principal amount drawn and outstanding (plus accrued interest) under the Term Loan Facility.

A. The ABL Credit Facility

16. On December 31, 2018, Armstrong Flooring, Inc. entered into that certain credit agreement (as amended, restated, supplemented, or otherwise modified from time to time, the "**ABL Credit Agreement**"[3] and, together with the schedules and exhibits attached thereto and

[3] The ABL Credit Agreement was amended on November 1, 2019, December 18, 2019, June 23, 2020, November 1, 2021, December 20, 2021, March 31, 2022, and May 1, 2022.

all agreements, documents, instruments, and amendments executed and delivered in connection therewith, the "**ABL Loan Documents**") by and among Armstrong Flooring, Inc. (the "**ABL Borrower**"), Armstrong Flooring Pty Ltd and AFI Licensing LLC (the "**ABL Guarantors**" and collectively with the ABL Borrower, the "**ABL Loan Parties**"), Bank of America, N.A., as administrative agent, collateral agent and Australian security trustee (in such capacities, the "**ABL Agent**"), and the lenders party thereto (the "**ABL Lenders**" and, together with the ABL Agent, the "**ABL Secured Parties**"), pursuant to which the ABL Lenders provided revolving loan commitments, letters of credit and other financial accommodations to the ABL Loan Parties (the "**ABL Credit Facility**").

17. The ABL Credit Facility is (a) a $90 million asset-based revolving credit facility,[4] limited by a borrowing base, and (b) secured by a security interest in and lien on substantially all of the ABL Loan Parties' assets, subject to certain exclusions (the "**Collateral**"), with (i) a first-priority security interest in and lien on all Collateral consisting of accounts, payment intangibles, inventory, deposit accounts and deposits therein, securities accounts and amounts credited thereto, commodities accounts and amounts credited thereto, all general intangibles and intangibles (other than intellectual property) and rights to payment in respect of intercompany indebtedness, all investment property (other than equity interests in subsidiaries of Armstrong Flooring, Inc.), all cash (other than proceeds of Term Loan Priority Collateral (as defined below)), commercial tort claims, certain tax refunds, and certain assets and proceeds securing or supporting the foregoing to the extent not constituting Term Loan Priority Collateral (collectively, and as more particularly described in the Intercreditor Agreement defined below,

[4] The ABL Credit Facility originally provided for a revolving facility of up to $100 million, but on June 23, 2020, the ABL Secured Parties reduced commitments thereunder from $100 million to $90 million.

the "**ABL Priority Collateral**") and (ii) a second priority interest in and lien on the Term Loan Priority Collateral.

18. The ABL Credit Facility matures on December 31, 2023 and bears interest at a leverage-based rate per annum of either, at the Debtors' option, (a) LIBOR plus 4.50% or (b) an adjusted base rate plus 3.50%. The Debtors' pay a commitment fee on the principal amount of undrawn commitments under the ABL Credit Facility at a leverage based rate per annum of 0.50%. Interest on the ABL Credit Facility is payable, in the case of LIBOR-based loans, on the last day of each interest period and, in the case of base rate-based loans, quarterly in arrears on January 1, April 1, July 1, and October 1 of each year. The ABL Credit Agreement grants the ABL Agent discretion to reduce the availability of funds under the ABL Credit Facility by increasing the Debtors' required reserves.

B. The Term Loan

19. On June 23, 2020, Armstrong Flooring, Inc. entered into that certain Term Loan Agreement (as amended, restated, supplemented, or otherwise modified from time to time, the "**Term Loan Agreement**" and, together with the ABL Credit Agreement, the "**Credit Agreements**"),[5] by and among Armstrong Flooring, Inc. and Armstrong Flooring Pty Ltd (the "**Term Loan Borrowers**"), AFI Licensing LLC (the "**Term Loan Guarantor**" and collectively with the Term Loan Borrowers, the "**Term Loan Parties**" and, together with the ABL Loan Parties, the "**Loan Parties**"), with Pathlight Capital LP, as administrative agent, collateral agent and Australian security trustee (in each capacity, the "**Term Loan Agent**"), and the lenders party thereto (the "**Term Loan Lenders**" and, together with the Term Loan Agent, the "**Term Loan**

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[5] The Term Loan Agreement was amended on November 1, 2021, December 30, 2021, March 31, 2022, and May 1, 2022.

Secured Parties”[6]), pursuant to which the Term Loan Lenders provided loans and other financial accommodations to the Debtors (the “**Term Loan Facility**”).

20. The prepetition Term Loan Facility is secured (a) by a first priority security interest in and lien on substantially all of the Term Loan Parties’ equipment and real estate; motor vehicles, and other assets subject to certificates of title; intellectual property and equity interests in subsidiaries of Armstrong Flooring, Inc.; certain accounts holding proceeds of Term Loan Priority Collateral, and deposits therein constituting proceeds of Term Loan Priority Collateral (as defined below); all accounts arising under contracts of sale of any of the foregoing; all property of Armstrong Flooring Pty Ltd constituting collateral; and certain assets and proceeds securing or supporting the foregoing to the extent not constituting ABL Priority Collateral (collectively, the “**Term Loan Priority Collateral**”) and (b) by a second priority interest in and lien on the ABL Priority Collateral.

21. The Term Loan matures on June 23, 2025 and bears interest at a rate per annum equal to LIBOR plus 11.00%.[7] Interest on the Term Loan is payable monthly in arrears on the first business day of each month.

C. The Intercreditor Agreement

22. The relative rights of the ABL Secured Parties, on the one hand, and the Term Loan Secured Parties, on the other, with respect to the Collateral are governed by that certain Amended and Restated Intercreditor Agreement dated as of June 23, 2020 (as amended, the “**Intercreditor Agreement**”) by and among the ABL Agent, the Term Loan Agent and the Loan

[6] The Term Loan Lenders and the ABL Lenders are referred to collectively as the “**Lenders**”. The Term Loan Agent and the ABL Agent are referred to collectively as the “**Credit Agents**”. The Credit Agents and the Lenders are referred to collectively as the “**Secured Parties**”.

[7] Interest on the principal borrowed prior to December 30, 2021 must be paid in cash. However, the principal on the $35 million principal amount borrowed pursuant to Amendment No. 2 may be paid in kind.

Parties. Pursuant to the Intercreditor Agreement, the ABL Secured Parties have a priority right to payment vis-à-vis the Term Loan Secured Parties with respect to the ABL Priority Collateral and the Term Loan Secured Parties have a priority right to payment vis-à-vis the ABL Secured Parties with respect to the Term Loan Priority Collateral.

D. Common Stock

23. Armstrong Flooring, Inc.'s common stock is registered on the New York Stock Exchange under the trading symbol AFI. As of the Petition Date, Armstrong has approximately 21,824,256 shares of common stock issued and outstanding. At the close of trading immediately before the Petition Date, the share price was $0.29.

IV. Events Precipitating the Chapter 11 Cases

A. Challenging Market Conditions and the COVID-19 Pandemic

24. In early 2020, the Company embarked on a strategy to modernize operations and become more profitable (the "**Transformation Plan**"). The Transformation Plan had three components: (i) expand customer reach; (ii) simplify product offerings and operations; and (iii) strengthen core capabilities. Additionally, the Company implemented a new operating model designed to help it achieve the Transformation Plan's objectives by (i) better aligning services and products through a seamless value chain; (ii) emphasizing project innovation; (iii) simplifying operations to become more competitive and efficient; (iv) realigning the go-to-market model to reach all relevant channels and customers; (v) improving operations; and (vi) refining its investment strategy. The ultimate goal of the Transformation Plan was to enhance stockholder value by making the Company more agile and growing revenue and sales.

25. In an effort to implement the Transformation Plan, the Company expended significant resources. SG&A increased significantly as the Company sought to modernize its operations, develop a more profitable go-to-market strategy and otherwise achieve the objectives

of the Transformation Plan. The Company made some progress implementing this new strategy. The Company expanded its customer reach by creating new sales channels in hospitality and healthcare, reorganizing and augmenting supply chain resources, and launching a Made in the USA quick ship program. Additionally, the Company simplified its portfolio and organization by reducing SKU counts, simplifying its pricing, and consolidating the manufacturing of certain product lines. Finally, pursuant to its Transformation Plan, the Company launched new branding, positioned its South Gate, California plant for sale and opened a West Coast distribution center. However, the effects of the developing COVID-19 pandemic began to place considerable stress on the Company's operations notwithstanding the implementation of COVID-19 protocols designed to keep plants operating and maintaining sales force momentum. Among other things, the Company faced extended shutdowns of certain manufacturing facilities, supply chain disruptions, inflation, and an overall decline in sales of flooring products. These hurdles, influenced in large part by the COVID-19 pandemic, caused continued losses and higher-than-anticipated negative cash flows, resulting in less liquidity available to effectuate the Transformation Plan.

26. Net sales for the year 2020 decreased 6.6% compared to the prior year, primarily due to pandemic-related business disruptions. This occurred on top of a 14% year-over-year decrease in sales during 2019 due, in part, to U.S. tariff changes and market share loss in certain product categories. From 2019 to 2020, the Company’s liquidity decreased from $89.6 million to $52.7 million.

27. The Company experienced some performance improvements through early 2021, due, in part, to the implementation of certain cost-saving measures, a phased relocation of the Company’s corporate headquarters, ongoing initiatives to improve manufacturing efficiency and

customer experiences, the launch of new products, and the sale of the Company's South Gate, California plant. However, the Company's profits continued to be hampered by inflationary pressures and supply chain challenges.

28. For example, the Company increased prices—up to 10% for residential products and up to 15% for commercial products—and implemented an ocean freight surcharge in an effort to increase revenue in the fourth quarter of 2021. However, the Company's margins were narrowed by product and transportation cost increases of approximately $85 million in 2021 alone. Simply stated, the Company's increasing costs significantly outpaced its pricing power. Accordingly, the Company was cash flow negative in 2021 and projected that it would continue to be cash flow negative throughout 2022 and would exhaust any remaining liquidity under the ABL Credit Facility by 2023.

B. Covenant Compliance and Refinancing

29. As stated above, by the end of the first quarter of 2020, the effects of the developing COVID-19 pandemic began to place considerable stress on the Company's operations. Given the significant performance impacts the Company was experiencing by virtue of the pandemic, and given the capital required to sustain the Company's operations and ultimately implement the Transformation Plan, in mid-2020, the Company engaged Jefferies LLC ("**Jefferies**") to advise on a potential financing or other strategic transaction. After careful consideration of all available alternatives, the Board determined that it would be in the best interests of the Company and its stockholders to seek amendments to the Company's debt arrangements from the Company's lenders and to seek additional sources of liquidity.

(i) The Company Enters into Term Loan

30. As discussed above, on June 23, 2020, the Company entered into the Term Loan Agreement, providing for a secured term loan credit facility of $70 million. Additionally, the Company entered into an amendment to the ABL Credit Facility. Among other things, the ABL Credit Facility amendment reduced the revolving loan commitments under the ABL Credit Facility from $100 million to $90 million, and introduced certain new financial covenants. The borrowings under the Term Loan Facility and amendments to the ABL Credit Facility were undertaken with the expectation that these additional financial resources would be sufficient to enable the Company to effectively execute its near-term and long-term objectives.

31. Throughout the remainder of 2020, the Company made use of the additional capital to further the objectives of the Transformation Plan, including attracting and retaining the experienced and talented personnel needed to manage and implement the Transformation Plan. The Company paid down a portion of its borrowings under the Term Loan after selling its previously closed South Gate, California plant on March 10, 2021.

32. Throughout 2021, the Company continued to face a confluence of factors—diminishing liquidity, lack of access to additional capital, and potential near- to medium-term covenant defaults—that threatened the Company's ability in the future to remain in compliance with the covenants set forth in the Credit Agreements. The Company determined that a more comprehensive restructuring solution might be required and, accordingly, re-engaged Jefferies, and launched a review of strategic alternatives. After careful consideration of all available alternatives, the Board determined that it would be in the best interests of the Company and its stockholders to seek long-term covenant relief from the Lenders and to look for additional sources of liquidity.

33. The Company approached the Lenders in September 2021 seeking (i) long-term financial covenant relief from Q3 2021 onward and (ii) continued ABL Credit Facility access and additional capital to fund its ongoing needs to operate and transform the business. The ABL Agent indicated that it would only support a short-term waiver in connection with the hiring of an operational consultant to, among other things, evaluate the Debtors' proposed business plan, measure the range of the Company's projected capital needs over the next two years, and provide regular financial updates to the Credit Agents. Accordingly, at the ABL Agent's request and recommendation, the Company engaged Riveron RTS, LLC ("**Riveron**") to act as financial advisor and consultant to the Company.

(ii) The Company Hires Houlihan to Engage in Sale Process

34. On October 29, 2021, in connection with certain unsolicited indications of interest regarding an acquisition of the Company received by the Company, the Debtors engaged Houlihan Lokey Capital, Inc. ("**Houlihan**") to advise the Company in evaluating these indications of interest and assist the Company in considering potential sale scenarios and related considerations.

35. For the nine months ending September 30, 2021, the Company had experienced a net loss of $22.0 million, and as of September 30, 2021, the Company had an accumulated deficit of $330.4 million. Accordingly, as announced on November 5, 2021, the Company did not expect to be able to stay in compliance with all of the financial covenants contained in the Credit Agreements throughout the next 12 months and, as a result, the Company included a going concern qualification in its SEC filings stating that there were significant doubts about the Company's ability to continue as a going concern.

(iii) The Company Searches for Third-Party Refinancing Alternatives

36. In parallel with the consideration of sale alternatives and lender discussions, the Company and Jefferies canvassed the market for third-party refinancing alternatives, and more specifically, a refinancing option to replace the ABL Credit Facility and/or the Term Loan before the end of 2021. On December 1, 2021, Jefferies contacted 15 potential new financing parties, consisting of three traditional asset-based commercial banks, four alternative asset-based lenders, and eight alternative lenders. Of those contacted, 14 parties expressed further interest in a potential financing transaction, and nine parties executed non-disclosure agreements and were granted access to a dataroom containing confidential information regarding the Debtors, their business, and the Debtors' assets. The Debtors and Jefferies established December 9, 2021, as a deadline for submission of preliminary non-binding indications of interest. The Debtors only received one indication of interest, which proposed a refinancing of the ABL Credit Facility alone, and on costly and burdensome terms.

(iv) The Company Enters into the December Amendment

37. Thus, after several months of negotiations with the Credit Agents, and given the impending expiration of the prior amendments, the Company had no choice but to enter into an amendment to its ABL Credit Agreement dated as of December 30, 2021 (the "**December ABL Amendment**"), and its Term Loan Agreement, also dated as of December 30, 2021 (the "**December Term Loan Amendment**" and, together with the December ABL Amendment, the "**December Amendments**"). In connection with the December Amendments, the Company pledged additional assets of foreign subsidiaries, including real estate owned by non-Debtor Armstrong Flooring Pty Ltd, and borrowed an additional $35 million under the Term Loan Agreement, $25 million of which was borrowed by non-Debtor Armstrong Flooring Pty Ltd (the "**Incremental Term Loans**") and on-loaned to Debtor Armstrong Flooring Inc.

38. The December Amendments included compressed milestones (the "**Milestones**") pertaining to a process for the evaluation of a sale of the Company or other strategic alternatives, with one such Milestone requiring the Company to enter into a definitive agreement for the acquisition of the Company by March 31, 2022 and another requiring the Company to consummate the transactions contemplated by such agreement no later than May 15, 2022. Publication of the Milestones, as required by the Lenders, was detrimental the Company's day-to-day business. Many vendors, customers, and employees were uncertain about continuing a commercial relationship with the Company. Vendors began requesting more favorable trade terms, customers reduced their order sizes, and employee attrition increased. Meanwhile, long-term distributors reduced their local stock of the Company's products, and some took on competitive product lines, which further impacted the Company's sales.

39. The December Amendment to the ABL Credit Facility significantly restricted the Company's business operations because, among other things, it imposed an onerous cash dominion arrangement on the Company that commenced on February 1, 2022 and remains until the obligations under the ABL Credit Facility are paid in full and the commitments thereunder are terminated. Specifically, during the cash dominion period, if the Company has cash in its disbursement accounts in excess of $500,000 on the last business day of any week, the Company must apply any such excess to prepay loans under the ABL Credit Facility.[8] As a result, any acceleration caused by a default of any Milestone would leave the Debtors with no cash to fund operations, exactly the position the Lenders wanted the Company to be in. In addition, among other changes, a "Minimum Formula Availability" covenant was added to the ABL Credit

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[8] This prepayment requirement does not apply to amounts in such accounts with respect to which a disbursement has been initiated or scheduled.

Facility, which required the Company to maintain a certain minimum borrowing base level, principally related to Inventory and Accounts Receivables. Over the planned period until a sale, the covenant level was designed to increase, providing little value to the Company and further restricting day to day business activities. This covenant is in addition to the more common minimum availability covenant, and compliance with this covenant is, to a large extent, outside of the Company's control, as it takes into account factors such as the levels of inventory and accounts receivable, which are significantly impacted by the timing of cash receipts and ocean carriage for sourced inventory of finished goods. Given such factors outside of the Company's control, the Company was forced to make decisions that were geared toward meeting the covenant rather than providing value to the company. For example, the Company was forced to expend cash on additional inventory to ensure that there was enough to meet the minimum formula availability, even when inventory levels were already adequate to meet the Company's needs. In addition, because the covenant required the Company to have a certain level of accounts receivable, the Company could not readily accept early payments from customers, even when customers were willing to do so.

40. Further, under the December ABL Amendment, the Debtors were required to agree to pay the ABL Agent, for the ratable benefit of the "Consenting Lenders" (as defined in the Fifth Amendment to the ABL Credit Agreement), a fee (the "**Sale Process Fee**") equal to (i) $500,000 if a "Company Sale" (as defined in the Fifth Amendment to the ABL Credit Agreement) is consummated on or before March 31, 2022, or (ii) $750,000 if a Company Sale is consummated on or after April 1, 2022. Given the complexities and requirements of a public company sale process, it was unreasonable for the ABL Secured Parties to expect a sale to be consummated prior to April 1, 2022.

41. In connection with the December Term Loan Amendment, the Company paid millions of dollars in fees to the Term Loan Agent for the benefit of the Term Loan Secured Parties and agreed to the Prepayment Premium (defined below). The December Term Loan Amendment was subject to a number of conditions precedent required by the Term Loan Secured Parties, including a $2.8 million closing fee and a $15,000 per month collateral monitoring fee, as well as a prepayment premium (the "**Prepayment Premium**") that would be due and payable if the Term Loan was prepaid before December 30, 2022. Given the Milestones contained in the December Term Loan Amendment, the Term Loan Lenders were virtually assured that they would receive the Prepayment Premium. The Prepayment Premium provided for in the December Term Loan Amendment would be equal to the greater of a make-whole amount[9] and 3.0% of the aggregate principal amount repaid at the time. The below chart reflects the amount of the "Prepayments Premiums" based on repayment date, and demonstrates that Pathlight was motivated to accelerate the repayment date, as the Prepayment Premium would be nearly $2 million greater if it became due on May 1, 2022 than if it became due on June 30, 2022. In connection with the May Amendment, this amount has been added to the principal and is now also accruing interest.

Date of Repayment	**Prepayment Premium**
5/1/2022	$7,527,900
5/31/2022	$6,613,578
6/30/2022	$5,695,099
7/31/2022	$4,741,662
8/31/2022	$3,783,693

[9] Calculated at the time of prepayment based on the prevailing interest rate.

42. While the Company was unhappy with the incredibly high cost of capital for the December Amendments, and with the help of its advisors, made many good faith attempts to negotiate the cost of capital downwards, the Company was left with no viable alternative to the December Amendments. Without the December Amendments, the Company would have been unable to pursue a value-maximizing sale process, and would have been completely without liquidity to operate.

C. Sale Process

43. Prior to the Debtors receiving the December Amendment, Houlihan launched a formal sale process, contacting numerous prospective strategic and financial buyers regarding potential interest in an acquisition of the Company. Houlihan held early-look meetings with six potential buyers expressing early interest, and ultimately Houlihan contacted 74 prospective bidders. Of the 74 potential bidders, 47 were provided access to a confidential information presentation and an option for limited access to a virtual dataroom ("**VDR**"). The Company's management team conducted pre-bid management presentations with 14 potential bidders to address targeted diligence questions before the Company received initial indications of interest. Ultimately five such indications of interest were received. The Company granted the most compelling bidders full access to the VDR, and certain bidders conducted site visits at the Company's facilities throughout the world. By mid-March, after substantial marketing efforts, the Company received five indications of interest ("**IOIs**") and two non-binding letters of intent, each expressing interest in acquiring certain assets of the Company. Certain of the IOIs received by the Company were very encouraging in that they would have allowed the Company to pay all liabilities in full and provide a meaningful return to equity. Unfortunately, IOIs reduced over time or the IOIs never materialized into actionable bids.

44. The target assets of the non-binding letters of intent were overlapping (*i.e.* there were certain assets that both potential buyers contemplated buying), and the initial valuations reflected in these non-binding letters of intent did not cover all of the Company's assets (*i.e.* there were certain assets that neither potential buyer contemplated buying). Further, neither potential buyer contemplated assuming the Company's debt, pension obligations, or obligations for other postemployment benefits. Nevertheless, the Company determined that the bids were sufficiently complimentary that a carve-out transaction selling some of the Company's assets to each bidder could maximize value for the benefit of the Company's stakeholders. Moreover, the larger of the two IOIs, coupled with reasonable expected proceeds from the sale of any remaining assets, appeared to provide an attractive value. Accordingly, the Company and its advisors engaged in extensive negotiations with the bidders. Over the next five weeks, the Debtors and their advisors made significant progress towards definitive documentation with one bidder in particular, expending significant time, energy, and resources in the process.

45. During this time, on March 31, 2022, the Company entered into another amendment to its ABL Credit Agreement (the "**March ABL Amendment**") and its Term Loan Agreement (the "**March Term Loan Amendment**" and, together with the March ABL Amendment, the "**March Amendments**") in order to allow additional time to evaluate and pursue the expressions of interest that the Company had received. The March Amendments amended the Milestones regarding entry into a definitive agreement for the acquisition of the Company and the consummation of such agreement. Pursuant to the March Amendments, the Company was required to enter into a definitive agreement for the acquisition of the Company no later than May 2, 2022, and to consummate the transactions contemplated by such agreement no later than June 15, 2022.

46. Further, under the March ABL Amendment, the ABL Lenders nearly doubled the Sale Process Fee, while also requiring that the Debtors have a fully executed and enforceable sale agreement within 35 days of execution of the March ABL Amendment. Specifically, the March ABL Amendment required the ABL Borrowers to pay to the ABL Agent, for the ratable benefit of the "Consenting Lenders" (as defined in the Sixth Amendment of the ABL Credit Agreement), a Sale Process Fee equal to (i) $1,000,000 if a "Company Sale" (as defined in the Sixth Amendment of the ABL Credit Agreement) is consummated on or before June 15, 2022, or (ii) $1,250,000 if a Company Sale is consummated on or after June 16, 2022.

47. Despite expending considerable time and resources engaged in due diligence and negotiations, the parties were unable to reach agreement on structure, and the bidder contemplating the larger of the proposed asset sales ultimately determined not to proceed at that time and abruptly terminated negotiations on April 21, 2022. The Debtors and their advisors immediately shifted their focus to parties who had previously indicated interest in the Debtors' assets, as well as certain new parties, to pursue alternative bids and to continue to refine existing bids.

48. During this time, the Lenders threatened the Debtors with an immediate shut down and liquidation of the Company. On April 25, 2022, the ABL Agent, citing concerns over the Company's depleting cash resources and the absence of a definitive agreement for the acquisition of the Company, abruptly reduced the availability of funds under the ABL Credit Facility by $1 million, which placed additional pressures on the Company's already tightening liquidity.

49. On May 1, 2022, the Company, facing the May 2, 2022 milestone without the requisite definitive agreement (the "**Definitive Agreement Milestone**"), entered into another

short-term amendment to its ABL Credit Facility (the "**May ABL Amendment**") and Term Loan Facility (the "**May Term Loan Amendment**" and, together the with the May ABL Amendment, the "**May Amendments**") in order to allow the Company to focus on finalizing chapter 11 preparations and for lenders to complete their work on debtor-in-possession financing alternatives. Pursuant to the May Amendments, the Definitive Agreement Milestone now requires that the Company enter into a definitive binding purchase agreement, merger agreement or other similar agreement by no later than May 8, 2022.

50. Under the terms of the amended Credit Facilities, the Company also agreed to appoint a chief transformation officer reasonably satisfactory to the Secured Parties.

51. In connection with the May Term Loan Amendment, Pathlight required the payment of the Third Amendment Fee in the amount of $2,621,000.35. The Third Amendment Fee was earned on the date of the March 2022 Amendment and was originally due and payable upon the earliest of the consummation of a sale or similar transaction, June 15, 2022, or the occurrence of an Event of Default. As a condition to the May Term Loan Amendment, Pathlight accelerated the payment date to May 2, 2022, and added the fee to the principal amount of the term loans on such date. The Third Amendment Fee constituted part of the approximately $10.1M capitalized fee (the "**May 2022 Fees**") paid to Pathlight at the time of the May Term Loan Amendment. Interest on the May 2022 Fees will be capitalized and added to the principal amount of Term Loans.

PART II

FIRST-DAY PAPERS[10]

[10] Capitalized terms used but not defined in Part II have the meanings ascribed to them in the relevant First-Day Paper.

52. To facilitate their restructuring efforts, the Debtors have filed the First-Day Papers, each as listed on the attached **Exhibit B**, concurrently with this Declaration, and respectfully request that this Court enter the proposed orders granting such First-Day Papers. I have reviewed each of the First-Day Papers and proposed orders (including the exhibits thereto), and the facts set forth therein are true and correct to the best of my knowledge, information, and belief. I believe that the relief sought in each First-Day Paper (a) is vital to enable the Debtors transition into, and operate in, Chapter 11 with minimum interruption or disruption to their businesses or loss of productivity or value and (b) constitutes a critical element in maximizing value during these Chapter 11 Cases.

I. Administrative Papers

53. The Debtors have filed three "administrative" pleadings that seek to (a) jointly administer the Chapter 11 Cases for procedural purposes only, (b) authorize the Debtors to file a consolidated list of creditors, (c) authorize the Debtors to file under seal portions of the Sealed Filings (as defined below), and (d) authorize the Debtors to retain Epiq Corporate Restructuring, LLC ("**Epiq**") as claims and noticing agent.

A. Joint Administration

54. The Joint Administration motion respectfully requests entry of an Order (a) directing the joint administration of the Chapter 11 Cases (as defined below) for procedural purposes only and (b) waiving the requirement that the caption in the Chapter 11 Cases and certain notices list the Debtors' tax identification numbers.

55. As set forth above, the Debtors are affiliated with each other. I believe that joint administration of these cases will avoid the unnecessary time and expense of duplicative motions, applications, orders, and other papers and related notices that otherwise would need to

be filed in all of the cases absent joint administration. Accordingly, I believe that joint administration will save considerable time and expense.

B. Motion to File Consolidated List of Creditors

56. The Debtors respectfully request entry of an order (i) authorizing the Debtors to (a) file a consolidated creditor matrix in lieu of submitting a separate creditor matrix for each Debtor and (b) file a consolidated list of the Debtors' 30 largest general unsecured creditors; and (ii) granting related relief.

57. The Debtors submit that permitting them to maintain a single consolidated list of creditors (the "**Creditor Matrix**"), in lieu of filing a separate creditor matrix for each Debtor, is warranted. Requiring the Debtors to segregate and convert their computerized records to a Debtor-specific creditor matrix format would be unnecessarily burdensome, and I believe it would likely would result in confusing and duplicative notices.

58. The Debtors, working together with their proposed notice and claims agent, have already prepared a single, consolidated list of the Debtors' creditors in electronic format. The Debtors are prepared to make the Creditor Matrix available in electronic form to any party in interest who so requests (or in non-electronic form at such requesting party's sole cost and expense) in lieu of submitting a mailing matrix to the clerk of the Court.

59. If a creditors' committee is ultimately deemed appropriate, I believe that a list of the Debtors' 30 largest creditors will be sufficient to aid in the United States Trustee's (the "**U.S. Trustee**") appointment of a creditors' committee. Compiling separate lists for each Debtor would consume a substantial amount of the Debtors' limited time and resources, with little, if any, attendant value to the Debtors' estates or the U.S. Trustee.

C. Motion to File Under Seal Portions of Their Creditor Matrix and Other Filings

60. The Debtors respectfully request entry of an order authorizing the Debtors to (a) file under seal portions of the Creditor Matrix and other filings, including schedules of assets and liabilities, statements of financial affairs, and affidavits of service, containing the Debtors' employees' home addresses (collectively, the "**Sealed Filings**"); (b) to file a redacted version of the Sealed Filings, with "Address on File" in place of each current employee's home address; (c) to provide the proposed claims and noticing agent, Epiq, with the employees' home addresses and instruct Epiq to serve the employees at their home addresses; and (d) to provide the Sealed Filings to the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") and any other party as required by Court order.

61. I believe that disclosure of employee home addresses would create an undue risk of identity theft, employee poaching, and exposure of survivors of domestic violence or stalking who have otherwise taken steps to conceal their whereabouts.

62. I believe that filing unredacted versions of the Sealed Filings creates an undue risk of identity theft because it would make available online, in a format that is otherwise not freely available, the type of information that identity thieves may use to open fraudulent accounts: an aggregation of employees' names, home addresses, and name of their employer.

63. I believe that filing unredacted versions of the Sealed Filings would create an undue risk of employee poaching because it would provide the Debtors' competitors with contact information that is not otherwise available. For example, the Debtors' sales employees generally work from home and do not work in a corporate office.

64. The Debtors have experienced a significant reduction in the number of employees in key departments during the weeks prior to the Petition Date. Since March 1, 2022, the Debtors have lost at least 100 employees. Accordingly, I am concerned that further losses could

jeopardize the Debtors' ability to operate their businesses during this critical period while the Debtors are trying to maximize value in an orderly sale.

65. I believe that publication of home addresses may expose survivors of domestic violence or stalking who have otherwise taken steps to conceal their whereabouts because I understand that in at least one recent chapter 11 case, the abusive former partner of a debtor's employee exploited the publicly accessible creditor and employee information filed in the chapter 11 case to track the employee to her new address, which had not been publicly available until then, forcing the employee to change addresses again for her safety.

D. Application to Retain Epiq as Claims and Noticing Agent

66. The Debtors seek authority to retain Epiq as claims and noticing agent in the Chapter 11 Cases. I understand that requesting such appointment is required by the rules of this Court given that the Debtors have more than 200 creditors and/or parties in interest listed on their creditor matrix. I believe that Epiq's retention is the most effective and efficient manner of noticing these creditors and parties in interest of the filing of the Chapter 11 Cases and other developments in the Chapter 11 Cases. In addition, Epiq will transmit, receive, docket, and maintain proofs of claim filed in connection with the Chapter 11 Cases. Accordingly, I believe that retention of Epiq, an independent third party with significant experience in this role, to act as an agent of this Court is in the best interests of the Debtors, their estates, and their creditors.[11]

II. Operational Pleadings

67. The Debtors have ten "operational" pleadings that seek to (a) authorize the Debtors to continue using their Cash Management System (as defined below), (b) authorize the

[11] The Debtors intend to file a subsequent application to retain Epiq to perform certain administrative services under Bankruptcy Code section 327.

Debtors to pay Employees (as defined below), (c) authorize the Debtors to maintain insurance coverage and pay related obligations, (d) authorize the Debtors to pay Taxes and Assessments (as defined below), (e) authorize the Debtors to pay their Utility Companies (as defined below) and provide adequate assurance of payment to those Utility Companies, (f) authorize the Debtors to pay their Shippers and Warehousemen (each as defined below), (g) authorize the Debtors to maintain their Customer Programs (as defined below), (h) authorize the Debtors to use Cash Collateral (as defined below), (i) authorize the Debtors to pay their Critical Vendors (as defined below), and (j) authorize Armstrong Flooring Canada Ltd. to act as the Foreign Representative on behalf of its estate in the Canadian Proceeding (as defined below).

A. Motion to Continue Cash Management System

68. The Debtors are seeking entry of an order (a) authorizing, but not directing, the Debtors to maintain their existing cash management system and bank accounts; (b) modifying certain operating guidelines relating to bank accounts set forth in the U.S. Department of Justice, Office of the United States Trustee: Operating Guidelines for Chapter 11 Cases (the "**U.S. Trustee Guidelines**"); (c) authorizing, but not directing, the payment of related prepetition obligations; (d) authorizing, but not directing, the Debtors to continue using existing checks, business letterhead, purchase orders, invoices, envelopes, promotional materials, and other business forms and correspondence (collectively, the "**Business Forms**"); (e) modifying certain requirements under section 345(b) of title 11 of the United States Code (the "**Bankruptcy Code**"); and (f) authorizing, but not directing, the Debtors to continue to perform Intercompany Transactions through the Cash Management System and the accordance of administrative expense priority status to all Intercompany Claims and Intercompany Loans arising postpetition in the ordinary course of business as a result of an Intercompany Transaction (capitalized terms used in this clause (f), as defined below).

69. *The Cash Management System and the Bank Accounts*. Prior to the Petition Date, and in the ordinary courses of business, separate cash management systems (collectively, the "**Cash Management System**") were maintained for Armstrong Flooring, Inc., AFI Licensing LLC, and Armstrong Flooring Latin America, Inc. (the "**U.S. Debtors**") and Armstrong Flooring Canada Ltd. (the "**Canadian Debtor**").

70. Collectively, the Debtors maintain approximately 17 bank accounts (the "**Bank Accounts**") (exclusive of accounts in the names of any non-Debtor subsidiaries and/or affiliates), including, various lockbox accounts (the "**Lockbox Accounts**"), lockbox receipts accounts (the "**Lockbox Receipts Accounts**"), a concentration account (the "**Concentration Account**"), operating accounts (the "**Operating Accounts**"), a royalty account (the "**Royalty Account**," and together with the Lockbox Receipts Accounts and the Concentration Account, the "**Depository Accounts**") and four disbursement accounts (the "**Disbursement Accounts**"). Each Bank Account is held at JPMorgan Chase Bank, N.A. ("**JPMorgan**"). JPMorgan is a federally insured banking institutions and is recognized as an authorized depository or is party to a Uniform Depository Agreement ("**UDA**") with the U.S. Trustee. As of the Petition Date, the Bank Accounts had an aggregate combined balance of approximately $2.3 million.

71. As set forth in further detail below, the U.S. Debtors and the Canadian Debtor utilize a centralized Cash Management System that operates primarily through Bank Accounts maintained by Armstrong Flooring, Inc. and Armstrong Flooring Canada Ltd. at JPMorgan. The U.S. Debtors also utilize a reimbursement account (the "**Reimbursement Account**" or the "**Stand-Alone Account**").[12]

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[12] Armstrong Flooring Foundation, a non-Debtor 501(c)(3) entity, also maintains a stand-alone charity account (the "**Charity Account**") with JPMorgan. The Charity Account is managed by Bazella Dombrowski & Company. There have not been any contributions to, or disbursements from, the Charity Account in the last 12

72. As a general matter, revenue received by the U.S. Debtors is deposited into one of the U.S. Debtors' Lockbox Accounts, Depository Accounts, or Concentration Account via automated clearinghouse ("**ACH**") transfers. Funds deposited into the U.S. Debtors' Lockbox Accounts are automatically transferred to the U.S. Debtors' Lockbox Receipts Account. All funds in the U.S. Debtors' Depository Accounts are automatically applied to pay down any amounts outstanding under the Debtors' prepetition ABL Credit Agreement.

73. The U.S. Debtors' Operating Account is funded from the ABL Credit Facility by wire transfer upon Debtor Armstrong Flooring, Inc.'s request. Funds are then disbursed from the U.S. Debtors' Operating Account to the U.S. Debtors' Disbursement Accounts, as needed, to process payroll for employees of the Debtors and to make direct payments to vendors and suppliers. I believe that by centralizing oversight over the Debtors' Cash Management System, the Debtors are able to facilitate reporting, the development of more timely and accurate balance and presentment information, and the monitoring of collection and disbursement of funds.

74. *The U.S. Debtors' Depository Accounts*. The U.S. Debtors' Depository Accounts consist of (i) one Royalty Account, (ii) one Lockbox Receipts Account, and (iii) one Concentration Account. The Royalty Account, which is in the name of Debtor AFI Licensing LLC and maintained by JPMorgan, collects periodic royalty payments made via wire by the the Canadian Debtor and the non-Debtor Chinese and Australian subsidiaries of Debtor Armstrong Flooring, Inc. Historically, the Royalty Account was a Stand-Alone Account; currently, however, as described in greater detail below, proceeds from the Royalty Account are applied

months, and the Debtors do not anticipate making any contributions to, or disbursements from, the Charity Account during these Chapter 11 Cases.

twice daily to pay down the Debtors' prepetition ABL Credit Agreement. As such, as of the Petition Date, the Royalty Account had no balance.

75. Funds deposited into the U.S. Debtors' Lockbox Accounts, which are used to collect direct payments from the U.S. Debtors' customers, are automatically transferred to the U.S. Debtors' Lockbox Receipts Account. The Lockbox Receipts Account also receives direct payments from customers made via ACH transfers. The U.S. Debtors' Lockbox Receipts Account is maintained by Debtor Armstrong Flooring, Inc., through JPMorgan. Historically, funds deposited in the U.S. Debtors' Lockbox Receipts Account were automatically swept into the Concentration Account; now, however, as described in greater detail below, proceeds from the U.S. Debtors' Lockbox Receipts Account are applied twice daily to pay down the Debtors' prepetition ABL Credit Agreement. As of the Petition Date, the U.S. Debtors' Lockbox Receipts Account had a balance of $1.18 million.

76. Historically, the U.S. Debtors have utilized the Concentration Account as their central cash concentration account; funds transferred from the U.S. Debtors' Lockbox Accounts to the U.S. Debtors' Lockbox Receipts Account were automatically swept into the Concentration Account. Currently, the Concentration Account receives direct payments from customers made via ACH. Like the U.S. Debtors' other Depository Accounts, proceeds from the Concentration Account are applied twice daily to pay down the Debtors' prepetition ABL Credit Agreement. Accordingly, as of the Petition Date, the Concentration Account had no balance.

77. Each of the Depository Accounts in the U.S. Debtors' Cash Management System are subject to a Blocked Account Control Agreement (the "**BACA**") with Bank of America, N.A. ("**Bank of America**"), in its capacity as Administrative Agent and Collateral Agent under the prepetition ABL Credit Agreement, as First Lien Agent, Pathlight Capital LP, in its capacity as

Administrative Agent and Collateral Agent under the prepetition Term Loan Agreement, as Second Lien Agent, and JPMorgan, as Depository. Twice daily, there is an automatic standing wire from the U.S. Debtors' Depository Accounts to Bank of America to pay down the Debtors' prepetition ABL Credit Agreement. Accordingly, funds may not otherwise be disbursed from, or transferred between, the Depository Accounts.

78. *The U.S. Debtors' Operating Account*. As of February 1, 2022, the U.S. Debtors' Cash Management System included an Operating Account maintained by Armstrong Flooring, Inc. with JPMorgan. As described above, to fund the U.S. Debtors' Operating Account, the U.S. Debtors request a wire transfer of funds from the ABL Credit Facility to such Operating Account as needed. No other funds are currently deposited into such Operating Account. The U.S. Debtors use such Operating Account to distribute funds, as needed, to the two Disbursement Accounts. As of the Petition Date, the U.S. Debtors' Operating Account had a balance of $511,650.66.

79. *The Disbursement Accounts*. The U.S. Debtors maintain two Disbursement Accounts, both of which are disbursement accounts, that receive transfers from the U.S. Debtors' Operating Account. One of the Disbursement Accounts (x1809) is used exclusively to fund the U.S. Debtors' payroll obligations to individual employees. Disbursements to employees are made via wire, ACH transfer, or check. The other Disbursement Account (x6197) is used to fund the U.S. Debtors' general corporate disbursements and operating costs, including payments to vendors and contract counterparties, and disbursements from this account are also made via ACH transfer or check.

80. Pursuant to an amendment to the prepetition ABL Credit Agreement required by Bank of America as prepetition ABL Agent and the lenders then party to the prepetition ABL

Credit Agreement, the Debtors entered into a cash dominion period effective February 1, 2022, that will continue until the obligations under the ABL Credit Facility and the Term Loan Agreement are paid in full (the "**Cash Dominion Period**"). During the Cash Dominion Period, if the Company has cash in the U.S. Debtors' Operating Account in excess of $500,000 on the last business day of any week (not including amounts in such account with respect to which a permitted disbursement has been initiated or scheduled), the Debtors are required to apply any such excess to prepay loans under the ABL Credit Facility. As of the Petition Date, the Disbursement Accounts had a balance of $144,609.48.

81. I believe that, by centralizing oversight over the U.S. Debtors' Cash Management System, the U.S. Debtors are able to facilitate reporting, the development of more timely and accurate balance and presentment information, and the monitoring of collection and disbursement of funds.

82. *The Canadian Debtor's Cash Management System*. The Canadian Debtor has limited operations with only four employees. It maintains a simple Cash Management System, separate from the U.S. Debtors' Cash Management System, consisting of five Bank Accounts. The Lockbox Account is used to collect checks from customers. Funds in the Lockbox Account are automatically swept into either the CAD Operating Account (x1841) or the USD Operating Account (x1475), depending on the type of currency, where receivables are also deposited directly. Funds from those accounts are swept, on an as-needed basis, into one of two Disbursement Accounts. One of the Disbursement Accounts (x1624) is used to fund net pay payroll obligations to Armstrong Flooring Canada Ltd.'s employees and make other disbursements. The other Disbursement Account (x1586) is used for non-payroll disbursements, including general corporate disbursements and operating costs. As of the Petition Date, the

Canadian Debtor's Operating Accounts had an aggregate combined balance of $7,176.48, and Canadian Debtor's Disbursement Accounts had an aggregate combined balance of $462,182.47. I believe that, by centralizing oversight over the Canadian Debtor's Cash Management System, the Canadian Debtor is able to facilitate reporting, the development of more timely and accurate balance and presentment information, and the monitoring of collection and disbursement of funds.

83. *The Reimbursement Account*. Debtor Armstrong Flooring Latin America, Inc. maintains one Bank Account with JPMorgan that is used on a limited basis to make reimbursement payments to a sales manager of the Debtors. As of the Petition Date, the Reimbursement Account had a balance of $401.53.

84. I believe that to the extent the Debtors are unable to continue using their Cash Management System, the Debtors' operations will be severely impeded. The Debtors, with the assistance of their advisors, have implemented protocols to ensure that only claims arising postpetition and certain claims arising prepetition (if payment of such prepetition claims is approved by this Court) will be paid by the Debtors.

85. *The Business Forms*. The Debtors use various Business Forms, such as checks, invoices, and letterhead, in the ordinary course of business. Because the Business Forms were used prepetition, they do not reference the Debtors' current status as debtors in possession. Nonetheless, I believe that most parties doing business with the Debtors will be aware of the Debtors' status as debtors in possession as a result of the publicity surrounding the Chapter 11 Cases and the notice of commencement served on parties in interest.

86. I believe that requiring the Debtors to change existing Business Forms would unnecessarily distract the Debtors from their restructuring efforts and impose needless expenses

on the estates. Any subsequently printed checks that are generated electronically, to the extent reasonably practicable, will bear the designation "Debtor In Possession."

87. *The Intercompany Transactions*. In the ordinary course of business, the Debtors engage in various intercompany transactions (the "**Intercompany Transactions**"), which are either reflected as intercompany receivables and payables in the Company's books and records (the "**Intercompany Claims**") or as intercompany notes or loans (the "**Intercompany Loans**"). As a result of Intercompany Transactions, at any given time, there may be claims owing (i) by one Debtor to another Debtor or (ii) by one Debtor to a non-Debtor affiliate.

88. The Intercompany Transactions cover a number of different categories, including (a) the provision of manufactured goods from Armstrong's non-Debtor Chinese subsidiaries to the U.S. Debtors for resale; (b) the provision of periodic royalty payments from Armstrong's non-debtor Chinese and Australian subsidiaries to Debtor AFI Licensing LLC; (c) the provision of inventory from Debtor Armstrong Flooring, Inc. to the Canadian Debtor for resale; and (d) satisfaction of Intercompany Loans or other debt-related payments.

89. *Debtor Armstrong Flooring, Inc. and the Canadian Debtor*. Debtor Armstrong Flooring, Inc. sells inventory to the Canadian Debtor, which the Canadian Debtor then sells to third parties. Approximately every two weeks, Armstrong Flooring, Inc. issues intercompany invoices (the "**Intercompany Invoices**") to the Canadian Debtor for the cost of the inventory it has sold, plus a 3% margin, which is intended to cover its overhead costs related to the Canadian business. These Intercompany Invoices are booked as accounts receivable at Armstrong Flooring, Inc. and as accounts payable at the Canadian Debtor. These Intercompany Invoices are

satisfied via intercompany netting.[13]

90. *The U.S. Debtors and the non-Debtor Armstrong Flooring Pty Ltd*. Non-Debtor Armstrong Flooring Pty Ltd (the "**Australian Subsidiary**") makes monthly royalty payments to Debtor AFI Licensing LLC for intellectual property it uses that is licensed by AFI Licensing LLC. AFI Licensing LLC issues an Intercompany Invoice to the Australian Subsidiary for the royalty payments. The U.S. Debtors also buy a relatively small amount of manufactured goods from the Australian Subsidiary for resale in the United States. The Australian Subsidiary issues an Intercompany Invoice to the U.S. Debtor on account of the goods sold. The Intercompany Invoices are satisfied via intercompany netting on a monthly basis.

91. *The U.S. Debtors and the Non-Debtor Hong Kong and Chinese Subsidiaries*. The non-Debtor Chinese subsidiaries also make periodic royalty payments to Debtor AFI Licensing LLC for intellectual property the Non-Debtor Chinese subsidiaries use that is licensed by AFI Licensing LLC. The non-Debtor Chinese subsidiaries make such royalty payments quarterly. AFI Licensing LLC issues an Intercompany Invoice to the non-Debtor Chinese subsidiaries for the royalty payments. The non-Debtor Hong Kong and Chinese subsidiaries also sell the U.S. Debtors manufactured goods for resale in the United States. When the non-Debtor Hong Kong and Chinese Subsidiaries sells such goods, they issue an Intercompany Invoice to the U.S. Debtor. In China, the Intercompany Invoices between the U.S. Debtors and the non-Debtor Chinese subsidiaries are satisfied via cash transfers like other accounts receivable; in Hong Kong, such Intercompany Invoices are satisfied via intercompany netting.

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[13] Debtor Armstrong Flooring, Inc. also processes payroll for the Canadian Debtor, but payroll is funded out of the Canadian Debtor's Bank Accounts. Therefore, no Intercompany Transaction is recorded.

92. *Debtor Armstrong Flooring Latin America, Inc. and Debtor and Non-Debtor Affiliates.* Debtor Armstrong Flooring Latin America, Inc. employs one sales employee, whose reimbursable expenses are split between Armstrong Flooring, Inc., the Australian Subsidiary, and the non-Debtor Chinese subsidiaries. Specifically, Debtor Armstrong Flooring, Inc. issues Intercompany Invoices to the Australian Subsidiary and the non-Debtor Chinese subsidiaries for their portion of the expenses on a monthly basis, which is booked as accounts payable at those entities. The Intercompany Invoices are satisfied via cash transfers, which cash is then transferred to Debtor Armstrong Flooring Latin America, Inc. by Debtor Armstrong Flooring, Inc.

93. *The Non-Debtor Australian Subsidiary and the Non-Debtor Chinese Subsidiaries*. The non-Debtor Australian Subsidiary and non-Debtor Chinese subsidiaries sell product to one another for resale, and thus, at any given time, there may be an Intercompany Invoice booked as accounts receivable or accounts payable at either entity. These Intercompany Invoices are settled via cash transfers.

94. *Intercompany Loans*. Certain of the Debtors are parties to, as borrowers or lenders, certain Intercompany Loans with other Debtors or non-Debtor affiliates. Each Intercompany Loan is subject to loan agreements with terms and conditions negotiated on an arm's-length basis, including interest rates based on a fixed percentage over a benchmark rate. As of the Petition Date, the Debtors have two Intercompany Loans outstanding. One Intercompany Loan between Debtor Armstrong Flooring, Inc., as lender, and Debtor Armstrong Flooring Canada Ltd., as borrower, has an outstanding balance of $13,920,000 CAD and matures on March 31, 2026. The other Intercompany Loan between the non-Debtor Australian Subsidiary, as lender, and Debtor Armstrong Flooring, Inc., as borrower, is an unsecured

intercompany note with an outstanding balance of $26.2 million USD[14] that matures on June 23, 2025, and was entered into in connection with the Debtors' amendments of their prepetition ABL Credit Agreement and Term Loan Agreement, which are dated as of December 30, 2021.

95. The Debtors anticipate that the Intercompany Transactions will continue postpetition in the ordinary course of business. I believe such transactions are necessary to the efficient operation of the Company's business. Because the Debtors engaged in the Intercompany Transactions on a regular basis prepetition and such transactions are common for enterprises like the Debtors, the Debtors have been advised that they may continue the Intercompany Transactions in the ordinary course under section 363(c)(1) of the Bankruptcy Code, without court approval. Consistent with their prepetition practice, the Debtors will maintain records of all transfers and can ascertain, trace, and account for all of the Intercompany Transactions. In addition, the Debtors request that the Intercompany Transactions be granted administrative expense priority status, which will facilitate the orderly and efficient operation of the Debtors' enterprise.

96. Accordingly, I believe that the relief requested in the Cash Management Motion is in the best interests of the Debtors, their creditors, and all other parties-in-interest.

B. Motion to Pay Employee and Payroll Obligations

97. Pursuant to the Motion to Pay Employee and Payroll Obligations, the Debtors request an interim and final order authorizing, but not directing, the Debtors, to: (a) pay and/or perform, as applicable, prepetition obligations to current employees (collectively, the "**Employees**"), including accrued prepetition wages, salaries, other cash, and non-cash compensation claims, except as otherwise set forth herein (collectively, the "**Employee Claims**"),

[14] Not including make-whole or origination fees of approximately $4.44 million.

and pay obligations to or on account of temporary employees and independent contractors (collectively, the "**Independent Contractor/Temporary Employee Claims**"); (b) honor and continue in the ordinary course of business, until further notice, and pay (but not assume) the prepetition amounts associated with the Debtors' vacation and holiday-time policies, accrued but unpaid bonuses, employee benefit plans and programs, savings and retirement plans, worker's compensation plans and programs, and severance agreements, the most significant of which are described below, and to pay all fees and costs in connection therewith, except as otherwise set forth herein (collectively, the "**Employee Benefit Obligations**"); (c) reimburse Employees for prepetition Reimbursable Expenses (as defined below) consisting of out-of-pocket expenses incurred in the ordinary course of business and pay business expenses charged to Corporate Credit Cards and P-Cards (as defined below) (the "**Employee Expense Obligations**"); and (d) pay over to the appropriate parties all prepetition withholdings from Employees and payroll-related taxes associated with the Employee Claims and the Employee Benefit Obligations (the "**Employee Withholdings**" and, together with the Employee Claims, the Independent Contractor/Temporary Employee Claims, the Employee Benefit Obligations, and the Employee Expense Obligations, the "**Prepetition Employee Obligations**").

98. The following chart sets forth the approximate amounts outstanding for the Prepetition Employee Obligations.

Category	Prepetition Outstanding Amount
Employee Wages	$1.76 million
Independent Contractor/Temporary Employee Wages	$207,601
Payroll Processing Fees	$115,417
North American Sales Commission Plans	$1.17 million
North American Corporate Bonus Plans	$1.18 million

Exceptional Performance Bonus Plan	$83,932
Long-Term Bonus Plan	$193,491
U.S. Medical Plans & Prescription Drug Benefits	$325,000
U.S. Dental Plan	$12,000
U.S. Life & AD&D Insurance	$220,423
U.S. Short- and Long-Term Disability	$13,530
Canadian Employee Benefit Plans	$1,564
Employee Assistance Program	$1,234
401(k) Matching Contributions	$32,224
Reimbursable Expenses	$5,389
Total	$5.3 million

99. Following entry of the requested interim order and prior to the entry of a final order (the "**Interim Period**"), none of the Debtors' Employees will receive payments in excess of the amount entitled to priority under Bankruptcy Code section 507(a)(4) or 507(a)(5), as applicable.

100. *The Debtors' Workforce*. The Debtors currently employ approximately 1,216 Employees.[15] The Debtors' Employees are located in the United States and Canada with approximately 1,212 in the United States (the "**U.S. Employees**") and four in Canada (the "**Canadian Employees**" or the "**Non-U.S. Employees**"). Approximately 1,212 of the Debtors' Employees work full-time, and the remaining Employees work part-time. Approximately 277 of the Debtors' Employees are represented (the "**Represented Employees**") by various unions (the "**Unions**"); all of the Represented Employees are in manufacturing roles.

101. The Debtors relationships with the Unions are reflected in three collective bargaining agreements ("**CBAs**"). The CBAs cover the Debtors' Represented U.S. Employees: one with United Steelworkers, covering Represented Employees at the Debtors' Jackson,

[15] The Debtors and their non-debtor affiliates employ approximately 1,707 employees worldwide as of the Petition Date; however, this Motion does not address individuals employed by non-Debtor entities.

Mississippi plant; one with the International Association of Machinists and Aerospace Workers, covering certain of the Represented Employees at the Debtors' Lancaster, Pennsylvania plant; and one with United Steelworkers, covering the other Represented Employees at the Debtors' Lancaster, Pennsylvania plant.

102. To supplement their workforce, certain Debtors utilize individuals who provide a range of services to the Debtors on a contractual basis, some of whom are paid through integrated networks that the Debtors draw from in certain markets in order to reduce costs while supplementing critical parts of their operations (the "**Independent Contractors**"). The Debtors utilize approximately 265 full- and part-time Independent Contractors, and approximately 21 temporary employees (the "**Temporary Employees**").

103. *Wages and Salaries*. Approximately 496 of the Debtors' Employees are salaried or salaried nonexempt[16], while approximately 720 are paid on an hourly basis. Salaried U.S. Employees are paid biweekly, one week in arrears. Hourly U.S. Employees are paid current on a weekly basis. Salaried and hourly Canadian Employees are paid current (i.e., not in arrears) in biweekly payments. The average monthly payroll for the Debtors' Employees is approximately $9.24 million, including Employee Payroll Taxes (as defined below).

104. The U.S. Debtors use Ultimate Kronos Group ("**UKG**") to process payroll for U.S. Employees; the Canadian Debtor uses Nethris ("**Nethris**" and, together with UKG, the "**Payroll Processors**") to process payroll for Canadian Employees. I believe that the payroll processing services are crucial to the smooth functioning of the Debtors' payroll system because they ensure that (a) the Employees are paid on time, (b) source deductions are appropriately determined, (c) payroll reporting is accurate, and (d) appropriate amounts are remitted to taxing authorities and

[16] Salaried, nonexempt Employees are paid on an hourly basis.

other payees. As of the Petition Date, the Debtors estimate they owe approximately $115,417 to the Payroll Processors on account of payroll services (the "**Payroll Processing Fees**").

105. The Debtors estimate that as of the Petition Date, approximately $1.76 million is accrued and owed in the aggregate on account of Employee wage claims and approximately $207,601 for Independent Contractor/Temporary Employee wage claims.

106. Periodically, the states in which the Debtors have Employees are permitted to adjust their unemployment tax rates and, in doing so, additional, unforeseen Employee Payroll Taxes (as defined below) may be owed by the Debtors.

107. Sales Commission Plans. The Debtors maintain various sales commission plans (the "**Sales Commission Plans**") designed to award non-insider sales Employees for achieving certain sales quotas. None of the Employees participating in the Sales Commission Plans are involved in the management of the Debtors' business. The objective of the Sales Commission Plans is to communicate the Company's selling strategies and direct sales Employees toward selling activities that result in increased Company financial performance. Accordingly, I believe that the Sales Commission Plans provide substantial value to the Debtors' estates by aligning compensation of sales Employees with the Debtors' most important business performance goals, and thereby encouraging the most successful sales Employees to remain with the Debtors.

108. In the United States and Canada, the Debtors provide Sales Commission Plans to all sales Employees (the "**North American Sales Commission Plans**"). Newly hired sales Employees become eligible for participation in a North American Sales Commission Plan beginning the first full month following their employment or date of hire. Employees who transfer from positions eligible for the North American Corporate Bonus Plan (as defined below) to a position eligible for a North American Sales Commission Plan become eligible to participate in a

North American Sales Commission Plan upon assignment to an eligible sales role. Participants in a North American Sales Commission Plan are ineligible to participate in a North American Corporate Bonus Plan and vice versa.

109. The Company assigns a North American Sales Commission Plan to each sales Employee based on the sales Employee's role. There is both a performance- and time-based component (contributing 50% each to target payouts) to the North American Sales Commission Plan. Payment of the performance-based component is calculated based on the sales Employee's performance over a period of time (each, a "**Commission Period**"). The metrics used to calculate a sales Employee's performance varies by the sales Employee's title and role, and the specific goals and objectives for each metric are set by the Employee's manager at the beginning of each Commission Period; sales Employee performance is measured at the end of each Commission Period.

110. Once an Employee's performance, as it relates to the metrics set by the Employee's manager, is determined, the commission payment, where earned, is calculated as a percentage of each participant's eligible earnings[17] as of February 15, 2022, with payouts occurring in July/August 2022, October/November 2022, and early 2023. Subject to certain exceptions,[18] an Employee must be an active Employee on the payment date to receive a payout.

[17] Eligible earnings include regular base salary, lump sum merit payments, and military makeup pay where applicable.

[18] The Sales Commission Plan provides four specific exceptions: (1) Employees who are on family and medical leave or military leave of absence; (2) Employees who transfer to temporary employment status; (3) Employees who transfer to a subsidiary or affiliate company; and (4) Employees who retire or die, become totally disabled, or are involuntarily terminated for reasons other than deliberate gross misconduct. In these cases, Employees are paid pursuant to the Sales Commission Plan for the portion of the Commission Period during which the Employee was an active participant in the Sales Commission Plan.

111. The other fifty percent of the target payout under the Sales Commission Plans is time-based, with payments occurring as follows: 50% on June 30, 2022; 25% on September 30, 2022; and 25% on December 31, 2022. As with the performance-based payouts, subject to certain exceptions, an Employee must be an active Employee on the payment date in order to receive a payout.

112. Aggregate commission payments under the North American Sales Commission Plans for the year 2021 were approximately $2.4 million. As of the Petition Date, approximately $445,567 is accrued, but not owed, for the time-based component of the North American Sales Commission Plans, all of which will come due on June 30, 2022. It is difficult to approximate amounts that will be owed to sales Employees under the performance-based component of the North American Sales Commission Plans. However, if all participants were to receive their maximum payout, the Debtors estimate that they will pay such participants approximately $705,442 for the first pay period occurring in July/August 2022.

113. I believe payments made under the Sales Commission Plans are an integral part of the aggregate compensation package for sales Employees and thereby critical to maintaining the morale and productivity of the Debtors' sales force and to maximizing the value of the Debtors' estates. The Sales Commission Plans are designed such that sales Employees meeting their sales targets receive a total cash compensation (salary *plus* commission payment) that is competitive with prevailing market rates. Accordingly, to the extent that the Debtors cannot pay commission pursuant to the Sales Commission Plans, the sales Employees may receive below market compensation, negatively impacting the Debtors' ability to retain the sales Employees necessary to operate their businesses. Retaining the Debtors' sales Employees is particularly important given

that, leading up to these Chapter 11 Cases, the Debtors experienced the most attrition (by number) amongst their salesforce.

114. *Corporate Bonus Plans*. In the United States and Canada, certain non-insider, salaried Employees[19] who do not participate in a North American Sales Commission Plan or other bonus plan are eligible to participate in an annual bonus plan (the "**North American Corporate Bonus Plan**"). None of the Employees participating in the Sales Commission Plans are involved in the management of the Debtors' business. The North American Corporate Bonus Plan provides a cash reward to eligible Employees when the Employee remains employed by the Debtors through milestone dates.

115. Target payouts under the North American Corporate Bonus Plan range from 10% to 30% of an Employee's base salary,[20] depending on the Employee's job grade: Employees with a job grade of 12 or 13 have a target payout of 10%; Employees with a job grade of 14 have a target payout of 15%; Employees with a job grade of 15 have a target payout of 20%; Employees with a job grade of 16 or 17 have a target payout of 25%; and Employees with a job grade of 18 or 19 have a target payout of 30%.

116. Payouts under the North American Corporate Bonus Plan for Employees grade 12 and above are scheduled as follows: 50% on June 30, 2022; 25% on September 30, 2022; and 25%

[19] In the ordinary course of business, the Debtors maintain an annual bonus plan for Senior Vice Presidents and other Employees who are designated by the CEO as members of the executive leadership team (including the CEO) (the "**ELT Corporate Bonus Plan**"), and who do not otherwise participate in any Sales Commission Plan or other bonus plan. The Debtors are not seeking to make payments to insiders under the ELT Corporate Bonus Plan pursuant to this Motion, but reserve the right to seek such relief by separate motion.

[20] Calculations under the Corporate Bonus Plan use the base salary an Employee was earning on February 15, 2022.

on December 30, 2022. Subject to certain exceptions,[21] an Employee must be an active Employee on the payment date in order to receive a payout.

117. As of the Petition Date, approximately $1.18 million is accrued and unpaid on account of the North American Corporate Bonus Plans, none of which will come due and owing during the Interim Period.

118. *Exceptional Performance Bonus Plan.* Certain non-insider, salaried Employees with an employee grade of 11 or below, and who do not participate in any other bonus plan, are eligible to participate in a time-based annual bonus plan (the "**Exceptional Performance Bonus Plan**") with a target payout of 1% of the Employee's base salary. Payouts under the Exceptional Performance Bonus Plan are scheduled for September 30, 2022. To receive a payout under the Exceptional Performance Bonus Plan, an Employee must be employed with the Company on the date of the payout. As of the Petition Date, approximately $83,932 is accrued and unpaid on account of the Exceptional Performance Bonus Plan, none of which will come due and owing during the Interim Period.

119. *Long-Term Bonus Plan*. In the United States and Canada, the Debtors provide certain non-insider, full-time salaried Employees with an annual long-term bonus grant (the "**Long-Term Bonus Plan**", and together with the Sales Commission Plans and the Corporate Bonus Plans, the "**Bonus Plans**"). None of the Employees participating in the Long-Term Bonus Plans are involved in the management of the Debtors' business. The Long-Term Bonus Plan provides participants with a cash award when they remain employed with the Company or

[21] The Corporate Bonus Plan provides four specific exceptions: (1) Employees who are on family and medical leave or military leave of absence; (2) Employees who die or become totally disabled are eligible for a *pro rata* payout; (3) Employees who retire in 2022 will retain any payouts already made and will be ineligible for any payouts scheduled for after the retirement date; and (4) Employees who are terminated for any reason other than cause will be eligible for a *pro rata* payout.

its successors through the milestone dates described below. Target payouts under the Long-Term Bonus Plan range from 15% to 30% of the Employee's base salary[22] as of February 15, 2022,[23] depending on the Employee's job grade.

120. The long-term bonus grants are in the form of time-based lump-sum cash awards. Payments are scheduled as follows: 33.3% on June 30, 2022; 33.3% on December 30, 2022; and 33.3% on June 30, 2023. Subject to certain exceptions,[24] a recipient must be an active Employee on the payment date in order to receive a payout.

121. As of the Petition Date, approximately $193,491 is accrued and outstanding on account of the Long-Term Bonus Plan, none of which will come due during the Interim Period.

122. *2022 Executive Retention Program and Supplemental Retention Program*. In February 2022, the Board approved a Retention Program (the "**2022 Executive Retention Program**") for certain key employees, including the Company's named executive officers. The 2022 Executive Retention Program was adopted in an effort to retain key employees while the Debtors explored strategic alternatives. Participants in the 2022 Executive Retention Program received (i) accelerated payment of certain outstanding long-term cash incentive compensation opportunities and (ii) prepayment of 25% of each named executed officer's target 2022 annual and long-term incentive compensation totaling approximately $3.4 million.

[22] Calculations under the Long-Term Bonus Plan use the base salary an Employee was earning on February 15, 2022.

[23] Base salary increases and promotions to a job grade with a higher target do not change the 2022 payout.

[24] The Long-Term Bonus Plan provides four specific exceptions: (1) Employees who are on family and medical leave or military leave of absence; (2) Employees who die or become totally disabled are eligible for a *pro rata* payout; (3) Employees who retire in 2022 will retain any payouts already made and will be ineligible for any payouts scheduled for after the retirement date; and (4) Employees who are terminated for any reason other than cause will be eligible for a *pro rata* payout.

123. Such amounts are generally required to be repaid by the participant if he or she voluntarily resigns employment or is terminated for cause prior to the periodic vesting dates provided for in the individual retention agreements. As provided for in the individual retention agreements, any remaining repayment obligation under the 2022 Executive Retention Program lapses upon the consummation of a sale of the Company.

124. In addition, under the 2022 Executive Retention Program, in lieu of the remainder of each named executive officer's 2022 annual and long-term incentive opportunities, he or she may earn an incentive bonus equal to 75% of his or her target 2022 annual incentive and 25% of his or her 2022 target long-term incentive award upon a consummation of a sale of the Company, and, in the case of the portion of the bonus replacing his or her annual incentive opportunity, subject to the achievement of certain performance metrics established by the Company's compensation committee.

125. In April 2022, the Board approved a supplemental retention program (the "**Supplemental Retention Program**") for certain key employees, including the Company's named executive officers. The Supplemental Retention Program, like the 2022 Executive Retention Program, was adopted in an effort to retain key employees while the Debtors explored strategic alternatives. Participants in the Supplemental Retention Program received a payment on May 5, 2022, conditioned on the participant's continued employment through September 30, 2022. Total payments under the Supplemental Retention Program totaled approximately $1.4 million.

126. *Vacation, Holiday, and Sick Time*. The Debtors offer their Employees other forms of compensation, including vacation time and paid holidays. I believe this form of

compensation is usual, customary, and necessary if the Debtors are to retain qualified employees during the reorganization process.

127. The manner in which vacation time ("**Vacation Time**") accrues varies from Debtor to Debtor. In the U.S. and Canada, the manner in which Vacation Time accrues is based on the Employee's tenure. All eligible U.S. Employees and Canadian Employees receive between 10 and 25 days of Vacation Time per calendar year (with the exception of Employees in their first year of employment with the Debtors, who receive a prorated amount of Vacation Time based upon their hire date).[25] U.S. Employees in their first year of employment with the Company may, with manager approval, purchase up to 10 days of Vacation Time in full-day increments, with the price of purchased Vacation Time determined using the Employee's base pay as of the date of their hire.

128. Salaried U.S. Employees forfeit all unused Vacation Time at the end of each year.[26] However, accrued but unused Vacation Time has historically and voluntarily[27] been paid out upon termination for salaried U.S. Employees. Accrued but unused Vacation Time for Represented hourly U.S. Employees is paid out at year end. Non-Represented hourly U.S. Employees forfeit all unused Vacation Time at the end of each year. Specifically, Represented and non-Represented hourly U.S. Employees who continue in active employment may receive pay in lieu of Vacation Time for no more than two weeks of their earned Vacation Time.

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[25] Represented Employees receive between 10 and 30 days of Vacation Time per calendar year.

[26] Canada's labor laws and California state law supersede the Debtors' policy and allow Employees to carry over additional Vacation Time to the following calendar year. However, the Debtors' highly encourage their California Employees and Canadian Employees to use all of their Vacation Time in the year in which it is earned.

[27] Except as otherwise required by state law.

129. In addition, accrued but unused Vacation Time is paid out upon termination for Represented U.S. Employees. Pursuant to the terms of the CBAs, Represented U.S. Employees who are terminated or leave the Company for specified reasons receive a payment for Vacation Time, calculated by dividing the number of days of Company service during the year by 365 and multiplying the result by the amount of full vacation the Represented U.S. Employee would have received had the year of employment been completed. Non-Represented U.S. Employees who are terminated have historically, in the Company's sole discretion (except as otherwise required by state law), received a lump sum payment equal to all earned but unused vacation days through the date of termination.

130. Because Employees regularly accrue and use Vacation Time, it is difficult to quantify the cost of accrued Vacation Time as of the Petition Date. As of the Petition Date, the average amount of unused Vacation Time for U.S. Employees is ten days, and the Debtors estimate that the U.S. Employees have accrued an aggregate of approximately $1.6 million worth of Vacation Time.

131. The Debtors also provide Holiday time ("**Holiday Time**", and together with the Vacation Time, the "**PTO**") in accordance with an approved holiday schedule. Depending on the Debtor, Employees are given between 11 and 15 days of Holiday Time. The Debtors do not provide "sick days" or other forms of PTO not otherwise set forth herein to the U.S. Employees or the Canadian Employees.

132. *Employee Benefit Plans*. The Debtors provide benefit packages to eligible Employees who work an average of 30 hours per week for the Debtors, including medical plans, dental plans, vision plans, and life insurance plans, which are described in more detail below.

133. *U.S. Medical Plans*. The Debtors provide eligible U.S. Employees with medical benefits pursuant to two different medical plans through Highmark Inc. ("**Highmark**). Eligible U.S. Employees have the option to choose between the Preferred Provider Organization ("**PPO**") or the High Deductible Health Plan ("**HDHP**") with a Health Savings Account ("**HSA**"). The PPO and HDHP are similar in the types of services they cover, but vary in terms of cost and provider access (collectively, the "**U.S. Medical Plans**"). Prescription drug benefits are provided by CVS Caremark, and the average monthly cost to the Debtors of the prescription drug benefits is approximately $258,894.

134. As of the Petition Date, there are approximately 1,100 active U.S. Employees participating in the U.S. Medical Plans. The Medical Plans are funded through Employee contributions by participating Employees and by the Debtors. On average, approximately 21% to 82% of the cost of the U.S. Medical Plans is borne by the Debtors, depending largely on the type of plan, as well as whether the Employee is a Represented Employee. Employees contribute to the U.S. Medical Plans through payroll deductions to pay for the balance. Total annualized spend related to the U.S. Medical Plans (including prescription drug benefits), based on the Debtors' most current enrollment data, is approximately $14 million.

135. As of the Petition Date, the Debtors estimate that approximately $250,000 is currently owed under the U.S. Medical Plans and approximately $75,000 is owed to CVS Caremark for prescription drug benefits.

136. *U.S. Dental Plan*. The Debtors also offer their eligible U.S. Employees dental benefits pursuant to a dental plan (the "**U.S. Dental Plan**") through Delta Dental. As of the Petition Date, there are approximately 1,124 active U.S. Employees participating in the U.S. Dental Plan.

137. The U.S. Dental Plan is funded through contributions by participating Employees and by the Debtors. Approximately 50% of the cost of the U.S. Dental Plan is borne by the Debtors, and the remainder is paid through Employee contributions.

138. Total annualized spend related to the U.S. Dental Plan, based on the Debtors' most current enrollment data, is approximately $672,000. As of the Petition Date, the Debtors estimate that approximately $12,000 is currently owed under the U.S. Dental Plan.

139. *U.S. Vision Plan*. The Debtors also offer their eligible U.S. Employees vision benefits pursuant to a vision plan (the "**U.S. Vision Plan**") through VSP Vision Care. As of the Petition Date, there are approximately 979 U.S. Employees enrolled in the U.S. Vision Plan.

140. The U.S. Vision Plan is funded through contributions by participating Employees; the Employees participating in the U.S. Vision Plan pay 100% of the U.S. Vision Plan premium via payroll deductions. As of the Petition Date, the Debtors do not believe they owe any amounts in connection with the U.S. Vision Plan.

141. *U.S. Life and AD&D Insurance*. The Debtors provide eligible U.S. Employees with life insurance in the amount of one times the Employee's base annual earnings rounded to the next highest $1,000, and capped at $500,000 (the "**Company-Paid Life Insurance**"). In addition, the Debtors give U.S. Employees the option of purchasing life insurance coverage in the amount of one to eight times the Employee's base annual earnings, capped at $750,000 (the "**Employee-Paid Life Insurance**"), and purchasing life insurance coverage for their spouse and/or dependents ("**Spouse & Dependent Life Insurance**," and together with the Company-Paid Life Insurance, the "**Life Insurance Plans**").

142. The Debtors also provide accidental death and dismemberment insurance at no cost to eligible U.S. Employees in the amount of $35,000, which pays the entire benefit in the case of

loss of life, or a portion of the benefit for other covered losses ("**AD&D Insurance**", and together with the Life Insurance Plans, the "**U.S. Life & AD&D Insurance**"), administered by Securian Financial. The Debtors pay approximately $220,423 per month in premiums on account of the Life & AD&D Insurance, including Retiree Life (defined below). As of the Petition Date, the Debtors estimate that approximately $220,423 in prepetition amounts is currently owed on account of the Life & AD&D Insurance.

143. *U.S. Short-Term & Long-Term Disability Benefits*. The Debtors provide eligible U.S. Employees with short-term and long-term disability, administered by Lincoln Financial Group. The Debtors currently provide approximately 1,264 U.S. Employees with short-term disability ("**U.S. Short-Term Disability**"). Such coverage provides salaried Employees with 100% full salary continuation for the first three months of disability, and 70% of the Employee's base salary for the remainder of the Employee's disability, with a maximum benefit duration of six months. Hourly Employees, by contrast, receive a weekly benefit equal to 60% of the Employee's base earnings divided by 52, payable for up to six months.

144. The Debtors also automatically provide approximately 1,264 U.S. Employees with long-term disability insurance coverage ("**Company-Paid Long-Term Disability**"). For non-Represented, non-executive U.S. Employees, the Company-Paid Long-Term Disability benefits consist of monthly payments equal to 50% of the Employee's salary prior to the disability, up to $2,000, beginning after 182 days of continuous disability.[28] While eligible Employees are

[28] Represented Employees and executives receive U.S. Long-Term Disability that differs from the U.S. Long-Term Disability provided to non-Represented, non-executive U.S. Employees. For Represented Employees, the Company-Paid Long-Term Disability benefits consist of monthly payments equal to 50% of the Represented Employee's highest annual earnings, up to $1,000 per month, and the Employee-Paid Long-Term Disability benefits consist of monthly payments equal to 60% of the Represented Employee's highest annual earnings, up to $2,000 per month. Executive Employees are provided with Company-Paid Long-Term Disability benefits consisting of monthly payments equal to 60% of earnings, with maximum benefits ranging from $10,000 to $35,000 per month.

automatically provided with Long-Term Disability coverage by the Debtors, approximately 431 Employees have elected to enroll in an Employee-paid option (the "**Employee-Paid Long-Term Disability**", and together with the Company-Paid Long-Term Disability, the "**U.S. Long-Term Disability**"). The Employee-Paid Long-Term Disability coverage consists of monthly payments of 60% of the Employee's salary prior to the disability, up to $10,000, beginning after 182 days of continuous disability. The Employee-Paid Long-Term Disability is subsidized by the Debtors, but the cost is borne primarily by the participating Employees.

145. As of the Petition Date, the Debtors estimate that $13,530 is currently owed on account of the U.S. Short-Term and U.S. Long-Term Disability.

146. *Canadian Employee Benefit Plans*. Debtor Armstrong Flooring Canada Ltd. maintains separate dental, vision, life & AD&D, extended health benefit (including drug, hospitalization, accident/sickness, and medical travel) and disability benefit plans for its small number of Canadian Employees (the "**Canadian Employee Benefit Plans**"). The Canadian Employee Benefit Plans are all fully-insured through Medavie Blue Cross. The total cost of the Canadian Employee Benefit Plans is approximately $1,564 per month. As of the Petition Date, the Debtors estimate that they owe approximately $1,564 in accrued and unpaid obligations under the Canadian Employee Benefit Plans.

147. *Life & AD&D Insurance*. Canadian Employees are provided with life insurance in the amount of one times the Canadian Employee's base annual earnings rounded to the next highest $1,000, and capped at $250,000. In addition, Canadian Employees are given the option of purchasing additional life insurance coverage in $10,000 increments. The Debtors also provide Canadian Employees with accidental death and dismemberment insurance, which covers participants in the event of accidental death, loss or loss of use of a limb or loss of sight, speech,

or hearing, in the amount of one times the Canadian Employee's base annual earnings rounded to the next highest $1,000, and capped at $250,000.

148. *Long-Term Disability Insurance*. Canadian Employees are provided with long-term disability insurance. Where a participants total disability persists beyond the 182 day elimination period, the participant may become eligible for long-term disability insurance benefits in the amount of 66.67% of the Canadian Employee's monthly salary, rounded to the next dollar, and capped at $10,000. Total disability means that, during the elimination period and the 24 months immediately following the elimination period, the Canadian Employee is unable to perform the regular duties of their own occupation; and, subsequently, the Canadian Employee is unable to perform the regular duties of any occupation for which they are reasonably qualified.

149. *Extended Health Benefits – Drug Insurance*. Canadian Employees are provided with prescription drug insurance designed to cover drug expenses incurred by the participating employees or their dependent(s) as a result of illness, pregnancy or accident.

150. *Extended Health Benefits – Accident/Sickness.* Canadian Employees are provided with accident/sickness coverage, which covers eligible expenses incurred by the participant or their dependent(s) as a result of an illness, pregnancy or accident. This can include expenses incurred in connection with hospitalization, the purchase of medical supplies and services, dental care following an accident, and more. Following a participant's death, the participant's dependents continue to be insured without cost for a period of time—generally, 12 months or the date they cease to be eligible dependents, whichever is earlier.

151. *Extended Health Benefits – Travel Coverage*. Canadian Employees are provided with travel coverage for emergency expenses occurring when the participant and the participant's dependents are travelling outside of their province of residence. The travel coverage has three

components: (i) hospital and medical travel, (ii) trip cancellation and interruption, and (iii) baggage. Under the first component, participants are reimbursed for all usual, customary and reasonable expenses incurred following an emergency situation resulting from an accident or a sudden or unexpected illness, up to a maximum amount payable of $2 million per event, per participant. Under the second component, participants are reimbursed for expenses incurred when a participant must cancel their departure, interrupt or extent their trip after it has begun, for certain defined reasons, subject to a maximum of $5,000 per trip, per participant. Under the third component, participants are reimbursed for the loss of or damage to their baggage during a trip outside their province of residence, subject to a maximum of $500 per trip, per participant.

152. *Dental Care Coverage*. Canadian Employees are provided with dental care insurance coverage that provides benefits for preventative services, basic services, and restorative services for covered Canadian Employees and their respective eligible dependents.

153. *FSA*. The Debtors offer eligible U.S. Employees the opportunity to use tax-advantaged flexible spending accounts ("**FSA**") to use pre-tax dollars toward the payment of medical, dental, vision, and dependent care expenses, administered by ConnectYourCare ("**CYC**"). Prior to the beginning of each calendar year, each FSA participant commits a set amount of funds to the FSA, and the Debtors collect and withhold a prorated amount each payroll period. Participating Employees submit claims to CYC, and CYC reimburses the participating Employees for the claimed amount. CYC then seeks reimbursement from the Debtors, who pay CYC from withheld Employee funds.

154. The Debtors pay about $400 per month in administrative fees to a third-party administrator for FSA administration. The Debtors do not make any contributions to the FSAs. I

understand the FSA amounts are held in trust by the Debtors and are therefore not property of their estates.

155. *HSA*. The Debtors provide U.S. Employees who elect the HDHP the opportunity to contribute to use tax-advantaged health savings accounts ("**HSA**"). Approximately 315 Employees maintain HSAs. The Debtors' current HSA vendor is Fidelity Investments. The HSA allows Employees to use pre-tax dollars towards expenses that the HDHP does not cover, including services that apply toward the Employee's deductible and any coinsurance. The Debtors contribute $500 for employee-only coverage and $1,000 for all other coverage levels to the HSAs annually. Unlike the FSAs, dollars in each Employee's HSA accounts can be rolled over year-after-year and are not forfeited at year's end.

156. *EAP*. The Debtors also provide an Employee Assistance Program ("**EAP**") through Carebridge, a confidential program that provides Employees with support in personal and family problems common in contemporary life. Under the EAP, Employees, their spouses, and their dependents are provided with face-to-face or telephonic consultations with a professional behavioral health clinician, and services under the EAP are available 24 hours a day, 365 days a year. The EAP costs the Debtors approximately $15,000 per year. As of the Petition Date, approximately $1,234 is outstanding on account of claims under the EAP.

157. *Tuition Assistance Program*. The Debtors offer tuition reimbursement for certain eligible Employees (the "**Tuition Assistance Program**", together with the HAS, FSA, and EAP, the "**Additional Employee Benefits**"). Under the Tuition Assistance Program, the Debtors reimburse participating Employees 50% of their tuition fees and textbooks once the participating Employee has successfully completed the course and received a grade of "B" or better (or a "Pass," where applicable). None of the Debtors' Employees are currently enrolled in the Tuition

Assistance Program. As such, as of the Petition Date, no amounts were accrued and owing on account of the Tuition Assistance Program.

158. *Union Deductions*. As noted above, the Debtors have approximately 338 Represented Employees. Pursuant to the CBAs, the Debtors deduct Union dues and assessments (the "**Union Deductions**") from the pay of each Represented Employee who voluntarily authorizes the Company to do so, and remits the Union Deductions to the applicable Union. All Union Deductions are immediately remitted to the applicable Union; thus, there are no unremitted Union Deductions.

159. *401(k) Savings Plan*. The Debtors maintain a 401(k) plan for eligible U.S. Employees administered by Fidelity Investments (the "**401(k) Plan**").[29] Eligible U.S. Employees may contribute pre-tax, Roth, or post-tax compensation, consistent with IRS regulations, for investment in the 401(k) Plan.

160. Specifically, U.S. Employees may contribute pre-tax dollars to a 401(k) account, and may also contribute after-tax dollars to a Roth 401(k) account. Subject to applicable IRS contribution limitations, U.S. Employees may contribute a maximum of 40% to the 401(k). Historically, the Debtors matched the first 8% of U.S. Employees contributions to their 401(k) account: 100% on the first 4% and 50% on the next 4% of contributions (the "**U.S. Matching**

[29] The Debtors have historically offered a nonqualified deferred compensation plan ("NQDCP") to a select group of management or highly-compensated employees, established to provide benefits similar to the 401(k) Plan as it applies to Employees whose compensation is in excess of the Internal Revenue Code compensation limit. Under the NQDCP, a participant may elect to defer up to 25% of eligible base salary earnings and up to 25% of amounts earned under an annual bonus plan. Participants receive a Company match identical to the 401(k) Plan Company match, up to a maximum contribution of 6% of eligible earnings.

Contributions").[30] However, the Company has suspended Matching Contributions for all salaried U.S. Employees.

161. Participating U.S. Employees also have the option to contribute from 1% to 10% of their pay on an after-tax basis to a standard account (the "**Nondeductible 401(k) Account**"). The Debtors do not match Employee contributions to the Nondeductible 401(k) account.

162. There are approximately 1,281 U.S. Employees with account balances in the 401(k) Plan (the "**401(k) Plan Participants**"). As of the Petition Date, the Debtors estimate they owe approximately $32,224 as Matching Contributions for the prepetition period.

163. *U.S. Qualified Pension Plan.* The Debtors manage two U.S. defined-benefit pension plans, a qualified funded plan and nonqualified unfunded plan. The qualified funded plan, the Retirement Income Plan (the "**U.S. Qualified Pension Plan**"), is a defined-benefit pension plan subject to the provisions of the Employee Retirement Income Security Act of 1974. There are approximately 315 active Employees enrolled in the U.S. Qualified Pension Plan, not including terminated vested participants.

164. Debtor Armstrong Flooring, Inc. established the U.S. Qualified Pension Plan, effective April 1, 2016, for the benefits of its eligible Employees and the eligible Employees of its affiliates. The U.S. Qualified Pension Plan was adopted in connection with the a corporate transaction pursuant to which Armstrong World Industries, Inc. ("**AWI**") a public Pennsylvania corporation, spun-off its resilient flooring and wood flooring segments to Debtor Armstrong Flooring, Inc. (the "**Spin-Off**"), as of April 1, 2016 (the "**Effective Date**"). In connection with the Spin-Off, Debtor Armstrong Flooring, Inc. approved the transfer of liabilities and certain assets

[30] For Represented U.S. Employees, the Debtors provide a 50% company match on up to 6% of the Represented Employee's contributions to their 401(k) account.

to the U.S. Qualified Pension Plan from AWI's pension plan (the "**AWI Pension Plan**"), which assets and liabilities included (but were not limited to) those attributable to employees actively employed by Armstrong Flooring, Inc. or one of its affiliates as of the Effective Date of the Spin-Off, and had an accrued benefit in the AWI Pension Plan immediately prior to the Effective Date. Participants in the U.S. Qualified Pension Plan may retire as early as age 55 provided the participant is vested under the plan. Participants become vested after completing five years of continuous employment having worked at least 1,000 hours in each year.

165. The U.S. Qualified Pension Plan is administered by the Debtors' Retirement Committee, which determines the appropriateness of the Plan's investment offerings and monitors investment performance. The U.S. Qualified Pension Plan is insured by the Pension Benefit Guaranty Corporation ("**PBGC**"), a wholly-owned United States government corporation established under 29 U.S.C. § 1302 to administer the pension plan termination insurance program created under Title IV of the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1301–1461. As of December 31, 2021, the U.S. Pension Plan was fully-funded, with a surplus of approximately $23 million.

166. The U.S. Qualified Pension Plan is closed to new participants. Effective December 31, 2017, the U.S. Qualified Pension Plan was amended to freeze benefit accruals for salaried participants. Currently, the U.S. Qualified Pension Plan is frozen as to all Employees except for a small number of Represented Employees (approximately 73 Represented Employees total) working at the Debtors' Jackson, Mississippi and Lancaster, Pennsylvania plants.

167. *Retirement Benefit Equity Plan*. The nonqualified unfunded Retirement Benefit Equity Plan (the "**RBEP**" and together with the U.S. Qualified Pension Plan, the "**U.S. Pension Plans**") was established by Armstrong's retirement committee (the "**Retirement Committee**")

effective April 1, 2016 to pay supplemental retirement benefits (in excess of the limited defined under Section 415 and 401(a)(17) of the Internal Revenue Code) to certain Employees of the Company who qualified for benefits under the U.S. Qualified Pension Plan. There are only 3 active Employees enrolled in the RBEP.

168. Like the U.S. Pension Plan, the RBEP was established as a successor plan to AWI's Retirement Benefit Equity Plan ("**AWI RBEP**") in connection with the Spin-Off. Supplemental benefits and distributions elections from the AWI RBEP were carried forward to be effective under the RBEP with respect to employees who were transferred from AWI to Armstrong Flooring, Inc.

169. Like the U.S. Qualified Pension Plan, the RBEP is closed to new participants and, effective December 31, 2017, was amended to freeze benefit accruals for salaried participants.

170. *OPEB*. The Debtors provide postemployment benefits to certain retired U.S. Employees, their spouses, and their dependents. Specifically, the Debtors provide medical, prescription drug and dental benefits (the "**Retiree Health**") and life insurance benefits (the "**Retiree Life**", together with the Retiree Health, "**OPEB**").

171. While the Debtors have discontinued Retiree Health for most retiring Employees, certain Represented Employees who met certain age and service requirements in 2011 currently remain eligible for Retiree Health upon their retirement.[31] Generally, Employees at the Lancaster, Pennsylvania plant who are represented by the International Association of Machinists and Aerospace Workers are currently eligible for Retiree Health if they were at least 50 years old and completed at least 10 years of service as of November 4, 2011. Similarly,

[31] Under the CBAs, Represented Employees who did not meet the age and service requirements and are therefore not eligible for Company-paid Retiree Health will have access to Retiree Health through the Company, but must pay 100% of the average cost for retirees in similar plans. However, the Company may terminate "access" to Retiree Health for such Represented Employees at any time.

Employees at the Jackson, Mississippi and Lancaster, Pennsylvania plants who are represented by the United Steelworkers are currently eligible for Retiree Health if they were at least 50 years old and completed at least 10 years of service as of October 3, 2011. As of March 14, 2022, 18 active Represented Employees remain eligible for Retiree Health Care.

172. The Retiree Health plan currently allows eligible Employees who are younger than 65 to enroll in a Company sponsored health care plan. The Debtors subsidize the insurance premium for Represented Employees. For eligible Employees who are 65 or older, the Retiree Health Plan currently provides for a company contribution to a health reimbursement account to subsidize the purchase of a Medicare Advantage plan, Medicare Part D plan, or Medicare supplement plan on an exchange.

173. As of January 1, 2021, 1,028 retirees, 563 spouses, and 72 surviving spouses were receiving Retiree Health, and the accumulated postretirement benefit obligation ("**APBO**") attributable to Retiree Health was approximately $14.9 million. The Debtors generally have discontinued Retiree Life for all active Employees; only certain Represented Employees at the Jackson, Mississippi plant are currently eligible for Retiree Life. However, no Represented Employee who retires on or after May 1, 2022 is eligible for Retiree Life.

174. The Retiree Life plan provides eligible retirees a life insurance benefit between $1,000 and $100,000, with most retirees receiving a benefit of $25,000. As of January 1, 2021, the Debtors provided Retiree Life to 2,043 retirees, and the APBO attributable to Retiree Life was approximately $39.7 million.

175. *Foreign Retirement Programs.* Debtor Armstrong Flooring Canada Ltd. sponsors the Retirement Plan for the Employees of Armstrong Flooring Canada Ltd. (the "**Canadian Pension Plan**"). The Canadian Pension Plan is a hybrid plan with a contributory defined

contribution component and a non-contributory defined benefit component. Since 2011, the defined benefit component of the Canadian Pension Plan is frozen; participants are not allowed to contribute. There are no active Canadian Employee participants, but approximately 160 former employee and retiree participants. As of December 31, 2020, the defined benefit component of the Canadian Pension Plan was underfunded by approximately $4 million on a liquidation basis.

176. The defined contribution component of the Canadian Pension Plan operates like the 401(k) Plan and is administered by Sun Life Financial Inc. Under the defined contribution component of the Canadian Pension Plan, Canadian Employees can contribute 1% to 6% of their earnings to the Canadian Pension Plan. Debtor Armstrong Flooring Canada Ltd. is required to contribute the same amount as the participant's contributions (the "**Canada Matching Contributions**," and together with the U.S. Matching Contributions, the "**Matching Contributions**"). Canadian Employees may also make an additional voluntary contribution equivalent to 1% to 6% of their earnings, but Debtor Armstrong Flooring Canada Ltd. is not required to match those additional contributions. As of June 30, 2021, there were approximately 20 members, 6 of which were active Canadian Employees.

177. Debtor Armstrong Flooring Canada Ltd. also sponsors a Supplemental Executive Retirement Plan (the "**SERP**") and offers other postemployment benefits (the "**Canadian OPEB**", together with the SERP and Canadian Pension Plan, the "**Foreign Retirement Programs**", and together with the 401(k) Plan, the U.S. Pension Plans, and OPEB, the "**Employee Retirement Plans**"). The SERP is a supplemental defined benefit plan with four retired employee participants. As of December 31, 2020, the SERP's total liabilities were $644,000, only $72,000 of which was unfunded.

178. The Canadian OPEB consists of retiree health and life insurance benefits. As of December 31, 2020, there was only one active member and 65 inactive members. As of December 31, 2021, the Canadian OPEB obligations were approximately $1.6 million, consisting largely of liabilities related to retiree life insurance.

179. *Reimbursable Expenses.* The Debtors reimburse Employees for approved expenses incurred in the scope of their employment on behalf of the Debtors, including, among other things, travel, lodging, meals, phone/internet and automobile allowances, and other business expenses (collectively, the "**Reimbursable Expenses**"). Generally, the Debtors pay for Reimbursable Expenses for U.S. Employees and Canadian Employees directly through approximately 409 active corporate credit cards issued by JPMorgan Chase Bank, N.A. ("**JPMorgan**") (the "**Corporate Credit Cards**") or 68 active purchasing cards ("**P-Cards**") issued by JPMorgan. The Corporate Credit Cards are typically used for travel-related expenses, while the P-Cards are more often used for non-travel-related business expenses. Amounts charged to the Corporate Credit Cards and P-Cards have historically been paid directly by the Debtors. [32]

180. Less often, U.S. Employees and Canadian Employees may also incur out-of-pocket Reimbursable Expenses and seek reimbursement for their Reimbursable Expenses from the Debtors using the Debtors' reimbursement system, SAP Concur. Accordingly, Reimbursable Expenses are incurred by Employees with the understanding that they will be paid directly or reimbursed by the Debtors.

[32] The Corporate Credit Cards and P-Cards are secured obligations under the Debtors' prepetition ABL Credit Facility. Therefore, obligations under the Corporate Credit Cards and P-Cards, to the extent not paid, would become DIP obligations.

181. I believe that payment of the Reimbursable Expenses is critically important to the morale of the Debtors' workforce, which, in turn, is essential to maximizing the value of the estates. Further, I believe that cancellation of the Corporate Credit Cards and/or failing to reimburse Reimbursable Expenses would cause disruption to the Debtors' businesses, and that it would be inequitable to require the Employees to personally bear any approved business-related expenses they incurred in furtherance of their responsibilities to the Debtors.

182. Certain prepetition Reimbursable Expenses may not have been paid as of the Petition Date because, among other reasons, amounts charged to the Corporate Credit Cards or Employee's personal credit cards have not yet become due or Employees have not yet submitted a request for reimbursement. There is a lag time between the time expenses are incurred and the time expenses are reimbursed and paid. Thus, it is difficult for the Debtors to determine with precision the actual amount of incurred but not reported Reimbursable Expenses as of any particular time. Typically, however, the average aggregate monthly amount expended by the Debtors for the Reimbursable Expenses is approximately $410,200. Thus, based on historical figures, the Debtors estimate that approximately $5,389 is outstanding on account of prepetition Reimbursable Expense as of the Petition Date.

183. *Withholding Obligations*. The Debtors are required by certain laws to withhold from the U.S. Employees' Wages amounts related to federal, state, and local income taxes, Medicare taxes, Social Security, and state-issued employment insurance (collectively, the "**U.S. Employee Payroll Taxes**") for remittance to the appropriate federal, state, or local taxing authority. The Debtors also have similar obligations under Canadian law (the "**Foreign Employee Payroll Taxes**," and together with the U.S. Employee Payroll Taxes, the "**Employee Payroll Taxes**").

184. The Debtors also routinely deduct certain amounts from Employees' Wages, including, without limitation, (a) garnishments, service charges, and other similar deductions and (b) other pre- and post-tax deductions payable pursuant to certain of the Employee Health Benefits and Entitlements (as defined below), including health insurance premiums and retirement savings contributions, and (c) other withholdings as may be required in the various jurisdictions that the Debtors operate in (collectively, the "**Deductions**," and together with the Employee Payroll Taxes, the "**Withholding Obligations**").

185. I understand that the unpaid Withholding Obligations generally are held in trust by the Debtors and, therefore, are not property of the Debtors' estates. As such, I understand that the Debtors do not need authority to remit such payments to the appropriate third parties.

186. *Workers' Compensation*. In the ordinary course of business, as required by applicable law, the Debtors maintain workers' compensation insurance coverage for claims arising from, or related to, employment with the Debtors (the "**Workers' Compensation Program**"). The Debtors maintain coverage for the Workers' Compensation Programs through several policies, described below.

187. The Debtors maintain coverage for Workers' Compensation claims arising in Wisconsin through a policy (the "**WI Policy**") provided by ACE Fire Underwriters Insurance Company; the Debtors maintain coverage for Workers' Compensation claims arising in Arizona, California, and Massachusetts through a policy (the "**AZ, CA, MA Policy**") provided by ACE American Insurance Company; and the Debtors maintain coverage for Workers' Compensation claims arising in all other states through a policy (the "**General WC Policy**", together with the WI Policy and the AZ, CA, MA Policy, the "**Workers' Compensation Policies**") provided by Indemnity Insurance Company of North America. The current Workers' Compensation Policies

run from April 1, 2022 through April 1, 2023. The total annual premium under the Workers' Compensation Policies are approximately $90,317. Separate from and in addition to the premium, the Debtors fund a "loss fund" with $7,222 annually. The Debtors have also posted a $171,747 surety bond in connection with self-insured workers' compensation. The Debtors' paid Arch Insurance Company a $2,147 premium for the bond. The bond will expire on July 1, 2022.

188. As of the Petition Date, I do not believe that any prepetition obligations are outstanding in connection with the Workers' Compensation Program, including prepetition premiums, fees, and deductibles.

189. *Severance Arrangements*. In addition to the Debtors' other benefit plans and programs, the Debtors provide severance pay to eligible non-insider salaried Employees. In the U.S., non-insider salaried Employees are awarded severance in accordance with the terms of a formal severance plan (the "**Severance Plan**"). Pursuant to the Severance Plan, eligible U.S. Employees receive between 5 and 40 weeks of severance pay, depending on the U.S. Employee's job type, position grade, years of service, and eligible earnings, among other benefits. As a condition precedent to receiving the severance payment, U.S. Employees must execute a Company-approved release within 45 days of their termination.

190. The Debtors do not maintain a formal severance plan for non-salaried U.S. Employees, but provide severance to hourly U.S. Employees on an informal and discretionary basis (the "**Severance Practices**"). Under the informal Severance Practices, hourly U.S. Employees are generally awarded a lump sum severance payment tied to years of service. Like the Severance Plan, under the Severance Practices, any severance payment is conditioned on the terminated hourly U.S. Employee executing a Company-approved release.

191. In Canada, no formal severance plan is in place; rather, severance pay is decided on a person-by-person basis based on the rules and regulations in the province in which the Canadian Employee is located (the "**Foreign Employee Severance**").

192. The Debtors provide severance pay to terminated executive Employees upon a change in control through individual change in control severance agreements or employment agreements (the "**CIC Severance**"), and also provide severance pay to terminated executive Employees other than in connection with a change in control via the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc. (the "**Non-CIC Severance**", together with the CIC Severance, the "**Executive Severance**", and together with the Severance Plan, Severance Practices, and Foreign Employee Severance, the "**Severance Arrangements**").[33] Under the change in control severance agreements, in the context of a change-in-control transaction, including a sale of substantially all of the Debtors' assets,[34] eligible executive Employees are entitled to receive, among other things, a lump sum severance payment, in cash, equal to two (2) times the sum of (i) the executive Employee's base salary as in effect immediately prior to termination, and (ii) the executive Employee's target annual bonus under any annual incentive compensation plan adopted by the Company in which the executive Employee participates.

193. Under the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc., participants are entitled to Non-CIC Severance where they are involuntarily terminated by the Company without Cause (i) due to a reduction in workforce, (ii) due to the elimination of the

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[33] The Company's CEO is not party to a change in control severance agreement or covered by the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc.; rather, the terms of his severance pay in a change in control or non-change in control scenario are governed by his employment agreement.

[34] Other than a sale of substantially all of the Debtors' assets where the individuals who comprise the Debtors' board of directors immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold immediately following the sale.

Employee's position, or (iii) for any other reason approved in the Committee's sole discretion, where "Reasonable Alternative Employment"[35] is not provided.

194. The Debtors estimate that following a change in control, total liabilities for CIC Severance and for salaried Employees would be $19.2 million or less, and could be significantly less after accounting for those Employees who will be ineligible to receive severance because they receive an offer from a buyer of the Debtors' assets. Outside of the change of the change in control context, Non-CIC Severance would be $18.4 million or less, and could be significantly less after accounting for those Employees who will be ineligible to receive severance because Reasonable Alternative Employment (as defined in the Severance Plan) is provided.

195. *Board Fees and Expenses*. In the ordinary course of business, the Debtors pay fees ("**Board Fees**") to, and reimburse the business-related expenses (e.g., travel expenses to and from board meetings) of, the board of directors of Armstrong Flooring, Inc., which oversees all of the Debtors' operations. The quarterly Board Fees are paid in advance by the Debtors to their board members and total approximately $175,000. As of the Petition Date, the Debtors do not believe that any Board Fees are due and owing.

C. Insurance Motion

196. Pursuant to the Insurance Motion, the Debtors seek entry of interim and final orders, authorizing the debtors to (a) maintain their prepetition insurance programs and pay all obligations arising thereunder, and (b) renew, revise, extend, supplement, change, or enter into new insurance policies and insurance premium financing agreements.

[35] Reasonable Alternative Employment is defined as an offer of employment where (i) the base salary is equal to at least 90% of the Participant's current base salary, and (ii) the distance between the participant's residence or current place of employment and the new place of employment is within 50 miles, or the distance of the employee's current commute, whichever is greater.

197. *Overview of Insurance Policies.* In connection with the operation of their businesses, the Debtors maintain insurance policies for, among other things, automobile liability, cargo, cyber liability, crime, directors' and officers' liability (the "**D&O Policy**"), employment practices liability, environmental liability, general liability, international casualty, products liability, property, and workers' compensation liability (collectively, the "**Insurance Policies**"). The Insurance Policies, which the Debtors have obtained through third-party insurance carriers (collectively, the "**Insurance Carriers**"), and their corresponding policy periods and annual premiums, including any applicable Brokerage Fees (defined below), but excluding any applicable Taxes and Fees (defined below), are listed on **Exhibit C** of the Insurance Motion.[36]

198. I believe that continuation and renewal of the Insurance Policies and entry into new Insurance Policies is essential to protecting the value of the Debtors' businesses, properties, and assets. The Insurance Policies are required by various regulations, laws, and contracts that govern the Debtors' commercial activities. Moreover, I understand that the Operating Guidelines for Chapter 11 Cases issued by the Office of United States Trustee for Region 3 (the "**U.S. Trustee Guidelines**") require that a debtor maintain adequate insurance coverage.

199. *The Debtors' Annual Premiums*. The current annual premiums and Brokerage Fees (as defined below) under the Insurance Policies total approximately $2.4 million.[37] The

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[36] In addition to the Insurance Policies listed on **Exhibit C** of the Insurance Motion, the Debtors maintain numerous insurance policies with respect to, among other things, medical, dental, disability, and life insurance benefits. Relief related to these insurance policies and programs is requested in the *Motion of Debtors for Entry of Interim and Final Orders Authorizing Debtors to Pay Prepetition Wages, Compensation, and Employee Benefits* (the "**Employee Motion**"), filed contemporaneously herewith. Other than the employee-related insurance programs, the Debtors believe that **Exhibit C** of the Insurance Motion is a complete list of their Insurance Policies as of the Petition Date. However, to the extent that any Insurance Policy has been omitted from that list, the Debtors request that the order granting the relief sought herein apply to any and all of the Debtors' Insurance Policies.

[37] In connection with certain of the Insurance Policies, the Debtors pay certain state taxes and fees (e.g., stamping fees and surplus lines taxes) (collectively, the "**Taxes and Fees**"). The stamping fees, state taxes, and any other fees and assessments that the Debtors pay in connection with the Insurance Policies are non-material amounts.

premiums for all of the Debtors' Insurance Policies are generally due on an annual basis, however, as discussed below, the Debtors generally finance the premium in connection to the Debtors' property insurance under a commercial premium financing agreement. The Insurance Policies renew at various times throughout the year; the majority of the Insurance Policies were renewed in April 2022. However, select Insurance Policies were renewed in September 2021. I believe that the coverage types, levels, and premiums for these Insurance Policies are typical for comparably-sized companies in the Debtors' industry.

200. Except for the installment payments provided for under the commercial premium financing agreement, I do not believe that the Debtors owe any prepetition amounts on account of the Insurance Policies. However, certain of the Debtors' Insurance Policies provide for periodic premium adjustments, which could either increase or decrease the Debtors' Insurance Obligations. Out of an abundance of caution, the Debtors seek authorization to make payments of Insurance Obligations attributable to the prepetition period (plus any unforeseen deductible payment amounts for prepetition claims), including any premium adjustments that might come due after the Petition Date.

201. I believe that to the extent that the Debtors are unable to make any payments that may be owed on account of the Insurance Policies, including on account of premium adjustments, the unpaid Insurance Carriers may seek relief from the automatic stay to terminate such Insurance Policies. The Debtors would then be required to obtain replacement insurance on an expedited basis and at a significant cost. Even if these Insurance Carriers were not permitted

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For the avoidance of doubt, the Debtors hereby seek the authority to pay such Taxes and Fees, whether or not attributable to the prepetition period, as part of the Insurance Obligations.

to terminate the agreements, any interruption of payment would have an adverse effect on the Debtors' ability to obtain future policies at reasonable rates.

202. *Insurance Broker*. The Debtors typically obtain the Insurance Policies through their insurance broker Marsh USA, Inc. (the "**Insurance Broker**"). The Insurance Broker assists the Debtors with the procurement and negotiation of the Insurance Policies, enabling the Debtors to obtain Insurance Policies on competitive rates and in a cost-effective manner.

203. In exchange for the receipt of these services, the Debtors are obligated to pay certain fees. The Broker Contract provides for an annual fee payable to Marsh LLC of $140,534 plus commission for services related to covered policy placements and administration (the "**Brokerage Fees**"). The annual fee is payable in quarterly installments, with the first installment due in May 2022. The amount of commission payable to Marsh LLC is up to 5% of gross premiums for coverages obtained through wholesale brokers. For the policy year 2022, I believe the Debtors will incur approximately $333,000 in Brokerage Fees. As of the Petition Date, the Debtors have not been required to make any payments, and have not made any payments, towards the annual fee of $140,534. I anticipate that the Debtors, pursuant to the Broker Contract, will owe the Broker approximately $192,466 more for commission related to the 2022 Insurance Policies.

204. *Premium Financing Agreements*. Generally, the Insurance Policies require annual premium payments to be made at the beginning of the applicable policy period. Because it is not always economically advantageous for the Debtors to pay the premiums on a lump-sum basis, the Debtors finance a portion of the Insurance Policies' premiums pursuant to a commercial premium financing agreement (the "**PFA**") with third-party lender AFCO Premium Credit LLC

("**AFCO**") under which the Debtors make monthly payments towards the Insurance Policy premiums.

205. For the policy year ending September 1, 2022, the PFA required the Debtors to make an initial payment of $124,806, followed by 11 monthly, equal installment payments in the amount of $65,453.82. As of the Petition Date, the Debtors have made all required payments under the PFA, totaling $648,437. I do not believe there are any accrued and unpaid amounts on account of the PFA. The next installment payment is due June 1, 2022. Out of an abundance of caution, the Debtors seek authority to honor any amounts owed under the PFA to ensure continuous insurance coverage. Additionally, the Debtors seek authority to continue performing under the PFA in the ordinary course of business and to enter into new premium financing agreements as necessary or appropriate, without further Court Approval.

206. The PFA grants AFCO a security interest in each of the named Debtor's respective interests in the unearned premiums and certain loss payments under, and any state guarantee funds relating to, the property insurance policy covered under the PFA.[38] In addition, if the Debtors are unable to continue making payments on the PFA, the PFA permits AFCO to terminate the property insurance policy financed through the PFA. The Debtors would then be required to obtain replacement insurance on an expedited basis and at significant cost to the estates if they were able to obtain such replacement insurance at all. Moreover, if the Debtors are required to obtain replacement insurance and to pay a lump-sum premium for such insurance policy in advance, I believe this payment would likely be greater than what the Debtors currently pay. Even if AFCO were not permitted to terminate the PFA, I believe any interruption of

[38] For the avoidance of doubt, nothing in the Insurance Motion is an admission by the Debtors as to the validity, perfection, or enforceability of such security interests.

payment could have an adverse effect on the Debtors' ability to finance premiums for future policies.

207. *Workers' Compensation*. Under the laws of the various jurisdictions in which they operate, the Debtors are required to maintain policies and programs to provide employees with workers' compensation benefits. The Debtors seek authorization to pay insurance policies relating to workers' compensation pursuant to the *Motion of Debtors for Entry of Interim and Final Orders Authorizing Debtors to Pay Prepetition Wages, Compensation, and Employee Benefits* (the "**Employee Motion**"), filed contemporaneously herewith. Further details regarding workers' compensation benefits provided by the Debtors and the related policies can be found in the Employee Motion.

208. I believe that the relief requested in the Insurance Motion is in the best interests of the Debtors, their creditors, and all other parties-in-interest.

D. Tax Motion

209. Pursuant to the Tax Motion, the Debtors seek entry of interim and final orders authorizing, but not directing, the Debtors to remit and pay certain taxes and other related obligations to various federal, state, county, city, and foreign taxing, licensing, and regulatory authorities (the "**Applicable Authorities**").

210. In the ordinary course of business, the Debtors incur (a) income taxes, (b) property taxes, (c) sales and use taxes, (d) franchise and regulatory taxes, and (e) foreign taxes (collectively, the "**Taxes and Assessments**"). The Debtors pay or remit the Taxes and Assessments as incurred, or monthly, quarterly, semiannually, or annually, to the Applicable Authorities, as required by applicable laws and regulation. A non-exclusive list of the Applicable Authorities is attached to the Tax Motion as **Exhibit C**. The Debtors were substantially current in the payment of assessed and undisputed Taxes and Assessments that

came due and payable prior to the Petition Date; however, certain Taxes and Assessments attributable to the prepetition period are not yet due. The Debtors estimate that approximately $760,670 of Taxes and Assessments relating to the prepetition period will become due and payable to the Applicable Authorities in the ordinary course of business in the next thirty (30) days (the "**Interim Period").**

211. *Income Taxes*. The Debtors are subject to income taxation by the federal government and certain state governments (collectively, "**Income Taxes**"). Nonetheless, because the Debtors are operating at a net loss for the prepetition period, the Debtors have little or no Income Tax liability as of the Petition Date. Out of an abundance of caution, however, the Debtors seek authority to pay any Income Taxes that come due during the Chapter 11 Cases, whether or not attributable to the prepetition period.

212. *Property Taxes*. Various state and local governments in U.S. jurisdictions where the Debtors operate have the authority to levy property taxes against the Debtors' owned and leased real property (the "**Property Taxes**"). The Debtors estimate the prepetition liability for Property Taxes to be approximately $787,480, $120,015 of which will become due and payable during the Interim Period.

213. *Sales and Use Taxes*. The Debtors collect and remit sales taxes to the Applicable Authorities in connection with the operation of their businesses and the sale and distribution of the Debtors' products (the "**Sales Taxes**"). The Debtors also incur use taxes when they purchase materials and services from a vendor that is not registered to collect sales taxes for the state where the product is delivered or the services are provided (the "**Use Taxes**"). The Debtors estimate the prepetition liability for Sales and Use Taxes to be approximately $320,000, all of which will become due and payable during the Interim Period.

214. *Franchise and Regulatory Taxes*. Certain states require the Debtors to pay state franchise taxes in order to conduct business within those states. In addition, laws and regulations in jurisdictions in which the Debtors operate require the Debtors to pay fees to obtain a range of licenses and permits from a number of different Applicable Authorities (together with the state franchise taxes, the "**Franchise and Regulatory Taxes**"). As of the Petition Date, the Debtors estimate prepetition liability for Franchise and Regulatory Taxes to be approximately $386,188, $305,000 of which will become due and payable during the Interim Period.

215. *Foreign Taxes*. In connection with the Debtors' foreign operations, the Debtors withhold and incur certain sales and use taxes, property taxes, income taxes, withholding taxes, and other business taxes (the "**Foreign Taxes**"). The timing and frequency of payment of the Foreign Taxes differs depending on the tax. The Debtors estimate the prepetition liability for Foreign Taxes to be approximately $24,316, $15,655 of which will become due and payable during the Interim Period.

216. *Business Taxes, Annual Reporting Fees, and Other Miscellaneous Taxes*. Certain jurisdictions require the Debtors to pay various business taxes, annual reporting fees, and other miscellaneous taxes and fees to remain in good standing in order to conduct business within the state (the "**Miscellaneous Fees and Business Taxes**"). The manner in which such fees and taxes are computed varies according to the law of the applicable jurisdiction. I have been advised that as the Miscellaneous Fees and Business Taxes come due, the Applicable Authorities to whom these Miscellaneous Fees and Business Taxes are owed may be entitled to a priority claim.

217. It is my understanding that a portion of the Taxes and Assessments constitute so-called trust fund obligations that the Debtors are required to collect from third parties and hold in

trust for payment to the taxing and regulatory authorities. I understand that the funds that would be used to pay the trust fund Taxes and Assessments are not property of the Debtors' estates.

218. I have also been advised that the nonpayment of certain of the Taxes and Assessments that constitute trust fund obligations and are not property of the Debtors' estates may result in personal liability for the Debtors' officers and directors. Efforts by the Applicable Authorities to collect such trust fund amounts would unnecessarily divert the Debtors' officers and directors from tasks relating to the restructuring and ongoing management of the Debtors' business.

219. Additionally, the Applicable Authorities may cause the Debtors to be audited if the Taxes and Assessments are not paid immediately. Such audits will unnecessarily diver the Debtors' attention away from the reorganization process and may cause expense and distraction in excess of the relatively minimal amount of the Taxes and Assessments. In all cases, I believe that the Debtors' failure to pay Taxes and Assessments could have an adverse impact on their ability to operate in the ordinary course of business.

E. Utilities Motion

220. Pursuant to the Utilities Motion, the Debtors seek entry of interim and final orders (a) approving the Debtors' proposed form of adequate assurance of postpetition payment (the "**Proposed Adequate Assurance**") to their utility providers (the "**Utility Companies**"), as that term is used in section 366 of the Bankruptcy Code; (b) approving procedures for resolving any objections by the Utility Companies relating to the Proposed Adequate Assurance; and (c) prohibiting the Utility Companies from altering, refusing, or discontinuing service to, or discriminating against, the Debtors.

221. In the ordinary course of business, the Debtors receive electricity, telephone, water, waste disposal, and similar utility products and services (the "**Utility Services**" giving rise

to the "**Utility Obligations**") from the Utility Companies. A list of the Debtors' Utility Services and the respective Utility Companies providing such services is attached as **Schedule 1** to the Interim Utilities Order (the "**Utility Company List**"), although the relief requested therein is not limited to those Utilities Companies identified on the Utility Company List. On average, prior to the Petition Date, the Debtors spent approximately $1,308,013 each month on account of the Utility Services.

222. The Debtors propose for the Utilities Companies the establishment of a newly-created, interest-bearing, segregated account (the "**Utility Deposit Account**") into which the Debtors will place a deposit (the "**Utility Deposit**") equal to approximately two weeks of Utility Services for each Utility Company on the Utility Company List, *provided, however*, that the Debtors propose no Utility Deposit for any Utility Company that already holds a deposit, prepayment, or surety bond equal to or greater than two weeks of Utility Services. I believe that the creation of the Utility Deposit Account and the additional procedures set forth in the Utilities Motion adequately protect the rights that I have been advised are provided to the Utility Companies under the Bankruptcy Code, while also protecting the Debtors' need to continue to receive, for the benefit of their estates, the Utility Services upon which Debtors' operations depend. The Debtors estimate that the Utility Deposits will total approximately $549,690.

223. I believe that any interruption in Utility Services, even for a brief period of time, would disrupt the Debtors' ability to continue operations. Such a result could potentially jeopardize the Debtors' ability to perform under their customer contracts and impair the Debtors' reorganization efforts and, ultimately, the value of the Debtors' business. In my opinion, it is critical that the Utility Services continue uninterrupted during the Chapter 11 Cases.

F. Shippers and Warehousemen Motion

224. Pursuant to the Shippers and Warehousemen Motion, the Debtors seek entry of interim and final orders (a) authorizing payment of certain prepetition claims of shippers, warehousemen, and other lien claimants and (b) authorizing payment of customs duties.

225. *Shippers*. In the ordinary course of business, the Debtors depend on third-party shippers, haulers, common carriers, truckers, ocean freight carriers, other transporters, freight forwarders, related shipping services, and logistics management companies (collectively, the "**Shippers**") to transport inventory and other goods (collectively, the "**Merchandise**") through the Debtors' domestic and international supply chain and distribution network.

226. The Debtors pay many Shippers directly and rely on a third-party logistics management company, TBL Services, Inc. ("**TBL**") to pay certain domestic Shippers.[39] TBL audits the invoices of certain domestic Shippers, monitors the Debtors' compliance with certain tax laws, and otherwise assists the Debtors manage the commercial relationship among the Debtors and their network of domestic Shippers. In the ordinary course of business, the Debtors pay TBL in connection with the services of certain domestic Shippers, and TBL disburses payment to such Shippers.

227. I believe that failure to pay the claims of Shippers (the "**Shipping Claims**") could result in costly delays and disruption to the Debtors' businesses and otherwise diminish the value of the Debtors' estates. I believe that to the extent the Debtors fail to pay the Shippers on a timely basis for charges incurred in connection with the transportation of the Merchandise, then the Shippers may refuse to deliver or release the Merchandise that is in the Shippers' possession until the Shippers' invoices are paid. Any disruption in the movement of Merchandise could

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[39] For the avoidance of doubt, TBL, as a logistics management company, is a "Shipper" for purposes of this Motion.

result in significant adverse consequences to the Debtors' business. Accordingly, the Debtors seek authority to pay Shippers for claims related to the transportation of Merchandise.

228. As of the Petition Date, the Debtors estimate that approximately $4.17 million is owed in the aggregate on account of prepetition Shipping Claims.

229. *Warehousemen*. In connection with the transport of the Debtors' Merchandise through their domestic and international supply chain and distribution network, the Debtors often rely on certain third-party warehousemen and warehousing services (the "**Warehousemen**") to temporarily store Merchandise with third-party storage facilities, transloading facilities, logistics providers and warehouses.

230. I believe that failure to pay the claims of Warehousemen (the "**Warehousing Claims**") could result in costly delays and disruption to the Debtors' businesses and otherwise diminish the value of the Debtors' estates. To the extent that the Debtors fail to pay the Warehousemen on a timely basis for charges incurred in connection with the storage of the Merchandise, I believe the Warehousemen may refuse to release the Merchandise that is in the Warehousemen's possession until the Warehousemen's invoices are paid. Failure to release the Merchandise has the potential to severely disrupt the Debtors' businesses to the detriment of the Debtors, their estates, and their stakeholders. Specifically, the Debtors will be unable to meet their customers' expectations of timely and dependable service that will lead to irreparable harm to the Debtors' businesses and revenue. Accordingly, the Debtors seek authority to pay Warehousemen for claims related to the storage of Merchandise.

231. As of the Petition Date, the Debtors estimate that approximately $263,000 is owed in the aggregate on account of prepetition Warehousing Claims.

232. Although the Debtors believe that the aggregate amount of unpaid Warehousing Claims is accurate, to the extent that additional amounts are found to be outstanding, the Debtors seek authority, but not direction, to pay such amounts, because any disruption in the movement of Merchandise could result in significant adverse consequences to the Debtors' business.

233. *Other Lien Claimants*. In addition to the Shippers and Warehousemen, the Debtors from time to time conduct business with a number of third-party service providers or contractors (collectively, the "**Lien Claimants**") who I believe may be permitted to assert statutory or possessory liens against the Debtors' equipment or facilities if the Debtors fail to pay the Lien Claimants for their services.[40] Many of the Lien Claimants are not required to perform future services, but rather perform work and related services on an order-by-order basis. To the extent that the Debtors do not pay the Lien Claimants on time, I believe the Lien Claimants could assert liens, including mechanic's liens, artisan's liens, materialman's liens, possessory liens, and other similar liens against the Debtors' property for the amounts owed (collectively, the "**Lien Claims**").

234. If the Debtors do not satisfy the Lien Claims, then I believe the Lien Claimants may refuse to provide services to the Debtors or may seek to enforce priority claims against the Debtors' chapter 11 estates on account of such claims. Because failure of any Lien Claimants to provide future services to the Debtors could result in significant adverse consequences to the Debtors' business, the Debtors seek authority to pay Lien Claims, regardless of whether such Lien Claimants have already perfected their interests.

[40] Examples of Lien Claimants include vendors who manufacture specialized equipment and parts for the Debtors and vendors who provide maintenance and repair services on the Debtors' specialized equipment.

235. As of the Petition Date, the Debtors do not believe that they owe anything on account of Lien Claims.

236. *Prepetition Customs Duties*. In the ordinary course of business, the Debtors import Merchandise from certain foreign vendors. Accordingly, the Debtors are required to pay customs duties and other similar obligations (the "**Customs Duties**", and together with the Shipping Claims, Warehousing Claims, and Lien Claims, the "**Possessory Claims**"). The Debtors pay directly Custom Duties owed to the United States and Canada, and the Debtors rely on a third party, Expeditors International, to pay all other Custom Duties owed. The Debtors pay approximately $16.75 million annually in Customs Duties.

237. In connection with Customs Duties owed to the United States and Canada, the Debtors post collateral in the form of surety bonds. The Debtors have posted a $1.7 million surety bond in connection with Customs Duties owed in the United States (the "**U.S. Surety Bond**") and a $180,000 surety bond in connection with Customs Duties owed in Canada (the "**Canadian Surety Bond**" and together with the U.S. Surety Bond, the "**Customs Bonds**"). For the 2021-2022 period, the Debtors paid Arch Insurance Company Harborside approximately $27,250 as consideration for the Customs Bonds. The U.S. Surety Bond will expire on June 6, 2022, and the Canadian Surety Bond will expire on November 11, 2022.

238. I believe that if the Debtors fail to pay, directly or indirectly, the Customs Duties on time, then shipments of Merchandise may be stopped in transit. I also believe that failure to receive imported Merchandise has the potential to severely disrupt the Debtors' businesses to the detriment of the Debtors, their estates, and their stakeholders. Specifically, I believe that if the Debtors are unable to meet their customers' expectations of timely and dependable service, then

the Debtors' customers may no longer conduct business with the Debtors, causing an irreparable harm to the Debtors' businesses and revenue.

239. As of the Petition Date, the Debtors estimate that approximately $1.25 million is owed in the aggregate on account of prepetition Customs Duties.

240. Accordingly, I believe that the relief requested in the Shippers and Warehousemen Motion is in the best interests of the Debtors, their creditors, and all other parties-in-interest.

G. Customer Programs Motion

241. Pursuant to the Customer Programs Motion, the Debtors seek entry of an interim order and a final order (i) authorizing, but not directing, the Debtors (a) to honor certain prepetition Customer Programs Obligations (defined below) and (b) to otherwise continue Customer Programs (defined below) and practices in the ordinary course of business, and (ii) granting related relief.

242. *The Debtors' Customers*. The Debtors primarily generate revenue from the sale of their products to a wide variety of customers (the "**Customers**"). The Customers include both independent wholesale flooring distributors, who resell the Debtors' products to retailers, builders, contractors, installers and others, as well as specialty retailers to whom the Debtors sell their products directly. In the commercial sector, the Debtors' Customers include subcontractors' alliances, large architectural firms, large design firms and majority facility owners in the Debtors' focus segments. In the North American retail channel, which sells to end-users in the residential and light commercial segments, the Debtors' Customers include several national home centers and flooring retailers. Additionally, the Debtors sell their products to major home builders and retail buying groups in the North American residential sector.

243. *The Customer Programs*. As is customary in their industry, the Debtors, prior to the Petition Date and in the ordinary course of their businesses, maintained certain customer programs and related practices (collectively, the "**Customer Programs**", and the cash and performance-based obligations thereunder, the "**Customer Programs Obligations**") that are designed to (a) attract and retain Customers, (b) develop and sustain a positive reputation in the marketplace for the Debtors' products, (c) ensure customer satisfaction, (d) engender customer loyalty, and (e) meet competitive market pressures. I believe the Customer Programs are critical to the Debtors' ongoing operations and the preservation and maximization of stakeholder value.

244. The Debtors generate goodwill through the Customer Programs and the satisfaction of their Customer Programs Obligations, thereby allowing the Debtors to not only retain their current Customers, but also to attract new ones. In addition, some of the Debtors' prepetition Customer Programs Obligations do not require the expenditure of cash. I believe it is essential and in the best interests of the Debtors, their estates, and their creditors that the Debtors be permitted to honor their prepetition Customer Programs Obligations and to continue the Customer Programs in the ordinary course of their businesses.

245. As described in greater detail below, the Debtors' Customer Programs are common in the Debtors' industry. Indeed, the Debtors believe that most major flooring manufacturing companies, including many of the Debtors' competitors, employ similar customer programs. Therefore, if the Debtors are to stay competitive, it is critical that the Debtors be authorized, in their business judgment, to continue the Customer Programs and to honor the prepetition Customer Programs Obligations associated therewith. The following are general descriptions and examples of the Debtors' principal Customer Programs.

246. *Rebate Program*. In the ordinary course of business, the Debtors offer certain volume and growth-based rebates and other signing discounts (the "**Rebate Program**") to Customers to incentivize Customers to purchase additional goods from the Debtors, engender customer loyalty, and compete effectively in an industry where such practices are standard. The Debtors offer three main types of rebates: (1) commercial and residential rebates, (2) strategic accounts (i.e., "big box") rebates, and (3) marketing program (i.e., one time) rebates. The circumstances under which a Customer is entitled to a rebate are determined by the terms of that Customer's contract, and thus vary from Customer to Customer. However, the rebates usually include tiered incentives based on the level of the Customers' purchases. The Debtors maintain a reserve to account for claims incurred under the Rebate Program. The Debtors estimate that approximately $5.5 million in accrued and unsatisfied Customer Programs Obligations related to the Rebate Program exist, approximately $950,000 of which will come due in the interim period. Most obligations arising from the Rebate Program are settled via cash.

247. I believe that the Debtors' ability to continue fulfilling their obligations under the Rebate Program is an essential element of the Debtors' business, and a key component of the Debtors' relationships with their Customers. Should the Debtors fail to honor their obligations under the Rebate Programs, satisfaction of Customers will be jeopardized, potentially resulting in the loss of Customers to competitors providing similar products.

248. *Warranty Program.* In the ordinary course of business, the Debtors provide direct Customer and end-user warranties and accommodations (the "**Warranty Program**") for their products. Under the Warranty Program, the Debtors agree to maintain certain standards with respect to the quality of their products. The warranties vary by type of product, but generally cover manufacturing defects that would prevent the product from performing in line with its

intended and marketed use. The terms of the warranties range up to thirty years (limited lifetime) and provide for the repair or replacement of the defective product, including limited labor costs.

249. The Debtors maintain a reserve to account for claims incurred under the Warranty Program.

250. The Debtors estimate that there is potential liability of approximately $12.2 million related to the Warranty Program, (inclusive of potential obligations arising under the Warranty Program that are recorded for accounting purposes, but have not yet been, and may never be, reported). Of that amount, the Debtors have both verified and agreed to pay approximately $3.1 in Customer Programs Obligations related to the Warranty Program. Approximately 10% of the Warranty Program obligations are settled in cash, while approximately 90% of such obligations are settled via replacement product or are netted against accounts receivable. Therefore, the Debtors estimate the cash outlay associated with accrued but outstanding Customer Programs Obligations under the Warranty Program to be approximately $310,000.

251. The Debtors' ability to continue serving their Customers and meeting their expectations depends upon the Debtors' ability to offer and effectively operate the Warranty Program in the ordinary course of their businesses.

252. *Early Pay Discounts*. The Debtors offer select Customers discounts if the Customer pays within a certain time period before the expiration of the Customer's applicable payment terms (the "**Early Pay Discounts**"). The Early Pay Discounts are consistent with customary industry practice and incentivize Customers to promptly pay outstanding invoices, thereby increasing Debtors' available liquidity. I believe that refusing to honor the Early Pay

Discounts would engender ill will among the Debtors' Customers and ultimately would erode the Debtors' Customer base. The Debtors estimate that, as of the Petition Date, there were approximately $221,000 in accrued Early Pay Discounts as of March 31, 2022. However, all Early Pay Discounts are netted against the Debtors' accounts receivable. Therefore, there is no cash outlay associated with the Early Pay Discounts.

253. *File Backs.* In the ordinary course of business, in order to increase the sale of product, the Debtors allow certain distributors to sell the Debtors' products at a discount and reimburse the Debtors for the difference (the "**File Backs**"). For example, if a distributor typically sells a product for $2.00 per square foot, the Debtors may authorize such distributor to sell the product for $1.90 per square foot to increase sales of that product. The distributor then has 60-90 days to "files back" and the Debtors reimburse them for the $0.10 they lost on the sale in approximately 1-2 weeks. File Backs are currently being phased out by the Company, but the liability still exists. Based on what inventory the Debtors' distributors currently have on hand, the Debtors estimate that approximately $4.8 million in incurred but not reported obligations related to the File Backs *may* exist. However, the Debtors estimate that approximately $2.1 million of that amount are actually accrued and outstanding Customer Programs Obligations as of the Petition Date. All Customer Program Obligations related to the File Backs are settled as credits to accounts receivable; therefore, there is no cash outlay associated with the File Backs. The Debtors seek authorization to honor all File Backs in the ordinary course of their business, including those related to both prepetition and postpetition sales.

254. *Sales Returns*. In the ordinary course of business, the Company allows certain Customers to return unopened product (the "**Sales Return Program**"). Like with their other Customer Programs, the Debtors fund a reserve to account for claims under the Sales Return

Program. The Debtors estimate that there was a liability of approximately $1.05 million related to the Sales Return Program as of March 31, 2022. However, most obligations related to the Sales Return Program are settled via replacement product or netted against the Debtors' accounts receivable, with a smaller portion of the obligations settled in cash; therefore, the Debtors expect the cash outlay on account of Customer Program Obligations related to the Sales Return Program to be significantly less than $1.05 million.

255. I believe that the relief requested in the Customer Programs Motion is in the best interests of the Debtors, their creditors, and all other parties-in-interest.

H. DIP/Use of Cash Collateral Motion

256. Pursuant to the DIP/Use of Cash Collateral Motion, the Debtors seek entry of an interim order and a final order (i) authorizing the Debtors to obtain postpetition senior secured priming financing and to use Cash Collateral, (ii) granting liens and superpriority administrative expense claims, (iii) granting adequate protection, (iv) modifying the automatic stay, (v) scheduling a final hearing, and (vi) granting related relief.

257. The Debtors require immediate access to liquidity to ensure that they are able to continue operating during these Chapter 11 Cases and preserve the value of their estates for the benefit of all stakeholders. As of the Petition Date, the Debtors' total cash balance was approximately $2.3 million, which is insufficient to operate their enterprise and continue paying their debts as they come due. Without prompt access to postpetition financing and to Cash Collateral, the Debtors will be unable to continue to pay vendors and administer these Chapter 11 Cases, causing immediate and irreparable harm to the value of the Debtors' estates to the detriment of all stakeholders.

258. The Debtors, in consultation with their proposed financial advisor, Riveron, prepared a budget forecasting the Debtors' postpetition cash needs in the initial weeks of these

cases (the "**Approved Budget**"). The Approved Budget forecasts, among other things, (i) cash receipts of the Debtors, (ii) cash operating disbursements of the Debtors, and (iii) non-operating, bankruptcy-related cash disbursements of the Debtors. The Debtors believe that the Approved Budget and their projections provide an accurate reflection of their funding requirements over the initial weeks of these cases, will allow them to meet their obligations—including the administrative expenses of the Chapter 11 Cases—and are reasonable and appropriate under the circumstances.

259. The Debtors relied on the forecasts in the Approved Budget to determine the amount of postpetition financing required to administer these Chapter 11 Cases. As reflected in the Approved Budget, use of Cash Collateral alone will be insufficient to fund these Chapter 11 Cases. Accordingly, the Debtors are seeking authorization to obtain DIP financing in the amount of $30 million to be provided by JMB Capital Partners Lending, LLC (the "**DIP Facility**").

260. To preserve and maximize value for all of the Debtors' stakeholders, it is essential that the Company continue to operate, as far as possible, in the ordinary course until the completion of the sale process, which the Debtors and the DIP Lenders propose to occur by 50 days after the Petition Date (subject to extension by the Debtors upon the satisfaction of certain conditions). Continued ordinary-course operations (including manufacturing, purchases of sourced products, and sales of products) are essential to the success of these Chapter 11 Cases for two reasons.

261. First, quite simply, to have any possibility of attracting a going-concern buyer, the Company must continue as a going concern through the anticipated sale closing date, seamlessly maintaining its valuable relationships with its vendors, customers, and employees.

262. Second, the largest single source of value for the Company's creditors are its North American assets, which include machinery and equipment, inventory, intellectual property, accounts receivable, and real estate. The Company has received a letter of intent from an interested bidder (the "**Interested Bidder**") to purchase the Company's North American assets for a substantial amount at the conclusion of the 50-day sale process.

263. In order to meet conditions in the Interested Bidder's proposal, it is necessary for the Company to continue purchasing raw materials, manufacturing new inventory at its plants, selling already finished goods, and collecting receivables in the ordinary course through the anticipated closing date.

264. If the Company ceases operations or materially curtails manufacturing, sales, and collections prior to anticipated sale closing at Day 50, the conditions to the Interested Bidder proposal will not be met, with the result that the Interested Bidder's offer would likely be subject to a material price adjustment, if not entirely lost. Further, the Company's value as a going concern will be destroyed or impaired, thus eliminating the prospect that any other buyer would bid at a value-maximizing price.

265. As reflected in the Approved Budget calculated by Riveron in consultation with Company management, the Company requires approximately $25-30 million in post-petition DIP financing to continue operating in the ordinary course through an anticipated sale closing by Day 50. The DIP Facility provided by the DIP Lenders meets that requirement, by providing up to $30 million in DIP financing, $20 million of which would be available upon entry of the proposed Interim DIP Order, and the remainder would be available upon entry of a Final DIP Order. At that $30 million level, the Company would have sufficient cash with some cushion to run and complete a going-concern sale process, and thereby ensure the contemplated asset values

are preserved for the Interested Bidder bid and for potential superior bidders that may emerge in an orderly sale process.

266. The Company and Riveron closely analyzed whether maintaining the Company's ordinary course operations would be possible at a $20 million level of postpetition funding and, if not, what cuts to operations would have to be made and what the likely consequences would be. To operate within a $20 million DIP amount or less would require plant closures and limitations on inventory purchases, impacting the Company's ability to preserve the value in the Interested Bidder bid and to provide for a competitive process to that bid.

267. Specifically, under a DIP budget with only $20 million in postpetition funding, the Company would be required both to cease purchasing finished goods from its Chinese suppliers (including, in part, the Company's Chinese subsidiary) and to refuse to take delivery of and pay for finished goods already ordered and in transit. That required stop-gap measure would have both immediate and long-lasting impact on the Company's going-concern value. First, it would significantly reduce available inventory and accounts receivable as of the projected auction at Day 45. Second, combined with cessation of new orders, it would create significant supply chain gaps, further impairing going-concern value. Third, refusing to pay overseas suppliers for goods already ordered and in transit and refusing to pay associated charges to our freight handlers (as would be required in this scenario) would cause long-term or permanent damage to the Company's relationship with critical vendors, substantially impairing the long-term value of the Company as a going concern.

268. Based on the Company's and Riveron's analysis, the value destroyed by taking cost-cutting measures required by a $20 million DIP budget would, I believe, substantially

reduce the amount that the Interested Bidder or a going-concern bidder would be willing to offer, if they continued to be interested at all.

269. The DIP Facility and use of Cash Collateral are critical to the Debtors' ability to smoothly operate postpetition, including by providing sufficient liquidity to fund the administrative cost of these Chapter 11 Cases. Thus, the Debtors believe that the DIP Facility and use of Cash Collateral will enable them to fund these payments and continue the going-concern sale process postpetition.

270. With insufficient cash on hand, the Debtors require interim approval of the DIP Facility to obtain access to mission-critical financing. This interim approval would provide the Debtors with access to DIP financing in an amount of $20,000,000. Absent the immediate relief requested by this Motion, the Debtors face a material risk of substantial, irreparable, and ongoing harm.

271. I believe that the relief requested in the DIP/Use of Cash Collateral Motion is in the best interests of the Debtors, their creditors, and all other parties-in-interest.

I. Critical Vendors Motion

272. Pursuant to the Critical Vendors Motion, the Debtors seek entry of interim and final orders authorizing payment of prepetition claims of critical vendors, certain foreign vendors, and certain other claimants.

273. *The Critical Vendors*. In the course of designing, manufacturing, sourcing, and selling flooring products across North America and the Pacific Rim, the Debtors depend on an international network of vendors to provide raw materials, custom packaging, specialized machinery, spare parts, and traded finished goods. The vendors supplying specialized equipment, materials, and services (the "**Critical Vendors**") are integral to the Debtors' ability to operate and provide a continuous flow of products to the Debtors' current customers.

274. To maximize the value of the Debtors' estates for all stakeholders—and to mitigate the risk of cascading disruption to the businesses of their customers—the Debtors have an immediate need to continue designing, manufacturing, sourcing, and selling their diverse line of products to the Debtors' current customers.

275. To identify the Critical Vendors, I, in consultation with other members of the Debtors' management, the employees most familiar with the Debtors' vendors, and the Debtors' advisors, closely reviewed the Debtors' accounts payable and prepetition vendor list to identify those vendors that are most critical to the Debtors' operations. The criteria we considered in identifying the Critical Vendors (the "**Critical Vendor Criteria**") included:

(a) whether a vendor is a sole- or limited-source supplier of certain goods, materials, or other services for use in the Debtors' business;

(b) whether alternative vendors are available that can provide requisite volumes, specifications, customization, and expedited delivery of similar goods or services on equal (or better) terms and, if so, whether the Debtors would be able to continue operations without interruption while transitioning business thereto;

(c) the degree to which replacement costs (including pricing, transition expenses, professional fees, and lost sales or future revenue) exceed the amount of a vendor's prepetition claim;

(d) whether an agreement exists by which the Debtors could compel a vendor to continue performing on prepetition terms;

(e) whether certain regulations, specifications, customization, location, or other relevant characteristics of ongoing operations prevent the Debtors from obtaining goods or services from alternative sources; and

(f) whether an amount less than the full amount of a vendor's claim could induce continued provision of the applicable goods or services.

276. Utilizing the Critical Vendor Criteria, we identified 37 vendors as Critical Vendors. The Critical Vendors we identified provide essential goods and services to the Debtors' business in the following categories, each of which is critical to the continuing

operation of the Debtors' businesses: (i) suppliers of raw materials and other manufacturing inputs; (ii) providers of machinery, equipment, and component parts; (iii) suppliers of packing materials and other non-merchandise goods; (iv) providers of technical support in connection with the Debtors' facilities and other critical services; and (v) suppliers of traded finished goods (collectively, the "**Critical Goods and Services**").

277. Additionally, the Critical Vendors are those that provide goods and services contributing to the Debtors' ability to provide goods and services that are in turn critical to the businesses of the Debtors' customers. Approximately 75% of the Debtors' consolidated net sales are to distributors; to the extent that the Debtors cannot provide finished goods to the distributors, the distributors cannot resell the Debtors' goods to retail customers. I believe that any disruption to the Debtors' operations is likely to ripple through the supply chain, negatively impacting the revenue of the Debtors' downstream customers. Moreover, I believe that any disruption in the Debtors' distribution network would likely have an adverse effect on their customers' willingness to conduct business with the Debtors in the future, thereby impacting future cash flow, profitability, the sale process, and the ability of the Debtors to successfully reorganize.

278. The Debtors' trade relationships with their Critical Vendors are not generally governed by long-term contracts. However, there are certain vendors who have contractual obligations to continue supplying the Debtors notwithstanding an outstanding prepetition balance, that may threaten to or stop shipment of or supply of critical goods or services (collectively, the "**Contract Counterparties**"). I believe that to the extent the Debtors are unable to pay the Critical Vendor Claims or Contract Counterparties, the Debtors' trade

relationships may materially deteriorate, thereby disrupting the Debtors' operations and jeopardize the Debtors' sale process.

279. *The Critical Vendor Claims*. As of the Petition Date, based on the Debtors' books and records, the Debtors estimate that they have outstanding trade payables totaling approximately $75.52 million. The Critical Vendors identified by the Debtors represent less than 18% of total outstanding trade accounts payable as of the Petition Date

280. *Foreign Vendor Claims*. The Debtors operate manufacturing facilities in Australia and China. As a result, the Debtors rely on a number of vendors and service providers that are not U.S.-based, and who are not familiar with U.S. bankruptcy law or principles. Many of these foreign vendors (the "**Foreign Vendors**" and their claims against the Debtors, the "**Foreign Vendor Claims**") do not speak English as their native language. Based on my experience and the experience of other personnel with certain of these Foreign Vendors, I believe that many of the Foreign Vendors may not be comfortable with, understand, or feel themselves bound by, orders of a U.S. bankruptcy court.

281. I believe there is a material risk that the Foreign Vendors holding claims against the Debtors may disregard the automatic stay and engage in conduct that disrupts the Debtors' operations, or may simply be confused by the chapter 11 process, particularly in those countries with liquidation oriented insolvency procedures. Additionally, I believe that Foreign Vendors may exercise self-help, which could include shutting down the Debtors' access to essential goods, services, and utilities. In such cases, the Debtors would have limited, if any, effective and timely recourse and no practical ability to remedy this situation or, most importantly, the ability to replace these Foreign Vendors (absent payment of amounts sought), and the Company's

business could be irreparably harmed. Even a temporary disruption in the Debtors' supply chain would have a negative effect on the operation of the Debtors' business.

282. For the 12 months prior to the Petition Date, the Debtors' average monthly payment to the Foreign Vendors was approximately $4.18 million. As of the Petition Date, the Debtors estimate that approximately $13.36 million in Foreign Vendor Claims are outstanding and that approximately $16.33 million will come due during the interim period before entry of the Final Order.

283. *Contract Counterparty Claims*. I anticipate that some Contract Counterparties may take aggressive positions and refuse to perform unless the Debtors first satisfy their prepetition claims.

284. Consistent with the Debtors' DIP budget, the Debtors are seeking authorization to pay the Critical Vendor Claims, Foreign Vendor Claims, and Contract Counterparty Claims in an amount not to exceed $9 million on an interim basis, and in the aggregate amount not to exceed $14 million on a final basis. I believe the payment of these parties up to the Interim Cap Amount and Final Cap Amount, as applicable, is necessary to allow the Debtors to continue operating in the ordinary course as they pursue a value-maximizing transaction and is appropriate in light of the scrutiny of the Debtors in applying the Critical Vendor Criteria.

285. Accordingly, I believe that the relief requested in the Critical Vendors Motion is in the best interests of the Debtors, their creditors, and all other parties-in-interest.

J. Foreign Representative Motion

286. I understand that Debtor Armstrong Flooring Canada Ltd. ("**AFI Canada**") is a corporation incorporated under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, with a registered officer in Mississauga, Ontario, Canada. I understand that AFI Canada, as the proposed Foreign Representative (as defined herein), will shortly seek ancillary relief in Canada

on behalf of its estate in a court of proper jurisdiction in Ontario, Canada (the "**Canadian Court**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) R.S.C. 1985, c. C-36 (as amended, the "**CCAA**"). I have been advised by counsel that the purpose of the ancillary proceeding (the "**Canadian Proceeding**") is to request that the Canadian Court recognize these Chapter 11 Cases as a "foreign main proceeding" under the applicable provisions of the CCAA to, among other things, protect AFI Canada's interests—as well as the interests of any putative creditors—in Canada. I understand that AFI Canada has Canadian assets or operations, and the Debtors seek to ensure that potential Canadian parties-in-interest have the opportunity to be heard in a convenient forum, and further, to ensure coordination and consistency as between these proceedings and the Canadian Proceeding.

287. I understand that, to commence the Canadian Proceeding, AFI Canada requires authority for a person or body to act as the foreign representative on behalf of its estate (the "**Foreign Representative**") in connection with the Canadian proceeding. If the order is granted, AFI Canada will be able to file the order with the Canadian Court as the instrument authorizing AFI Canada to act as the Foreign Representative pursuant to the CCAA. I believe that authorizing AFI Canada to act as the Foreign Representative on behalf of its estate in the Canadian Proceeding will allow for coordination between these chapter 11 cases and the Canadian Proceeding, and provide an effective mechanism to protect and maximize the value of the AFI Canada's assets and estate.

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Dated: Wilmington, Delaware
May 9, 2022

By: *_/s/ Michel S. Vermette_*
Name: Michel S. Vermette
Title: President and Chief Executive Officer
Armstrong Flooring, Inc.

EXHIBIT A

Corporate Organizational Chart

EXHIBIT B

List of Papers Seeking First-Day Relief

1. Application of Debtors for Entry of an Order Appointing Epiq Bankruptcy Solutions, LLC as Claims and Noticing Agent Pursuant to 28 U.S.C. Section 156(c), 11 U.S.C. § 105(a), Bankruptcy Rule 2002(f), and Del. Bankr. L.R. 2002-1(f)

2. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Claims of (a) Critical Vendors, (b) Foreign Vendors, and (c) Section 503(b)(9) Claimants, and (II) Granting Related Relief

3. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to Pay Certain Prepetition Claims of Shippers, Warehousemen, and Other Lien Claimants (II) Authorizing Debtors to Pay Prepetition Customs Duties, and (III) Granting Related Relief

4. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Continued Use of Existing Cash Management System, Bank Accounts, and Business Forms; (II) Modifying Certain Requirements of 11 U.S.C. Section 345(b); and (III) Authorizing Continuance of Intercompany Transactions and Honoring Certain Related Prepetition Obligations

5. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Secured Priming Financing Pursuant and to Use Cash Collateral; (II) Granting Liens and Superpriority Administrative Expense Claims; (III) Granting Adequate Protection; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief

6. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Honor Certain Prepetition Obligations to Customers and Continue Certain Customer Programs in the Ordinary Course of Business; and (II) Granting Related Relief

7. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Pay Certain Prepetition Employee Obligations and (B) Continue Employee Benefits Programs and (II) Granting Related Relief

8. Motion of Debtors for Entry of Order (I) Directing Joint Administration of Cases and (II) Waiving Requirements of Bankruptcy Code Section 342(c)(1) and Bankruptcy Rules 1005 and 2002(n)

9. Motion of Debtors for Entry of Order (I) Authorizing Debtors to (A) File a Consolidated Creditor Matrix in Lieu of Submitting a Separate Creditor Matrix for Each Debtor; (B) File a Consolidated List of Top 30 Largest Unsecured Creditors; and (II) Granting Related Relief

10. Motion of Debtors for Entry of an Order Authorizing the Debtors to File Under Seal Portions of Their Creditor Matrix and Other Filings Containing Employee Addresses

11. Motion of Debtors for Entry of Interim and Final Orders Authorizing Debtors to (I) Maintain Existing Insurance Policies and Pay All Insurance Obligations Arising Thereunder; (II) Continue to Honor Premium Financing Obligations; and (III) Renew, Revise, Extend, Supplement, Change, or Enter Into New Insurance Policies and Insurance Premium Financing Agreements

12. Motion of Debtors for Entry of Interim and Final Orders Authorizing Debtors to Pay Certain Prepetition Taxes and Related Obligations

13. Motion of Debtors for Entry of Interim and Final Orders (I) Approving Debtors' Proposed Form of Adequate Assurance of Payment; (II) Establishing Procedures for Resolving Objections by Utility Companies; and (III) Prohibiting Utility Companies from Altering, Refusing, Or Discontinuing Service

14. Motion of Debtors Pursuant to 11 U.S.C. Section 1505 for Entry of an Order Authorizing Armstrong Flooring Canada Ltd. to Act as Foreign Representative on Behalf of the Debtors' Estates

THIS IS EXHIBIT “D” TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26^{TH} DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AFFIDAVIT OF MICHEL S. VERMETTE
(Sworn June 1, 2022)

I, **MICHEL S. VERMETTE**, of the City of Lancaster in the Commonwealth of Pennsylvania, **MAKE OATH AND SAY** as follows:

1. I am the President and Chief Executive Officer of Armstrong Flooring, Inc. ("**AFI**"), a company with its head office located at 1770 Hempstead Road, Lancaster, Pennsylvania and its affiliated companies, which are the Debtors (as defined below) in these proceedings, and as such have personal knowledge of the matters deposed to in this Affidavit, or where I do not possess such personal knowledge, I have stated the source of my information, and in all such cases I believe that both the information and the resulting statement to be true.

2. I joined AFI in September 2019. As a result of my tenure as Chief Executive Officer of AFI, my review of relevant documents and my discussions with other members of AFI's management team, I am familiar with the Debtors' (as defined below) day-to-day operations, business affairs and books and records.

INTRODUCTION

3. On May 8, 2022 (the "**Filing Date**"), AFI, AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd. (collectively, the "**Debtors**" or "**AFI Group**") filed voluntary petitions for relief pursuant to Chapter 11 of Title 11 ("**Chapter 11**") of the United States Code (the "**US Code**") (collectively, the "**Petitions**" and each a "**Petition**") with the United States Bankruptcy Court for the District of Delaware (the "**US Court**"). Attached hereto and marked as **Exhibit "A"** is a true copy of the filed Petitions. The Debtors requested that the Petitions be jointly administered for procedural purposes only.

4. As of the date of this Affidavit, I am not aware of any other insolvency proceedings involving the AFI Group, other than the proceedings before the US Court commenced by the Petitions (the "**US Proceedings**") and these proceedings.

5. In support of the Petitions, I caused to be filed with the US Court a declaration (the "**First Day Declaration**"). The First Day Declaration sets out in greater detail, among other things, the history of the AFI Group and the present challenges leading to the US Proceedings. All capitalized terms herein not otherwise defined shall have the same meaning ascribed to them in the First Day Declaration. Attached hereto and marked as **Exhibit "B"** is a true copy of the First Day Declaration.

6. The AFI Group has determined that value for the creditors will be maximized by commencing the US Proceedings and pursuing all restructuring options available to the AFI Group, including a possible sale of the AFI Group's assets, pursuant to Section 363 of the US Code.

7. This Affidavit is made in support of an application by Armstrong Flooring Canada Ltd. ("**AFI Canada**"), in its capacity as foreign representative of the AFI Group, pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**"), for orders granting certain relief, including, *inter alia*:

(a) abridging the time for service of the materials such that this application is properly returnable on the date set for a hearing;

(b) declaring that AFI Canada is a "foreign representative" as defined in section 45 of the CCAA in respect of the jointly administered insolvency proceedings;

(c) recognizing the US Proceedings under Chapter 11 of the US Code and declaring the US Proceedings as a foreign main proceeding with respect to each member of the AFI Group, including AFI Canada;

(d) recognizing and enforcing certain orders (as set out below) of the US Court made in the US Proceedings;

(e) staying all proceedings that might be taken against the AFI Group under the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3, as amended, or the *Winding-Up and Restructuring Act*, R.S.C. 1985, c. W-11, as amended;

(f) restraining further proceedings and any action, suit or proceeding against the AFI Group;

(g) prohibiting the commencement of any action, suit or proceeding against the AFI Group;

(h) granting a Court-ordered charge, namely the Administration Charge (as defined below) to a maximum of CDN$300,000; and

(i) appointing Grant Thornton Limited ("**GTL**") as information officer (the "**Information Officer**") in these proceedings.

THE FIRST DAY MOTIONS

8. As part of the first day motions (the "**First Day Motions**") that were heard by the US Court on May 11, 2022, which hearing was continued on May 13, 2022 and May 17, 2022, the US Court made several orders (collectively, the "**First Day Orders**"). The First Day Orders made by the US Court include, *inter alia:*

(a) an Order dated May 11, 2022 Pursuant to 11 U.S.C. § 1505 Authorizing AFI Canada to Act as the Foreign Representative on Behalf of the of the Debtors'

Estates, which is attached hereto and marked as **Exhibit "C"** (the "**Foreign Representative Order**");

(b) an Order dated May 11, 2022 Authorizing Retention and Appointment of Epiq Corporate Restructuring, LLC ("**Epiq**") as Claims and Noticing Agent Pursuant to 28 U.S.C. § 156(c), 11 U.S.C § 105(a), Bankruptcy Rule 2002(f), and Del. Bankr. L.R. 2002-1(f), *Nunc Pro Tunc* to the Petition Date, which is attached hereto and marked as **Exhibit "D"** (the "**Claims and Noticing Agent Order**");

(c) an Interim Order dated May 17, 2022 (I) Authorizing the Debtors to Pay Certain Prepetition Claims of (a) Critical Vendors and (b) Foreign Vendors, (II) Authorizing Provisional Payment to Certain Contract Counterparties, and (III) Granting Related Relief, which is attached hereto and marked as **Exhibit "E"** (the "**Critical and Foreign Vendors Order**");

(d) an Interim Order dated May 12, 2022 (I) Authorizing Debtors to Pay Certain Prepetition Claims of Shippers, Warehousemen, and Other Lien Claimants (II) Authorizing Debtors to Pay Prepetition Customs Duties, and (III) Granting Related Relief, which is attached hereto and marked as **Exhibit "F"** (the "**Shippers and Warehousemen Order**");

(e) an Interim Order dated May 11, 2022 (I) Authorizing the Debtors to Honor Certain Prepetition Obligations to Customers and Continue Certain Customer Programs in the Ordinary Course of Business; and (II) Granting Related Relief, which is attached hereto and marked as **Exhibit "G"** (the "**Customer Program Order**");

(f) an Interim Order dated May 11, 2022 (I) Authorizing Debtors to (A) Pay Certain Prepetition Employee Obligations and (B) Continue Employee Benefits Programs and (II) Granting Related Relief, which is attached hereto and marked as **Exhibit "H"** (the "**Employees and Benefits Order**");

(g) an Order dated May 11, 2022 (I) Directing Joint Administration of Cases and (II) Waiving Requirements of Bankruptcy Code Section 342(c)(1) and Bankruptcy

Rules 1005 and 2002(n), which is attached hereto and marked as **Exhibit "I"** (the "**Joint Administration Order**");

(h) an Order dated May 12, 2022 *Nunc Pro Tunc* to the Petition Date (I) Authorizing Debtors to (A) File a Consolidated Creditor Matrix in Lieu of Submitting a Separate Creditor Matrix for Each Debtor; (B) File a Consolidated List of Top 30 Largest Unsecured Creditors; and (II) Granting Related Relief, which is attached hereto and marked as **Exhibit "J"** (the "**Creditor Listing Order**");

(i) an Order dated May 11, 2022 Authorizing the Debtors to File Under Seal Portions of Their Creditor Matrix and Other Filings Containing Employee Addresses, which is attached hereto and marked as **Exhibit "K"** (the "**Sealing Order**");

(j) an Interim Order dated May 12, 2022 Authorizing Debtors to (I) Maintain Existing Insurance Policies and Pay All Insurance Obligations Arising Thereunder; (II) Continue to Honor Premium Financing Obligations; and (III) Renew, Revise, Extend, Supplement, Change, or Enter Into New Insurance Policies and Insurance Premium Financing Agreements, which is attached hereto and marked as **Exhibit "L"** (the "**Insurance Order")**;

(k) an Interim Order dated May 11, 2022 Authorizing Debtors to Pay Certain Prepetition Taxes and Related Obligations, which is attached hereto and marked as **Exhibit "M"** (the "**Taxes Order**");

(l) an Interim Order dated May 11, 2022 (I) Approving Debtors' Proposed Form of Adequate Assurance of Payment; (II) Establishing Procedures for Resolving Objections by Utility Companies; and (III) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Service, which is attached hereto and marked as **Exhibit "N"** (the "**Utilities Order**");

(m) an Interim Order dated May 11, 2022 (I) Authorizing Continued Use of Existing Cash Management System, Bank Accounts, and Business Forms and Payment of Related Prepetition Obligations; (II) Modifying Certain Deposit Requirements and (III) Authorizing Continuance of Intercompany Transactions and Honoring

Certain Related Prepetition Obligations, which is attached hereto and marked as **Exhibit "O"** (the "**Cash Management Order**"); and

(n) an Interim Order dated May 17, 2022 Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503 and 507 (I) Authorizing the Debtors to Obtain Senior Secured Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Administrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing Use of Cash Collateral; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief, which is attached hereto and marked as **Exhibit "P"** (the "**Interim DIP Financing Order**").

FOREIGN REPRESENTATIVE ORDER AND THE JOINT ADMINISTRATION ORDER

9. The US Court made the Foreign Representative Order appointing AFI Canada as the foreign representative of the AFI Group to, among other things, seek recognition of the US Proceedings in Canada. Pursuant to the Foreign Representative Order, the US Court requested the assistance of the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") in aiding and supporting the US Proceedings.

10. Pursuant to the Joint Administration Order, the US Court directed that the Chapter 11 cases of each member of the AFI Group would be administered jointly, including, directing the joint administration of the Chapter 11 Cases (as defined below) for procedural purposes only.

11. In granting the Foreign Representative Order and the Joint Administration Order, the US Court was satisfied that each order was necessary for the US Proceedings and the efficient administration of the US Proceedings. AFI Canada seeks recognition of the Foreign Representative Order and the Joint Administration Order, so that these proceedings can be managed efficiently and in a manner consistent with the US Proceedings.

CREDITOR LISTING ORDER

12. The Debtors, working together with their notice and claims agent, prepared a single, consolidated list of the Debtors' creditors in electronic format. The Debtors are prepared to make the Creditor Matrix available in electronic form to any party in interest who so requests (or in non-electronic form at such requesting party's sole cost and expense) in lieu of submitting a mailing matrix to the clerk of the US Court.

13. If a creditors' committee is ultimately deemed appropriate, I believe that a list of the Debtors' 30 largest creditors will be sufficient to aid in the United States Trustee's (the "**U.S. Trustee**") appointment of a creditors' committee. Compiling separate lists for each Debtor would consume a substantial amount of the Debtors' limited time and resources, with little, if any, attendant value to the Debtors' estates or the U.S. Trustee.

14. In making the Creditor Listing Order, the US Court was satisfied that permitting the AFI Group to maintain a single consolidated list of creditors (the "**Creditor Matrix**"), in lieu of filing a separate creditor matrix for each Debtor, was warranted and that requiring the Debtors to segregate and convert their computerized records to a Debtor-specific creditor matrix format would be unnecessarily burdensome, and would likely result in confusing and duplicative notices.

ORDER TO FILE UNDER SEAL PORTIONS OF THE CREDITOR MATRIX AND OTHER FILINGS

15. The US Court made a Sealing Order authorizing the Debtors to (a) file under seal portions of the Creditor Matrix and other filings, including schedules of assets and liabilities, statements of financial affairs, and affidavits of service, containing the Debtors' employees' home addresses (collectively, the "**Sealed Filings**"); (b) file a redacted version of the Sealed Filings, with "Address on File" in place of each current employee's home address; (c) provide the proposed claims and noticing agent, Epiq, with the employees' home addresses and instruct Epiq to serve the employees at their home addresses; and (d) provide the Sealed Filings to the Office of the United States Trustee for the District of Delaware and any other party as required by Court order.

16. The US Court made the Sealing Order, among other things, to protect against the risk of identity theft, employee poaching, and exposure of survivors of domestic violence or stalking those who have otherwise taken steps to conceal their whereabouts.

17. AFI Canada seeks recognition of the Sealing Order from this Honourable Court to ensure consistency in the administration of these proceedings and the US Proceedings.

CLAIMS AND NOTICING AGENT ORDER

18. Pursuant to the Claims and Noticing Agent Order, the US Court appointed Epiq as claims and noticing agent for the Debtors in order to administer the claims of the Debtors' creditors. Epiq is worldwide provider of legal and business services, and regularly acts as a bankruptcy administrator specializing in administering US Proceedings.

19. In making the Claims and Noticing Agent Order, the US Court determined that the appointment of Epiq as claims agent was reasonable and appropriate to ensure the efficient and effective administration and determination of claims against the Debtors.

20. AFI Canada seeks recognition of the Claims and Noticing Agent Order from the Canadian Court to ensure consistency in the administration of these proceedings and the US Proceedings. However, AFI Canada does not propose that the role of Epiq supplant or replace the proposed role of GTL as Information Officer in these proceedings.

SHIPPERS AND WAREHOUSEMEN ORDER

21. The US Court made the Shippers and Warehousemen Order, which authorizes (but does not direct), the AFI Group to: (a) make payment of pre-Petition claims of shippers, warehousemen, and certain other lien claimants; and (b) make payment of customs duties. The AFI Group sought this order to ensure its supply of inventory and other goods would not be interrupted. The Shippers and Warehousemen Order was made on an interim basis, and will be subject to a further hearing and final order of the US Court.

22. In making the Shippers and Warehousemen Order, the US Court was satisfied that it was necessary for the AFI Group to be allowed to pay certain shippers and warehousemen for charges incurred in connection with the transport of goods, so that such shippers or

warehousemen did not assert possessory liens against any of the AFI Group's merchandise or otherwise refuse to release such merchandise pending receipt of payment, which would disrupt the AFI Group's operations and potentially cause substantial delays, great expense and irreparable harm to the AFI Group's estates.

23. The US Court was further satisfied in making the Shippers and Warehousemen Order that it was necessary for the AFI Group to be allowed to pay certain import charges (including, but not limited to, customs duties, detention and demurrage fees, tariffs, excise taxes and other similar obligations) on merchandise delivered from foreign countries as non-payment could cause substantial delays, great expense and irreparable harm to the AFI Group's estates. In exchange for the payments pursuant to this Order, the recipients are to provide service in the ordinary course.

24. AFI Canada seeks recognition of the Shippers and Warehousemen Order from the Canadian Court and submits that such recognition is necessary to ensure consistency in the treatment of these payments between these proceedings and the US Proceedings.

CRITICAL AND FOREIGN VENDORS ORDER

25. Pursuant to the Critical and Foreign Vendors Order, the US Court authorized the AFI Group to pay pre-Petition obligations to certain critical vendors, certain foreign vendors, and certain other claimants.

26. The AFI Group sought this order to ensure its critical and foreign vendors would continue to supply necessary merchandise, equipment, raw materials, technical support and other goods and services to the group. In particular, the AFI Group was concerned that foreign vendors may not consider themselves bound by the US Proceedings without a specific order. The Critical and Foreign Vendors Order was made on an interim basis, and will be subject to a further hearing and final order of the US Court.

27. In making the Critical and Foreign Vendors Order, the US Court was satisfied that the Critical and Foreign Vendors Order was necessary to ensure that certain critical and foreign vendors integral to sourcing and manufacturing all of the AFI Group's merchandise do not disregard the automatic stay and engage in conduct disruptive to the AFI Group's operations,

potentially jeopardizing its continued efforts to facilitate an asset purchase. In exchange for the payments pursuant to this Order, the recipients are to provide service in the ordinary course.

28. AFI Canada seeks recognition of the Critical and Foreign Vendors Order from the Canadian Court and submits that such recognition is necessary to ensure there is no disruption to the AFI Group's global sourcing and manufacturing network.

TAXES ORDER

29. Pursuant to the Taxes Order, the US Court authorized, but did not direct, the Debtors to remit and pay certain taxes and other related obligations to various federal, state, county, city, and foreign taxing, licensing, and regulatory authorities (the "**Applicable Authorities**").

30. The Taxes and Assessments (as defined in the Taxes Order) include: (a) income taxes, (b) property taxes, (c) sales and use taxes, (d) franchise taxes, (e) foreign taxes, and (f) regulatory and licensing obligations (collectively, the "**Taxes and Assessments**").

31. The Debtors were substantially current in the payment of assessed and undisputed Taxes and Assessments that came due and payable prior to the Petition Date; however, certain Taxes and Assessments attributable to the pre-Petition period are not yet due. The Taxes Order applies to Canadian taxation authorities, including with respect to sales taxes. The Taxes Order was made on an interim basis, and will be subject to a further hearing and final order of the US Court.

32. In making the Taxes Order, the US Court determined that it was appropriate and necessary for the AFI Group to have discretion to pay pre-Petition and post-Petition taxes and fees to facilitate its continued operations and avoid potential disruptions to the AFI Group's operations, including interruptions to necessary permits and distracting the efforts of critical employees.

33. AFI Canada seeks recognition of the Taxes Order from the Canadian Court, and submits that such recognition is necessary to ensure the efficient and consistent administration of the AFI Group's operations and stability throughout its efforts to restructure. AFI Canada also seeks recognition of the Taxes Order from the Canadian Court to ensure that Canadian taxation authorities are treated consistently with those in the United States.

INSURANCE ORDER

34. The US Court made the Insurance Order, which authorizes the Debtors to (a) maintain their pre-Petition insurance programs and pay all obligations arising thereunder, and (b) renew, revise, extend, supplement, change, or enter into new insurance policies and insurance premium financing agreements.

35. In making the Insurance Order, the US Court was satisfied that all of the insurance programs covered by the Insurance Order were essential to protecting the value of the Debtors' businesses, properties, and assets. The Insurance Policies are required by various regulations, laws, and contracts that govern the Debtors' commercial activities and are essential to the ongoing operation of the AFI Group's businesses and the preservation of the value of the AFI Group's estates.

36. AFI Canada seeks recognition of the Insurance Order from the Canadian Court and submits that such recognition is necessary to ensure consistency of the insurance coverage for the Debtors.

EMPLOYEES AND BENEFITS ORDER

37. The US Court granted the Employees and Benefits Order authorizing, but not directing, the Debtors, to: (a) pay and/or perform, as applicable, pre-Petition obligations to current employees (collectively, the "**Employees**"), including accrued pre-Petition wages, salaries, other cash, and non-cash compensation claims, except as otherwise set forth herein (collectively, the "**Employee Claims**"), and pay obligations to or on account of temporary employees and independent contractors; (b) honor and continue in the ordinary course of business, until further notice, and pay (but not assume) the pre-Petition amounts associated with the Debtors' vacation and holiday-time policies, accrued but unpaid bonuses, employee benefit plans and programs, savings and retirement plans, and worker's compensation plans and programs, and to pay all fees and costs in connection therewith, except as otherwise set forth therein (collectively, the "**Employee Benefit Obligations**"); (c) reimburse Employees for pre-Petition Reimbursable Expenses (as defined in the First Day Declaration) consisting of out-of-pocket expenses incurred in the ordinary course of business and pay business expenses charged to Corporate Credit Cards

and P-Cards (as defined in the First Day Declaration); and (d) pay over to the appropriate parties all pre-Petition withholdings from Employees and payroll-related taxes associated with the Employee Claims and the Employee Benefit Obligations.

38. In granting the Employees and Benefits Order, the US Court was satisfied that the failure to make payments for these obligations to the AFI Group employees (and for withholdings related to those employees), and claims of independent contractors, would threaten the AFI Group's ability to operate. The US Court was further satisfied that authorizing the payment of these amounts was a sound exercise of the AFI Group's business judgment. The Employees and Benefits Order was made on an interim basis and will be subject to further order of the US Court.

39. AFI Canada seeks recognition of the Employees and Benefits Order from the Canadian Court to ensure that all AFI Group employees, independent contractors and government entities receiving withholdings are treated consistently.

CUSTOMER PROGRAM ORDER

40. The US Court made the Customer Program Order, which, *inter alia*, authorized, but did not direct, the Debtors: (a) to honor certain pre-Petition Customer Programs Obligations (as defined in the Customer Program Order) in an aggregate amount not to exceed certain amounts on an interim basis; and (b) to otherwise continue customer programs and practices in the ordinary course of business.

41. The Customer Program Order authorizes the AFI Group to maintain certain market and sales practices that, among other things, are targeted to develop and sustain a positive reputation for the AFI Group goods in the marketplace and to attract new customers and provide incentives, including rewards, to existing customers. These programs are designed to (a) attract and retain Customers, (b) develop and sustain a positive reputation in the marketplace for the Debtors' products, (c) ensure customer satisfaction, (d) engender customer loyalty, and (e) meet competitive market pressures. The programs include a rebate program, a warranty program, early-pay discounts and sales returns. The Customer Program Order further authorizes the AFI Group to pay certain pre-Petition obligations relating to these activities.

42. In making the Customer Program Order, the US Court was satisfied that without such an order, the AFI Group was at risk of losing customer loyalty, goodwill, and market share, which could cause a decline in the value of their businesses at a critical juncture. The US Court was further satisfied that the Customer Program Order was necessary to keep the reputation of the AFI Group's brands intact in order to avoid irreparable harm and to maximize value for the AFI Group's estates and their stakeholders.

43. AFI Canada seeks recognition of the Customer Program Order from the Canadian Court and submits that such recognition is necessary to ensure that the AFI Group brand is maintained consistently across jurisdictions and that Canadian customers receive the same treatment in these proceedings, as those based in the United States.

UTILITIES ORDER

44. Pursuant to the Utilities Order, the US Court: (a) approved the Debtors' proposed form of adequate assurance of post-Petition payment (the "**Proposed Adequate Assurance**") to their utility providers (the "**Utility Companies**"), as that term is used in section 366 of the US Code; (b) approved procedures for resolving any objections by the Utility Companies relating to the Proposed Adequate Assurance; and (c) prohibited the Utility Companies from altering, refusing, or discontinuing service to, or discriminating against, the Debtors.

45. The Utilities Companies include those supplying gas, electricity, phone and internet services. The Utilities Order was made on an interim basis and will be subject to a further hearing and final order of the US Court.

46. In making the Utilities Order, the US Court was satisfied that continued service was reasonable, appropriate and necessary to maintain the AFI Group's operations while it continues its efforts to restructure.

47. AFI Canada seeks the recognition of the Utilities Order from the Canadian Court and submits that such recognition is necessary to ensure consistency between these proceedings and the US Proceedings.

48. AFI Canada seeks recognition of the Extension Order from the Canadian Court to ensure consistency in the administration of these proceedings and the US Proceedings.

CASH MANAGEMENT ORDER

49. The US Court made the Cash Management Order, which: (a) authorizes, but not directs, the Debtors to maintain their existing cash management system and bank accounts; (b) modifies certain operating guidelines relating to bank accounts set forth in the U.S. Department of Justice, Office of the United States Trustee: Operating Guidelines for Chapter 11 Cases (the "**U.S. Trustee Guidelines**"); (c) authorizes, but not directs, the payment of related pre-Petition obligations; (d) authorizes, but not directs, the Debtors to continue using existing cheques, business letterhead, purchase orders, invoices, envelopes, promotional materials, and other business forms and correspondence (collectively, the "**Business Forms**"); (e) modifies certain requirements under section 345(b) of Title 11 of the US Code; and (f) authorizes, but not directs, the Debtors to continue to perform Intercompany Transactions (as defined below) through the Cash Management System and the accordance of administrative expense priority status to all Intercompany Claims (as defined below) and Intercompany Loans (as defined below) arising post-Petition in the ordinary course of business as a result of an Intercompany Transaction.

50. The Debtors, including AFI Canada, utilize a centralized cash management system that operates primarily through bank accounts maintained by AFI and AFI Canada. AFI Canada maintains a separate, simple cash management system consisting of six bank accounts. Lockbox accounts are used to collect direct payments from customers. Funds in the lockbox accounts are automatically swept into either a lockbox receipts account or an operating account. Funds from those accounts are swept, on an as-needed basis, into one of two disbursement accounts. One of the disbursement accounts is used to fund net pay payroll obligations to AFI Canada employees and make other disbursements. The other disbursement account is used for non-payroll disbursements, including general corporate disbursements and operating costs.

51. In the ordinary course of business, the Debtors, including AFI Canada, engage in various intercompany transactions (the "**Intercompany Transactions**"), which are either reflected as intercompany receivables and payables in the Company's books and records (the "**Intercompany Claims**") or as intercompany notes or loans (the "**Intercompany Loans**"). As a

result of Intercompany Transactions, at any given time, there may be claims owing (i) by one Debtor to another Debtor or (ii) by one Debtor to a non-Debtor affiliate.

52. The Debtors anticipate that the Intercompany Transactions will continue post-Petition in the ordinary course of business. I believe such transactions are necessary to the efficient operation of the Company’s business. In light of the fact that the Debtors engaged in the Intercompany Transactions on a regular basis pre-Petition and such transactions are common for enterprises like the Debtors, the Debtors have been advised that they may continue the Intercompany Transactions in the ordinary course under section 363(c)(1) of the US Code, without court approval. Consistent with their pre-Petition practice, the Debtors will maintain records of all transfers and can ascertain, trace, and account for all of the Intercompany Transactions.

53. In granting the Cash Management Order, the US Court was satisfied that the existing system was essential to the AFI Group’s ongoing operations in order to maximize value in its restructuring efforts and that there would be no prejudice to the AFI Group continuing to use pre-printed business forms without modification to identify the members of the AFI Group as debtors in possession.

54. The US Court was also satisfied that the Intercompany Transactions should continue because the system enables the AFI Group to efficiently monitor and control their cash position and maintain control over Intercompany Transactions. The continued use of the cash management system in such manner during the pendency of the US Proceedings is essential to the AFI Group’s business operations and their goal of maximizing value for the benefit of all parties in interest. In making the Cash Management Order, the US Court was further satisfied that the Cash Management Order was necessary to avoid immediate and irreparable harm and is in the best interests of the AFI Group’s estates and their creditors and all other parties in interest.

55. AFI Canada seeks recognition of the Cash Management Order from the Canadian Court to ensure that the AFI Group finances, which are highly integrated, can continue in the ordinary course and to ensure the efficient administration of the AFI Group.

INTERIM DIP FINANCING ORDER

56. Pursuant to the Interim DIP Financing Order:

(a) the AFI Group is authorized to borrow up to US$90 million of post-Petition revolving loans under the DIP revolver facility by and among AFI, as borrower, the domestic subsidiaries of AFI party thereto, as guarantors, the lenders from time to time party thereto, and Bank of America, N.A. as administrative agent, collateral agent and Australian security trustee and as swingline lender and letter of credit issuer (the "**DIP Revolving Loan Financing**"); and

(b) the Debtors are authorized to borrow up to US$37,333,333 of post-Petition financing under the DIP term loan facility by and among AFI, as borrower, the domestic subsidiaries of AFI party thereto, as guarantors, the lenders from time to time party thereto, and Pathlight Capital LP, as administrative agent and collateral agent (the "**DIP Term Loan Financing**" and together with the DIP Revolving Loan Financing, the "**DIP Financing**"),

on such terms and conditions set out in the applicable post-Petition credit agreements and related documents.

57. The Interim DIP Financing Order also authorizes the AFI Group to use its cash collateral in accordance with the terms of that order.

58. The DIP Revolving Loan Financing is made on substantially similar terms as the Prepetition ABL Credit Facility.

59. The costs and fees of the DIP Financing are market for similar levels of financing in similar circumstances. The US Court was satisfied that the terms and conditions of DIP Financing, and the fees paid and to be paid thereunder, are fair, reasonable, and the best available to the Debtors under the circumstances, reflect the Debtors' exercise of prudent and sound business judgment, consistent with their fiduciary duties and are supported by reasonably equivalent value and consideration**.**

60. The US Court was satisfied that the Interim DIP Financing Order was necessary for the orderly continuation and operation of the AFI Group, to maintain business relationships and to satisfy its business and operational needs (including payroll and other expenses incurred in the ordinary course of business) and to fund the administration of the US Proceedings and the AFI Group's efforts to restructure.

61. The US Court was satisfied that the AFI Group did not have sufficient available sources of capital and financing to operate its business or maintain its properties in the ordinary course of business without the DIP Financing and the use of cash collateral.

62. The US Court was also satisfied that the AFI Group would not be able to obtain financing on more favourable terms and would not be able to obtain adequate unsecured credit under the US Code.

63. The US Court was further satisfied that the DIP Financing was a sound exercise of the AFI Group's business judgment.

64. AFI Canada seeks recognition of the Interim DIP Financing Order from the Canadian Court, to ensure the financing remains available and that the AFI Group can meet its obligations and continue its efforts to facilitate their restructuring. AFI Canada is not a guarantor in respect of the DIP Financing.

THE BUSINESS OF THE AFI GROUP

65. The AFI Group is a leading global producer of resilient flooring products for use primarily in the construction and renovation of commercial, residential, and institutional buildings. On April 1, 2016, AFI became an independent publicly-traded company when Armstrong World Industries, Inc. ("**AWI**"), a public Pennsylvania corporation, separated its Resilient Flooring and Wood Flooring businesses from its Building Products business. As a result of the spin-off, AFI and AWI each became independent, publicly-traded companies, with AFI owning and operating the Resilient Flooring and Wood Flooring segments, and AWI continuing to own and operate a ceiling business. On December 31, 2018, AFI sold the Wood Flooring segment of its business.

66. The AFI Group's flooring products include, but are not limited to, vinyl composition tile, vinyl sheet and luxury vinyl tile, which is the AFI Group's fastest-growing resilient flooring product category. The AFI Group sells its products in North American commercial and residential markets, as well as in commercial markets in the Pacific Rim (primarily China and Australia). The majority of the AFI Group's sales are in North America, where the AFI Group is the largest producer of resilient flooring products.

67. In the AFI Group's commercial market, its products are used in commercial and institutional buildings as well as single- and multi-family housing. In each sector, revenue opportunities come from both new construction and renovation of existing buildings. In the Pacific Rim, the AFI Group's products are primarily used in the healthcare, education, and retail sectors.

68. The AFI Group's customers include both specialty retailers as well as independent wholesale flooring distributors who re-sell the products to retailers, builders, contractors, installers and others. The majority of the AFI Group's sales are to distributors. The AFI Group also maintains relationships with subcontractors' alliances, architectural and design firms, facility owners, national home centers, flooring retailers, major home builders, and retail buying groups.

69. The AFI Group's corporate headquarters are located in Lancaster, Pennsylvania. The AFI Group maintains flooring plants in Illinois, Mississippi, Oklahoma, Pennsylvania, and Australia. The AFI Group's non-debtor affiliates maintain international flooring plants in China.

70. AFI is the direct parent company of each of the other Debtors, which are all incorporated in Delaware, except for AFI Canada, which is incorporated under the laws of the Province of British Columbia.

71. The previous name for AFI Canada, was AFI Canada Ltd., which was a corporation incorporated pursuant to the laws of Canada. However, AFI Canada Ltd. was recently continued into British Columbia, under the new name, Armstrong Flooring Canada Ltd. A corporate organization chart of the Debtors and certain non-Debtor affiliates is attached hereto as **Exhibit "Q"**.

72. AFI's common stock is registered on the New York Stock Exchange under the trading symbol AFI.[1]

AFI CANADA

73. As previously noted in this Affidavit, AFI Canada is incorporated under the laws of the Province of British Columbia, with a registered office located at 1200 Waterfront Centre, 200 Burrard Street, P.O. Box 48600, Vancouver, British Columbia. AFI Canada also has an office at 2233 Argentia Road, East Tower 302, Mississauga, Ontario. Attached hereto and marked as **Exhibit "R"** is a true copy of the British Columbia Corporate Registry search for AFI Canada obtained from the British Columbia Corporate Registry on May 9, 2022.

74. AFI Canada's sole director and officer is Christopher S. Parisi, a resident of Downingtown, Pennsylvania.

75. The Canadian assets and operations of AFI Canada can be summarized as follows:

(a) AFI Canada has the following bank accounts:

(i) an account with JPMorgan Chase Bank, N.A. ("**JPMorgan**") that serves as AFI Canada's Canadian dollar operating account;

(ii) an account with JPMorgan that serves as AFI Canada's US dollar operating account;

(iii) an account with JPMorgan that serves as AFI Canada's Canadian dollar disbursement account;

(iv) an account with JPMorgan that serves as AFI Canada's US dollar disbursement account (the "**USD Disbursement Account**"); and

(v) a lockbox account with JPMorgan for payments from wholesale customers;

(b) its operations include facilitating the sale of the AFI Group's products in Canada;

[1] The NYSE has suspended trading of AFI stock and has moved to delist AFI.

(c) it has accounts receivable in the amount of approximately CDN$3.2 million;

(d) it has approximately CDN$103,000 in inventory; and

(e) it employs 4 Canadian employees, who are sales representatives.

76. None of AFI Canada's employees are members of any unions.

77. AFI Canada has a pension plan with respect to its employees and former employees. AFI Canada is the plan sponsor and administrator of the Retirement Plan for the employees of AFI Canada Ltd. FSRA Registration Number 0218362 (the "**Canadian Pension Plan**"). The Canadian Pension Plan is a hybrid plan with a contributory defined contribution component and a non-contributory defined benefit component. Since 2011, the defined benefit component of the Canadian Pension Plan is frozen; participants are not allowed to contribute. There are no active Canadian Employee participants, but approximately 160 former employee and retiree participants. As of December 31, 2020, the defined benefit component of the Canadian Pension Plan had a solvency deficiency of approximately CDN$4 million.

78. The defined contribution component of the Canadian Pension Plan operates like the 401(k) Plan and is administered by Sun Life Financial Inc. Under the defined contribution component of the Canadian Pension Plan, Canadian Employees can contribute 1% to 6% of their earnings to the Canadian Pension Plan. AFI Canada is required to contribute the same amount as the participant's contributions (the "**Canada Matching Contributions**,"). Canadian Employees may also make an additional voluntary contribution equivalent to 1% to 6% of their earnings, but AFI Canada is not required to match those additional contributions. As of June 30, 2021, there were approximately 20 members, 6 of which were active Canadian Employees.

79. AFI Canada also sponsors a Supplemental Executive Retirement Plan (the "**SERP**") and offers other postemployment benefits (the "**Canadian OPEB**", together with the SERP and the Canadian Pension Plan, the "**Foreign Retirement Programs**"). The SERP is a supplemental defined benefit plan with four retired employee participants. As of December 31, 2020, the SERP had a deficit of approximately CDN$72,000.

80. The Canadian OPEB consists of retiree health and life insurance benefits. As of December 31, 2020, there was only one active member and 65 inactive members. As of December 31, 2021, the Canadian OPEB obligations were approximately CDN$1.6 million, consisting largely of liabilities related to retiree life insurance.

CENTRE OF MAIN INTEREST

81. The AFI Group's operations are based in the United States.

82. All of the Debtors, save and except for AFI Canada, each have their registered office and conduct all operations in the United States. The Debtors, except for AFI Canada, have no assets or operations in Canada and the Debtors, except for AFI Canada, have no Canadian creditors or employees.

83. All material decisions with respect to the business and operations of the Debtors are directed by management located in the United States (in particular, the head office in Lancaster, Pennsylvania), including, without limitation, all decisions regarding administration, finances, human resources, strategic planning, management, communication and accounting.

AFI CANADA IS FULLY INTEGRATED IN THE US MANAGEMENT OF THE AFI GROUP

84. AFI Canada is a direct wholly-owned subsidiary of AFI. AFI makes all material decisions regarding AFI Canada and all of AFI Canada's operations are managed by AFI personnel in the United States. In particular, all of AFI Canada's treasury and financial decisions, including borrowing and selling prices are made by the head office in Lancaster, Pennsylvania. All Canadian operations provide their financial data and information directly to the head office in Lancaster, Pennsylvania, which consolidates the information and uses it to make the financial decisions.

85. The payroll and benefits programs for AFI Canada are managed by the accounting and benefits group of AFI, which is based in Lancaster, Pennsylvania.

86. All accounts payable and accounts receivable are managed from the AFI Group head office in Lancaster, Pennsylvania.

87. All material decisions regarding AFI Canada and its operations are made by AFI Group personnel in the United States.

88. The AFI Group operations, including AFI Canada, are highly integrated and all corporate decisions are made from the head office in Lancaster, Pennsylvania.

89. There are no management personnel employed directly by AFI Canada, or located in Canada.

90. AFI Canada does not have any human resources personnel. Human resources issues and questions for AFI Canada are managed by AFI employees based in Lancaster, Pennsylvania.

91. AFI Canada's inventory is distributed from locations outside of Canada, and all decisions regarding inventory management are made by the AFI head office in Lancaster, Pennsylvania. AFI uses forecasts to determine inventory needs, and the head office in Lancaster, Pennsylvania places orders on behalf of AFI Canada.

92. AFI Canada does not have any information technology personnel. All technology decisions and issues are managed by AFI from the head office in Lancaster, Pennsylvania. In particular, the e-commerce site is based out of and managed from the United States.

93. AFI makes all marketing decisions for the AFI Group, including AFI Canada, from its head office in Lancaster, Pennsylvania.

94. AFI Canada's strategic decisions, including asset management, capital expenditure and planning decisions are driven from the head office in Lancaster, Pennsylvania.

95. Other than 4 low level sales employees in Canada, there are no customer service personnel located within Canada, or employed by AFI Canada. The AFI Group head office in Lancaster, Pennsylvania provides all customer service for AFI Canada.

96. As noted in the First Day Declaration and discussed in further detail below, the ABL Credit Agreement is a credit facility for the AFI Group. The ABL Credit Agreement is administered by the AFI Group finance department based in Lancaster, Pennsylvania.

97. Based on the forgoing, I verily believe that the AFI Group, including AFI Canada, is managed from Lancaster, Pennsylvania from a corporate, strategic and management perspective and that creditors would recognize Lancaster, Pennsylvania as the centre of main interest for AFI Canada.

AFI CANADA'S CASH MANAGEMENT

98. AFI, AFI Licensing LLC, and Armstrong Flooring Latin America, Inc. and AFI Canada utilize a centralized Cash Management System that operates primarily through Bank Accounts maintained by AFI and AFI Canada at JPMorgan.

99. AFI Canada maintains a separate, simple Cash Management System consisting of five Bank Accounts held with JPMorgan. The Lockbox Accounts are used to collect direct payments from customers. Funds in the Lockbox Accounts are automatically swept into either the Lockbox Receipts Account (x1841) or the Operating Account (x1475). Funds from those accounts are swept, on an as-needed basis, into one of two Disbursement Accounts. One of the Disbursement Accounts (x1624) is used to fund net pay payroll obligations to AFI Canada's employees and make other disbursements. The other Disbursement Account (x1586) is used for non-payroll disbursements, including general corporate disbursements and operating costs. The system is managed out of the AFI Group's finance and accounting department based in Lancaster, Pennsylvania. None of AFI Canada's employees has access to the accounts, other than to request deposit slips for the operating account.

100. The Canadian operating account serves as the primary collection and disbursement account for AFI Canada's operations. Revenues generated from operations, retail credit card sales and retail cash sales are deposited directly into the Canadian operating account.

101. The Canadian operating account is also used to fund disbursements in Canadian dollars related to the AFI Group's day-to-day operations in Canada, including disbursements to vendors, shippers, taxes, customs and duties and amounts due to employees. Under the pre-Petition arrangements, excess cash from the Canadian operating account is periodically transferred to accounts maintained by AFI.

102. The USD Disbursement Account is used to disburse cheques and wires in US dollars to suppliers and United States-based vendors of AFI Canada. Funds are transferred from the Canadian operating account to the USD Disbursement Account as needed. There is minimal activity associated with the USD Disbursement Account.

103. The lockbox account is used to receive cheques from the AFI Group's customers in Canada. At the end of each day, funds in the lockbox account are swept into the Canadian operating account.

104. During the course of these proceedings, AFI will cease the practice of sweeping excess cash from the Canadian operating account, so that all such funds are available to AFI Canada throughout these proceedings.

INTERCOMPANY TRANSACTIONS

105. As discussed above, AFI Canada is a party to Intercompany Transactions with other members of the AFI Group. In particular, the pre-Petition arrangement is for the head office in Lancaster, Pennsylvania to monitor AFI Canada's liquidity and transfer excess funds from AFI Canada's operating account to AFI.

106. As noted above, the practice of transferring excess cash from AFI Canada's operating account to AFI will not continue in the course of these proceedings.

107. The Intercompany Transactions cover a number of different categories, including (a) the provision of manufactured goods for sale from AFI's non-Debtor Chinese subsidiaries to AFI; (b) the provision of periodic royalty payments from AFI's non-debtor Chinese subsidiaries to AFI Licensing LLC; (c) (i) the incurrence of certain expenses by AFI on behalf of AFI Canada in connection with sales made by such entity, which expenses are subsequently billed to AFI Canada, and (ii) the payment of fees from AFI Canada to AFI for sales it helped generate for AFI Canada; and (d) satisfaction of Intercompany Loans or other debt-related payments.

108. The Debtors are parties to, as borrowers or lenders, certain Intercompany Loans with other Debtors or non-Debtor affiliates, which are used, where applicable, to facilitate the transfer of funds. Each Intercompany Loan is subject to loan agreements with arm's length terms and

conditions, including various interest rates based on a fixed percentage over a benchmark rate. As of the Petition Date, the Debtors have two Intercompany Loans outstanding. One Intercompany Loan between AFI, as lender, and AFI Canada, as borrower, has an outstanding balance of CDN$13,920,000 and matures on March 31, 2026 and was entered into in connection with the Canadian flooring business. The other Intercompany Loan between non-Debtor Armstrong Flooring Pty Ltd, as lender, and AFI, as borrower, is an unsecured intercompany note with an outstanding balance of approximately US$26.2 million[2] that matures on June 23, 2025, and was entered into in connection with the Debtors' amendments of their prepetition ABL Credit Agreement and Term Loan Agreement, which are dated as of December 30, 2021.

109. The AFI Group tracks, monitors and reviews all fund transfers and book entries related to Intercompany Transactions in their respective accounting ledgers. The AFI Group accounting department regularly reviews the settlement of all Intercompany Claims.

AFI CANADA'S FINANCES

110. AFI Canada does not independently report its financial performance. Its financial reporting is part of a consolidated reporting prepared for the AFI Group.

111. Based on the consolidated financial statements from January 1, 2022 to April 30, 2022, the AFI Group's consolidated revenue for that period was approximately US$172.4 million, with AFI Canada representing approximately US$8.9 million over that period. Attached hereto and marked as **Exhibit "S"** is a true copy of the consolidated financial statements for the period from January 1, 2022 to April 30, 2022.

112. Attached hereto and marked as **Exhibit "T"** is a true copy of the cash flow and budget for AFI during the restructuring proceedings.

AFI CANADA'S CREDITORS

113. AFI Canada is not borrower or a guarantor in respect of the credit facilities extended to certain companies within the AFI Group, under the ABL Credit Agreement, by and among the borrowers thereto, the lenders thereto (the "**ABL Lenders**"), and Bank of America, N.A., in its

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[2] Not including make-whole or origination fees of approximately US$4.44 million.

capacity as agent (the "**ABL Agent**"). The ABL Credit Agreement provides for a US$90 million secured asset-based revolving credit facility (the "**ABL Credit Facility**"). The obligations under the ABL Credit Facility are guaranteed by (a) liens on and a first priority security interest in certain of the AFI Group's cash and certain other financial assets (the "**ABL Priority Collateral**"), and (b) liens on and a second priority interest in substantially all of certain of the Debtors' other assets.

114. AFI has pledged the shares of AFI Canada Ltd., prior to its continuance as a British Columbia corporation, to the ABL Agent and the ABL Lenders (as defined in the ABL Credit Agreement).[3]

115. The ABL Credit Facility is used to fund the AFI Group's daily operations. Each day, AFI makes a request to the ABL Agent to transfer available funds to its operating account. AFI then distributes funds to the other entities in the AFI Group, as needed.

116. As of the Petition Date, the aggregate outstanding amount owed by the AFI Group, excluding AFI Canada, under the ABL Credit Agreement is approximately US$52.9 million.

117. If the Lenders were to require repayment in full of the amounts owed by the AFI and certain of the other Debtors, it would be unable to repay the full amount owed.

118. I am advised by Roger Jaipargas, a partner with Borden Ladner Gervais LLP ("**BLG**"), the Canadian lawyers for the AFI Group, that AFI Canada's predecessor, AFI Canada Ltd., is the subject of one registration, as a debtor, under the *Personal Property Security Act* (Ontario) ("**PPSA**"), in favour of Element Fleet Management Inc. in respect of certain defined collateral. Attached hereto and marked as **Exhibit "U"** is a copy of the Enquiry Response Certificate in respect of the PPSA search against AFI Canada Ltd., with a file currency of April 11, 2022.

119. I am also advised by Mr. Jaipargas and do verily believe that BLG conducted a search of the personal property registry for British Columbia as against AFI Canada, which discloses no registrations under the *Personal Property Security Act* (British Columbia) ("**B.C. PPSA**"), as

[3] AFI has also pledged the new shares of Armstrong Flooring Canada Ltd. to the ABL Agent and the ABL Lenders.

against AFI Canada. Attached hereto and marked as **Exhibit "V"** is a copy of the B.C. PPSA search report dated May 9, 2022.

120. AFI Canada has approximately 35 unsecured creditors, that are owed approximately CDN$4.4 million.

121. AFI Canada is also indebted to the AFI Group, in the amount of CDN$13,920,000 in respect of an Intercompany Loan. This Intercompany Loan against AFI Canada is not secured.

122. The Debtors are also indebted pursuant to a Term Loan Agreement. AFI Canada is not a party to the Term Loan Agreement.

ENVIRONMENTAL CLAIMS

123. Based on the nature of the AFI Group's assets and operations, there are no known or expected environmental claims or issues.

INFORMATION OFFICER

124. AFI Canada, as foreign representative of the AFI Group, seeks the appointment of GTL as the Information Officer in these proceedings. I am advised by Mr. Jaipargas and do verily believe that GTL is a licensed insolvency trustee.

125. In light of the complex corporate and financial structure of the AFI Group, the stakeholders located in Canada, including AFI Canada's employees, AFI Canada, as foreign representative, believes that the appointment of the Information Officer is appropriate in the circumstances to ensure that both the Canadian Court and AFI Canada's creditors and stakeholders are kept informed of these proceedings and the US Proceedings.

126. The appointment of GTL as the Information Officer is reasonable in the circumstances to ensure that both the Canadian Court and Canadian creditors are kept informed of these proceedings and the US Proceedings. Attached hereto and marked as **Exhibit "W"** is a true copy of the executed Consent of GTL to act as Information Officer.

ADMINISTRATION CHARGE

127. AFI Canada, as foreign representative of the AFI Group, seeks the granting of an administration charge over the assets of the AFI Group in Canada, with respect to the fees and disbursements of the Information Officer, and its counsel, Lax O'Sullivan Lisus Gottlieb LLP, to a maximum of CDN$300,000 (the "**Administration Charge**").

128. I believe that the granting of the Administration Charge, and the amount of the charge proposed, is appropriate, fair and reasonable in the circumstances, particularly in light of the complexity of the AFI Group's business operations and the proposed role of GTL.

129. I understand that GTL requires the Administration Charge as security for their fees in order to act in this matter and that the Administration Charge should rank as a first ranking charge.

SWORN BEFORE ME at City of Lancaster in the Commonwealth of Pennsylvania this 1st day of June, 2022	)))))	
Juan D. Garcia A Notary Public in and for the Commonwealth of Pennsylvania	)))	**MICHEL S. VERMETTE**

Commonwealth of Pennsylvania – Notary Seal
Juan D. Garcia, Notary Public
Lancaster County
My Commission Expires December 11, 2024
Commission Number 1377514

Court File No.:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,*
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF MICHEL S. VERMETTE
(Sworn June 1, 2022)

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Lawyers for Armstrong Flooring, Inc., AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd.

128832772:v11

THIS IS EXHIBIT “E” TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26TH DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

Court File No. CV-22-00682153-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	WEDNESDAY, THE 8th
	)	
MR. JUSTICE CAVANAGH	)	DAY OF JUNE, 2022

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by Armstrong Flooring Canada Ltd. in its capacity as the foreign representative (the "**Foreign Representative**") of the Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard this day by Zoom videoconference due to the COVID-19 pandemic.

ON READING the Notice of Application, the affidavit of Michel S. Vermette sworn June 1, 2022, the preliminary report of Grant Thornton Limited, in its capacity as proposed information officer (the "**Proposed Information Officer**") dated June 3, 2022, each filed, and upon being provided with copies of the documents required by s. 46 of the CCAA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the Proposed Information Officer, counsel for Bank of America, N.A., and upon no one appearing for any other parties, although duly served as appears from the Affidavit of Service of Sandra Noe sworn June 3, 2022:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

FOREIGN REPRESENTATIVE

2. **THIS COURT ORDERS AND DECLARES** that the Foreign Representative is the "foreign representative" as defined in section 45 of the CCAA of the Debtors in respect of the jointly administered insolvency proceedings (the "**Foreign Proceeding**") of Armstrong Flooring, Inc., AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") under Chapter 11 of Title 11 of the United States Code.

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. **THIS COURT DECLARES** that the centre of its main interests for each of the Debtors is the United States of America, and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding" as defined in section 45 of the CCAA.

STAY OF PROCEEDINGS

4. **THIS COURT ORDERS** that until otherwise ordered by this Court:

(a) all proceedings taken or that might be taken against any of the Debtors under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;

(b) further proceedings in any action, suit or proceeding against any of the Debtors are restrained; and

(c) the commencement of any action, suit or proceeding against any of the Debtors is prohibited.

NO SALE OF PROPERTY

5. **THIS COURT ORDERS** that, except with leave of this Court, each of the Debtors is prohibited from selling or otherwise disposing of:

(a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and

(b) any of its other property in Canada.

GENERAL

6. **THIS COURT ORDERS** that within 7 days from the date of this Order, or as soon as practicable thereafter, the Proposed Information Officer shall cause to be published a notice substantially in the form attached to this Order as Schedule "A", once a week for two consecutive weeks, in The Globe and Mail (National Edition).

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and to assist the Debtors and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS AND DECLARES** that this Order shall be effective as of 12:01 a.m. on the date of this Order.

9. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Debtors and the Foreign Representative and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

Digitally signed by Mr. Justice Cavanagh

Schedule "A"

Form of Newspaper Notice

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "CHAPTER 11 DEBTORS")

On May 8, 2022, the Chapter 11 Debtors each filed voluntary petitions under chapter 11 of title 11 of the United States Code (collectively, the "**Chapter 11 Proceedings**") in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**"). In connection with the Chapter 11 Proceedings, the U.S. Court has appointed Armstrong Flooring Canada Ltd. as the foreign representative of the Chapter 11 Debtors.

PLEASE TAKE FURTHER NOTICE that the Initial Recognition Order and a Supplemental Order have been issued by the Ontario Superior Court of Justice (Commercial List) under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA Recognition Proceedings**").

A copy of all materials pertaining to the CCAA Recognition Proceedings and the Chapter 11 Proceedings can be accessed at the Grant Thornton Limited website at: **www.grantthornton.ca/afi**.

Those wishing to receive copies of the materials pertaining to the CCAA Recognition Proceedings or to contact a representative of Grant Thornton Limited can email: armstrongflooring@ca.gt.com.

Dated at Toronto, Ontario this _____ day of _______, 2022.

Grant Thornton Limited
(solely in its capacity as Information Officer of the Chapter 11 Debtors and not in its personal or corporate capacity)

Court File No.: CV-22-00682153-00C

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

INITIAL RECOGNITION ORDER

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Lawyers for Armstrong Flooring, Inc., AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd.

128795041:v5

THIS IS EXHIBIT “F” TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26TH DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

JUDGE: JUSTICE CANAVAGH

COURT FILE NO.: **CV-22-00682153-00CL**

DATE: **JUNE 8, 2022 @ 12:00 PM**

NO. ON LIST **1**

TITLE OF PROCEEDING **ARMSTRONG FLOORING, INC. ET AL**

COUNSEL FOR: **NAME OF PERSON APPEARING:**

☐ PLAINTIFF(S) **DOUG SMITH & ROGER JAIPARGAS**
☒ APPLICANT(S)
☐ PETITIONER(S)

PHONE
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COUNSEL FOR: **NAME OF PERSON APPEARING:**

☐ DEFENDANT(S) **MATTHEW GOTTLIEB, for Grant Thornton**
☒ RESPONDENT(S)

JONATHAN KRIEGER & DAVID COLLINS, for Grant Thornton, Proposed Information Officer

PHONE
FAX
EMAIL mgottlieb@lolg.ca

JENNIFER STAM, for Bank of America
E: jennifer.stam@nortonrosefulbright.com

ENDORSEMENT:

This is an application by Armstrong Flooring Canada Ltd. ("AFI Canada" or the "Applicant") pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "*CCAA*") for certain relief, including orders recognizing certain proceedings in the United States of America commenced by the Petitions filed by the Applicant and other debtors under Chapter 11 of Title 11 of the United States Code (the "US Code") in the United States Bankruptcy Court for the District of Delaware (the "US Court") and recognizing certain orders of the US Court made in the US Proceedings. The Applicant also seeks other ancillary relief.

AFI Canada brings this application as the foreign representative of Armstrong Flooring, Inc. ("AFI"), AFI Licensing LLC ("AFI Licensing") and Armstrong Flooring Latin America, Inc. ("AFI Flooring", and together with AFI and AFI Licensing, the "US Debtors", and the US Debtors together with AFI Canada, the "Debtors" or the "AFI Group").

In order to: (i) alleviate any potential harm to the AFI Group during the US Proceeding; (ii) ensure the protection of the AFI Group's Canadian assets, the interests of AFI Canada in the interests of its Canadian stakeholders during the course of the US Proceedings; and (iii) ensure that this Court and the Canadian stakeholders are kept properly informed of the US Proceedings, AFI Canada has brought this application to seek the following relief:

a. An order (the "Initial Recognition Order") granting certain relief, including, among other things:

   i. abridging the time for service of the material such that this application is properly returnable on the date set for hearing;
   ii. declaring that AFI Canada is a "foreign representative" (as defined in section 45 of the *CCAA*) of the Debtors in respect of the jointly administered insolvency proceedings;
   iii. declaring that the centre of main interest for the Debtors is the United States of America and recognizing and declaring the US Proceedings as a "foreign main proceeding" under Part IV of the *CCAA* in respect to each Debtor, including AFI Canada;
   iv. recognizing and enforcing certain orders of the US Court made in the US Proceedings;
   v. staying all proceedings that might be taken against the AFI Group under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, or the *Winding-Up and Restructuring Act,* R.S.C. 1985, c. W-11, as amended;
   vi. restraining further proceedings and any action, suit or proceeding against the AFI Group; and
   vii. prohibiting the commencement of any action, suit or proceeding against the AFI Group; and

b. An order (the "Supplemental Order") granting certain relief, including, among other things:

   i. recognizing in Canada and enforcing certain of the First Day Orders as set out in the Affidavit of Michel S. Vermette sworn June 1, 2022 (the "Vermette Affidavit");
   ii. granting additional stays and protections in respect of the AFI Group and the directors and officers of the AFI Group consistent with the Model Supplemental Order in Ontario;
   iii. appointing Grant Thornton Limited ("GTL") as information officer (in such capacity, the "Information Officer") in respect of this proceeding; and
   iv. granting the Court-ordered Administration Charge (as defined in the Vermette Affidavit).

The relevant facts are set out in the Vermette Affidavit and an overview is provided in the factum of AFI Canada.

The AFI Group is a leading global producer of resilient flooring products for use primarily in the construction and renovation of commercial, residential and institutional buildings. The AFI Group sells its products in North American commercial and residential markets as well as in commercial markets in the Pacific Rim (primarily China and Australia). The majority of the AFI Group's sales are in North America, where the AFI Group is the largest producer of resilient flooring products.

AFI is the direct parent company of each of the other Debtors, which are all incorporated in Delaware, except for AFI Canada, which is a Canadian company.

In early 2020, the AFI Group embarked on a strategy to modernize operations and increase its profitability, the implementation of which required the AFI Group to expend significant resources. The effects of the COVID-19 pandemic placed further stress on the AFI Group's operations and liquidity, as well as other challenging market conditions. These challenges, along with lack of access to additional capital and potential defaults under existing financing arrangements, have caused the AFI Group to seek a restructuring through a court-approved process in order to preserve and maximize the value of its assets and estate for all of its stakeholders.

On May 8, 2022, each of the Debtors filed voluntary petitions for relief pursuant to Chapter 11 of the US Code with the US Court. The AFI Group has requested that the Petitions be jointly administered for procedural purposes only.

As part of the first day motions that were heard by the US Court on May 11, 2022, which hearing was continued on May 13, 2022 and May 17, 2022, the US Court made several orders (collectively, the “First Day Orders”), as detailed in the Vermette affidavit, including an order appointing AFI Canada as the foreign representative of the AFI Group (the “Foreign Representative Order”) to, among other things, seek recognition of the US Proceedings in Canada. Pursuant to the Foreign Representative Order, the US Court requested the assistance of the Ontario Superior Court of Justice (Commercial List) in aiding and supporting the US proceedings.

There are no other insolvency proceedings involving the Debtors other than the US Proceedings and these proceedings.

I have reviewed the materials filed in support of this application and I heard submissions from counsel for AFI Canada and counsel for the proposed Information Officer. I am satisfied that this Court has jurisdiction to hear the Application. I am satisfied that the requested Initial Recognition Order should be made and that the requested Supplemental Order should be made. In this respect, I accept the submissions made in paras. 13-68 of the factum of AFI Canada.

Orders to issue in forms of Orders signed by me today.

SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.: CV-22-00682153-00CL

DATE: 12-SEP-2022

7

TITLE OF PROCEEDING: ARMSTRONG FLOORING, INC. ET AL.

BEFORE JUSTICE CAVANAGH

NAMES OF COUNSEL AND PARTY:

☒ APPLICANT(S)

- Roger Jaipargas (Counsel to ARMSTRONG FLOORING CANADA LTD and other Chapter 11 Debtors)

☐ PLAINTIFF(S)

PHONE (416) 367-6266

EMAIL rjaipargas@blg.com

NAMES OF COUNSEL AND PARTY:

☐ RESPONDENT(S)

☐ RESPONDENT(S)

☐ DEFENDANT(S)

☐ DEFENDANT(S)

PHONE

EMAIL

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EMAIL

NAMES OF COUNSEL AND OTHER PARTIES:

☒

- Jennifer Stam (Counsel to BANK OF AMERICA)
- Matthew Gottlieb (Counsel to INFORMATION OFFICER, GRANT THORNTON LIMITED)
- Jonathan Krieger (INFORMATION OFFICER, GRANT THORNTON LIMITED)

☐

PHONE

EMAIL Jennifer.stam@nortonrosefulbright.com; mgottlieb@lolg.ca; Jonathan.krieger@ca.gt.com

PHONE

EMAIL

<u>ENDORSEMENT OF JUSTICE CAVANAGH:</u>

[1] A motion to be brought for various relief is scheduled before me on September 28, 2022 at 9:30 a.m. by Zoom for 30 minutes.

[2] I extend the time for the IO to report to the court with respect to the status of these proceedings and the status of the Foreign Proceedings, as provided for by section 12(b) of the Supplemental Order dated June 8, 2022, to that date.

Digitally signed
by Mr. Justice
Cavanagh

THIS IS EXHIBIT “G” TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26^{TH} DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

SETTLEMENT AGREEMENT

This Settlement Agreement (this "**Agreement**") is made as of September 23, 2022

BETWEEN:

ARMSTRONG FLOORING CANADA LTD.
(hereinafter referred to as "**AFI Canada**")

– and –

ARMSTRONG FLOORING, INC.
(hereinafter referred to as "**AFI**")

AFI LICENSING LLC
(hereinafter referred to as "**AFI Licensing**")

ARMSTRONG FLOORING LATIN AMERICA, INC.
(hereinafter referred to as "**AFI Latin America**", and collectively with AFI and AFI Licensing, the "**US Debtors**")

RECITALS:

WHEREAS on May 8, 2022, AFI, AFI Licensing, AFI Latin America and AFI Canada (collectively, the "**Debtors**") commenced proceedings (the "**US Bankruptcy Proceedings**") under Chapter 11 of Title 11 of the *United States Code* (the "**US Code**") in the United States Bankruptcy Court for the District of Delaware (the "**US Court**");

AND WHEREAS on June 8, 2022, Mr. Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Ontario Court**") granted the Initial Recognition Order (the "**Initial Recognition Order**") pursuant to which, *inter alia*, AFI Canada was declared a "foreign representative" as defined in Section 45 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") of the Debtors in respect of the US Bankruptcy Proceedings and the US Bankruptcy Proceedings were recognized as a "foreign main proceeding" as defined in Section 45 of the CCAA;

AND WHEREAS on June 8, 2022, Mr. Justice Cavanagh of the Ontario Court granted the Supplemental Order (the "**Supplemental Order**") pursuant to which, *inter alia*, Grant Thornton Limited was appointed as information officer (in such capacity, the "**Information Officer**") in respect of the CCAA Proceeding (as hereinafter defined);

AND WHEREAS the Debtors entered into an asset purchase agreement dated July 10, 2022, as amended, restated, modified or supplemented from time to time (the "**APA**") among, *inter alios*, the Debtors, as sellers, and Gordon Brothers Commercial & Industrial LLC ("**GBG**"), as a buyer, pursuant to which the Debtors agreed to sell to GBG the GBG Transferred Assets (as defined in the APA) (the "**Sale Transaction**");

AND WHEREAS on July 13, 2022, the US Court entered an Order in the US Proceedings (the "**US Sale Order**"), approving, *inter alia*, the APA and the Sale Transaction, as contemplated therein;

AND WHEREAS according to the books and records of AFI Canada, AFI Canada is indebted to AFI in the aggregate amount of Cdn. $13.247 million (the "**Intercompany Debt**");

AND WHEREAS AFI Canada and the US Debtors wish to set out in this Agreement the terms of certain agreements between them pertaining to the Sale Transaction, the Intercompany Debt and the other matters set forth herein, subject to the respective approval of the Ontario Court and the US Court;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Interpretation.** In this Agreement, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the APA, and:

    1.1 <u>Definitions</u>. Unless something in the subject matter or context is inconsistent therewith, the following terms have the following meanings for the purposes of this Agreement:

    (a) "**Administration Order**" has the meaning ascribed thereto in Section 4.1.

    (b) "**Agreement**" has the meaning ascribed thereto in the Preamble.

    (c) "**APA**" has the meaning ascribed thereto in the Preamble.

    (d) "**Applicable Law**" means in respect of any Person, property, transaction, event or other matter, as applicable, all domestic and foreign laws, rules, statutes, regulations, treaties, orders, judgments and decrees and, to the extent they have the force of law, all official directives, rules, guidelines, orders, policies and other requirements of any Governmental Authority (collectively, the "**Law**") and also includes any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation in each case having the force of law relating or applicable to such Person, property, transaction, event or other matter.

(e) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

(f) “**Business Day**” means any day other than a Saturday, Sunday or other day on which banks are required or authorized to close in Toronto, Ontario.

(g) “**Canadian AR**” means (i) any accounts receivable on the file entitled “2022.09.06 – Revised Closing Statement_v01” in the tab titled “2022.09.01 - AR Aging (CAN)” except for those with a net credit balance due to the customer or (ii) any cash receipts received on or after September 2, 2022 in respect thereof, whether they were applied or remain unapplied.

(h) “**Canadian Bankruptcy Estate**” means the assets, properties and undertakings of AFI Canada, which shall be subject to the proposed Canadian Bankruptcy Proceedings, in accordance with the applicable Order or Orders of the Ontario Court.

(i) “**Canadian Bankruptcy Proceedings**” means the proposed bankruptcy proceedings of AFI Canada, to be commenced upon the filing of an assignment in bankruptcy on behalf of AFI Canada under the BIA by the Information Officer, subject to the authorization of such assignment in bankruptcy by the Ontario Court, as contemplated in Section 4.

(j) “**Canadian Property**” means all assets, properties and undertakings of any nature or kind of AFI Canada, wherever located and whether now owned or existing or hereafter acquired or arising, together with all proceeds thereof.

(k) “**Canadian Trustee**” has the meaning ascribed thereto in Section 4.1.

(l) “**Cash Consideration**” has the meaning ascribed thereto in Section 2.1.

(m) “**CCAA**” has the meaning ascribed thereto in the Recitals.

(n) “**CCAA Costs and Expenses**” means reasonable fees, costs and expenses (including reasonable legal fees and disbursements) payable to, or incurred by, Borden Ladner Gervais LLP, the Information Officer, or counsel to the Information Officer, in connection with the CCAA Proceeding, on or before the Effective Date and which remain unpaid.

(o) “**CCAA Proceeding**” means the proceeding of the Debtors under the Part IV of the CCAA commenced before the Ontario Court bearing Court File No. CV-22-00682153-00CL.

(p) “**Closing**” means the completion of the transactions contemplated hereby, as evidenced by the Information Officer’s Certificate to be filed with the Ontario Court by the Information Officer, which shall be deemed to have occurred at 12:01 a.m. (Toronto, Ontario time) on the Effective Date.

(q) “**Debtors**” has the meaning ascribed thereto in the Recitals.

(r) "**Discharge Order**" has the meaning ascribed thereto in Section 4.2.

(s) "**Effective Date**" means the date on which all of the conditions precedent set forth in Section 6 are satisfied or waived in accordance with the terms hereof.

(t) "**GBG**" has the meaning ascribed thereto in the Recitals.

(u) "**Governmental Authority**" means the government of any nation, province, territory, municipality, state, region or other political subdivision thereof and any governmental department, agency, commission, bureau, authority, instrumentality, regulatory body, court, tribunal, central bank or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, any quasi-governmental or self-regulatory organization or instrumentality exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing and any corporation or other entity owned or controlled by any of the foregoing.

(v) "**Information Officer**" has the meaning ascribed thereto in the Recitals.

(w) "**Information Officer's Certificate**" has the meaning ascribed thereto in the Administration Order.

(x) "**Initial Recognition Order**" has the meaning ascribed thereto in the Recitals.

(y) "**Insolvency Law**" means legislation in any applicable jurisdiction relating to bankruptcy, insolvency, reorganization, arrangement, compromise or readjustment of debt, dissolution or winding-up, or any similar legislation, and includes, without limitation, the BIA, the CCAA, the *Winding-Up and Restructuring Act*, R.S.C. 1985, c. W-11 and the US Code;

(z) "**Insolvency Proceeding**" means, in relation to any Person, any proceeding contemplated by any application, petition, assignment, filing of notice or other means, whether voluntary or involuntary, under any Insolvency Law seeking any moratorium, reorganization, adjustment, composition, proposal, compromise, arrangement, administration or other like or similar relief in respect of any or all of the obligations of that Person, seeking the winding up, liquidation or dissolution of that Person or all or any part of its property, seeking to set aside any payment made by or on behalf of such Person as a preference, a transaction under value or otherwise, seeking any judgment or order declaring, finding or adjudging that Person insolvent or bankrupt or seeking the appointment (provisional, interim or permanent) of any receiver or resulting, by operation of law, in the bankruptcy of that Person.

(aa) "**Intercompany Debt**" has the meaning ascribed thereto in the Recitals.

(bb) “**Obligations**” has the meaning ascribed thereto in Section 3.1.

(cc) “**Ontario Court**” has the meaning ascribed thereto in the Recitals.

(dd) “**Orders**” means the Administration Order and the Discharge Order.

(ee) “**Outside Date**” means October 15, 2022; *provided that* if the US Debtors and GBG mutually agree to extend the “Outside Date” under and as defined in the APA, the Outside Date under and as defined in this Agreement shall be automatically extended to such extended date.

(ff) “**Person**” or “**person**” means an individual, sole proprietorship, partnership, association, corporation, firm, limited liability company, unlimited liability company, trust, incorporated organization, joint venture, financial institution, a Governmental Authority, or the successor, executor, administrator or other legal representative of an individual in such capacity.

(gg) “**Sale Approval Recognition**” has the meaning ascribed thereto in Section 4.1.

(hh) “**Sale Transaction**” has the meaning ascribed thereto in the Recitals.

(ii) “**Supplemental Order**” has the meaning ascribed thereto in the Recitals.

(jj) “**US Bankruptcy Proceedings**” has the meaning ascribed thereto in the Recitals.

(kk) “**US Code**” has the meaning ascribed thereto in the Recitals.

(ll) “**US Court**” has the meaning ascribed thereto in the Recitals.

(mm) “**US Sale Order**” has the meaning ascribed thereto in the Recitals.

(nn) “**US Settlement Approval Order**” has the meaning ascribed thereto in Section 4.4.

1.2 Division into Headings. The division of this Agreement into sections and other subdivisions thereof and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Certain Rules of Interpretation. Unless otherwise specified or the context otherwise requires:

(a) the Preamble, Recitals, Schedules and Exhibits to this Agreement form an integral part of this Agreement;

(b) reference to any Section or Schedule are references to the Section of, or Schedule to, this Agreement;

(c) references to contracts, agreements or instruments are deemed to include all present and future amendments, supplements, restatements, replacements or other modifications to or of such contracts, agreements or instruments;

(d) references to any Person includes such Person's successors and permitted assigns;

(e) words in the singular include the plural and *vice versa* and words importing one gender includes all genders;

(f) the words "include", "includes" and "including" shall be interpreted as being followed by the phrase "without limitation", and the words "will", "shall" and "must" have the same meaning and effect; and

(g) references to any act, statute or regulation, or to any section of or any definition in any act, statute or regulation are deemed to be a reference to such act, statute or regulation or section or definition, as amended, supplemented, substituted, replaced or re-enacted from time to time.

1.4 Schedules. The following Schedules and Exhibits are annexed hereto and incorporated herein by reference and deemed to be part hereof:

Schedule A – Account Details of AFI Canada

2. **Settlement Amount**.

2.1 Cash Consideration. The consideration payable to AFI Canada (the "**Cash Consideration**") shall be paid at Closing substantially simultaneously with the transfer of the Canadian AR pursuant to Section 5.2, shall consist of:

(a) U.S. $500,000; *plus*

(b) Cdn. $1,989,021.41; *plus*

(c) U.S. $7,542.36; *minus*

(d) the amount of the CCAA Costs and Expenses,

which Cash Consideration shall be, (i) in the case of Section 2.1(a), paid to AFI Canada in full at Closing on the Effective Date by wire transfer of immediately available funds to the account set forth in Schedule A hereto, and (ii) in the case of Sections 2.1(b) and 2.1(c), retained by AFI Canada in full if its account contains a credit balance equal to the amount of such Cash Consideration at Closing; provided, however, that notwithstanding anything to the contrary, the parties understand that the sole source of funds for the U.S. $500,000 is from the holdback release in accordance with the APA and the US Sale Order.

2.2 Canadian Property. AFI Canada shall retain all present and future right, title, benefit and interest in, to and under the Canadian Property, which shall, to the extent that the proposed Canadian Bankruptcy Proceedings are commenced, form a part of the Canadian Bankruptcy Estate; *provided that*, subject to the occurrence of Closing on the terms and conditions set forth herein, the Canadian Property shall exclude the Canadian AR to be transferred to GBG as set forth in Section 5.2.

3. **Settlement and Release**.

3.1 Intercompany Debt. As of Closing, each of the US Debtors hereby irrevocably and unconditionally:

(a) acknowledges, covenants and agrees that all present indebtedness, liabilities and obligations of any nature or kind owing by AFI Canada to the US Debtors, or any one of them, in respect of or in connection with the Intercompany Debt, including, without limitation, any accrued interest or applicable costs, fees, expenses, penalties or other amounts (the "**Obligations**") are fully satisfied and irrevocably and unconditionally released and discharged, without any further action on the part of AFI Canada, the US Debtors or any other Person;

(b) acknowledges, covenants and agrees that any and all liens, charges, encumbrances or other security interests or guarantees granted to, or held by the US Debtors under or in respect of the Obligations, are irrevocably and unconditionally released and discharged without any further action on the part of AFI Canada, the US Debtors or any other Person; and

(c) waives the right to file a proof of claim in the proposed Canadian Bankruptcy Proceedings, or any other Insolvency Proceeding, of AFI Canada, in respect of or in connection with the Intercompany Debt.

3.2 AFI Canada Waiver. As of Closing, AFI Canada waives the right to file a proof of claim in any Insolvency Proceeding of any of the US Debtors in respect of or in connection with any present net intercompany claim AFI Canada has against any of the US Debtors.

4. **Court Orders**.

4.1 AFI Canada shall bring a motion in the CCAA Proceeding seeking an Order of the Ontario Court providing for, *inter alia*, (i) the approval of this Agreement, (ii) the recognition and enforcement of the US Sale Order, subject to the filing of the Information Officer's Certificate (the "**Sale Approval Recognition**"), (iii) the authorization for the Information Officer to file an assignment in bankruptcy on behalf of AFI Canada under the BIA and thereby initiate the proposed Canadian Bankruptcy Proceedings, and (iv) the authorization of the Information Officer to act as trustee in bankruptcy on behalf of AFI Canada (in such capacity, the "**Canadian Trustee**"), among other relief (the "**Administration Order**").

4.2 AFI Canada shall bring a motion in the CCAA Proceeding seeking an Order of the Ontario Court providing for, *inter alia*, the termination of the CCAA Proceeding, subject to the filing of the Discharge Certificate (as defined in the Discharge Order), among other relief (the "**Discharge Order**").

4.3 The parties acknowledge and agree that AFI Canada shall seek the Orders as described in Sections 4.1 and 4.2 above, and take reasonable steps at their respective cost and expense to cooperate for the issuance of the Orders, including by using their respective commercially reasonable efforts to provide to AFI Canada all such information and assistance as AFI Canada may require or reasonably request to obtain the Orders.

4.4 The US Debtors shall bring a motion in the US Bankruptcy Proceedings seeking an Order of the US Court providing for, *inter alia*, the approval of this Agreement, among other relief (the "**US Settlement Approval Order**").

4.5 The parties covenant and agree to use commercially reasonable efforts at their respective cost and expense, to assist the Information Officer and, in the proposed Canadian Bankruptcy Proceedings, to the extent that such proceedings are commenced, the Canadian Trustee, in the administration and winding-down of the Canadian Bankruptcy Estate; it being understood that the parties intend for the costs and expenses of the US Debtors in connection with such assistance shall be *de minimis*, and that upon the conclusion of the US Bankruptcy Proceedings, the US Debtors shall have no further obligations hereunder to assist the Canadian Trustee in the administration and winding-down of the Canadian Bankruptcy Estate.

4.6 The parties acknowledge and agree that AFI Canada shall not seek an Order of the Ontario Court providing for the recognition and enforcement of the Order entered by the US Court in the US Proceedings on June 16, 2022 with respect to the filing of proofs of claim and the setting of bar dates in connection therewith in the US Proceedings.

5. **Canadian Accounts Receivable**.

5.1 Effective September 2, 2022, AFI Canada has been, and shall continue to, make commercially reasonable efforts to collect on the Canadian AR until the Effective Date.

5.2 Subject to and conditional upon the granting of the Sale Approval Recognition, pursuant to the Administration Order, in exchange for and substantially simultaneously with the receipt by AFI Canada of the portion of the Cash Consideration as set forth in Section 2(a) payable to AFI Canada at Closing, all Canadian AR, shall be paid to GBG.

6. **Conditions Precedent to Closing**.

6.1 <u>Conditions for the Benefit of AFI Canada</u>. The obligation of AFI Canada to complete the transactions contemplated by this Agreement at Closing is subject to and conditional upon the satisfaction of the following conditions precedent (in addition to the common conditions precedent set forth in Section 6.3) at or prior to Closing, any of which such conditions may be waived in writing by AFI Canada in its sole discretion, in whole or in part, without prejudice to any other rights AFI Canada may have hereunder:

(a) AFI Canada shall have received payment of the Cash Consideration in accordance with Section 2.1;

(b) each US Debtor shall have fulfilled or complied with, in all material respects, all covenants required to be fulfilled or complied with by such US Debtor pursuant to this Agreement at or prior to Closing; and

(c) the US Debtors shall have delivered or caused to be delivered such documents as required hereunder or as AFI Canada may reasonably require in connection with the transactions contemplated hereby.

6.2 Conditions for the Benefit of the US Debtors. The obligation of the US Debtors to complete the transactions contemplated by this Agreement at Closing is subject to and conditional upon the satisfaction of the following conditions precedent (in addition to the common conditions precedent set forth in Section 6.3) at or prior to Closing, any of which such conditions may be waived in writing by AFI in its sole discretion, in whole or in part, without prejudice to any other rights the US Debtors may have hereunder:

(a) AFI Canada shall have fulfilled or complied with, in all material respects, all covenants required to be fulfilled or complied with by AFI Canada pursuant to this Agreement at or prior to Closing; and

(b) AFI Canada shall have delivered or caused to be delivered such documents as required hereunder or as AFI may reasonably require in connection with the transactions contemplated hereby.

6.3 Mutual Conditions. The respective obligations of AFI Canada and the US Debtors to complete the transactions contemplated by this Agreement at Closing are subject to and conditional upon the satisfaction of the following conditions precedent (in addition to the conditions precedent set forth in Sections 6.1 and 6.2 above) at or prior to Closing, any of which such conditions may be waived in writing by both AFI Canada and AFI in their respective sole discretion, in whole or in part, without prejudice to any other rights AFI Canada or the US Debtors may have hereunder:

(a) this Agreement shall have been duly executed and delivered by each of the parties hereto;

(b) the Ontario Court shall have granted the Administration Order, which Administration Order shall not have been appealed, vacated, stayed, varied or amended;

(c) the US Court shall have granted the US Settlement Approval Order, which Administration Order shall not have been appealed, vacated, stayed, varied or amended;

(d) no provision of any Applicable Law and no judgment, injunction, order or decree of any Governmental Authority or any other Person which makes any of the agreements contemplated hereby illegal or otherwise prohibits the consummation of the transactions contemplated hereby shall be in effect, pending or threatened; and

(e) the parties to the APA shall have executed an amendment to the APA mutually acceptable to such parties.

7. **Information Officer's Certificate**. Subject to and conditional upon the satisfaction or waiver of the conditions precedent set forth in Section 6 in accordance with the terms hereof, the Information Officer shall file the Information Officer's Certificate with the Ontario Court.

8. **Representations and Warranties**.

8.1 AFI Canada. AFI Canada hereby represents and warrants that:

(a) subject to the granting of the Administration Order and the US Settlement Approval Order, it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and, subject to the satisfaction or waiver of the conditions precedent hereunder in its favour, to consummate the transactions contemplated hereby, and this Agreement shall constitute a binding obligation of AFI Canada, enforceable against it in accordance with the terms hereof; and

(b) to the knowledge of AFI Canada, subject to the granting of the Administration Order and the US Settlement Approval Order, all approvals, consents or authorizations of, notices to, or filings or registrations with, any Governmental Authority or other third parties required to be obtained or made by AFI Canada in connection with the execution, delivery, performance, validity and enforceability of this Agreement and the consummation of the transactions contemplated hereby have been obtained or made.

(c) AFI Canada has not entered into any agreement to discount or accelerate the payment of the Canadian AR.

8.2 US Debtor. Each of the US Debtors hereby represents and warrants that:

(a) subject to the granting of the Administration Order and the US Settlement Approval Order, it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and, subject to the satisfaction or waiver of the conditions precedent hereunder in its favour, to consummate the transactions contemplated hereby, and this Agreement shall constitute a binding obligation of such US Debtor, enforceable against it in accordance with the terms hereof; and

(b) to the knowledge of such US Debtor, subject to the granting of the Administration Order and the US Settlement Approval Order, all approvals, consents or authorizations of, notices to, or filings or registrations with, any Governmental Authority or other third parties required to be obtained or made by such US Debtor in connection with the execution, delivery, performance, validity and enforceability of this Agreement and the consummation of the transactions contemplated hereby have been obtained or made.

9. **Termination**.

9.1 Termination Prior to Closing. This Agreement may be terminated prior to Closing:

(a) by mutual written agreement of AFI Canada and the US Debtors;

(b) by either AFI Canada or the US Debtors if Closing has not occurred on or before the Outside Date (as such date may be extended); *provided that* if Closing shall not have occurred on or before the Outside Date due to a breach of any representations, warranties, covenants or agreements contained in this Agreement by a party, then the breaching party may not terminate this Agreement pursuant to this Section 9.1(b);

(c) by AFI Canada, if there has been a breach by any of the US Debtors of any covenant, representation or warranty under this Agreement which would prevent the satisfaction of any condition precedent set forth in Section 6.1 or Section 6.3 by the Outside Date and such breach has not been waived in writing by AFI Canada or cured within ten (10) Business Days after written notice thereof from AFI Canada; or

(d) by the US Debtors, if there has been a breach by AFI Canada of any covenant, representation or warranty under this Agreement which would prevent the satisfaction of any condition precedent set forth in Section 6.2 or Section 6.3 by the Outside Date and such breach has not been waived in writing by AFI or cured within ten (10) Business Days after written notice thereof from AFI.

9.2 Effect of Termination. In the event of termination of this Agreement pursuant to Section 9.1, this Agreement shall be of no further force and effect, except for the provisions of Section 1, this Section 9.2 and Section 10, all of which shall survive termination. Nothing in this Section 9.2 shall be deemed to relieve any party from liability for any breach of this Agreement prior to its termination or to impair any right of any party to compel specific performance by any other party of its obligations under this Agreement.

10. **General**.

10.1 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

10.2 Waiver. No failure on the part of any party hereto in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute otherwise conferred.

10.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements between the parties hereto, whether written or verbal, with respect to the subject matter hereof. No provision of this Agreement may be amended, restated, modified, waived or changed unless made in writing and signed by AFI Canada and the US Debtors, provided that AFI Canada and AFI (on behalf of the US Debtors) may waive, in whole or in part, the conditions precedent expressed to be for such party's exclusive benefit by a writing signed by such party alone.

10.4 Costs and Expenses. Except as otherwise expressly provided herein, each party hereto agrees that it shall be responsible only for the costs and expenses, including legal fees and disbursements, incurred by or on behalf of such party in connection with this Agreement and the transactions contemplated hereby.

10.5 Further Assurances. Each of the parties hereto shall, from time to time, and at such party's cost and expense, promptly do, execute, deliver or cause to be done, executed or delivered all such further acts, documents and matters as may be necessary or desirable, or as may be reasonably requested by another party hereto, in order to effectively perform and carry out the purpose and intent of this Agreement and the transactions contemplated hereby.

10.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby irrevocably attorn to the exclusive jurisdiction of the Ontario Court with respect to any and all disputes, controversies or other matters arising out of or in connection with this Agreement.

10.7 Binding Effect. This Agreement shall enure to the benefit of and be binding upon the parties hereto, their respective permitted successors and permitted assigns. Nothing contained in this Agreement shall be construed as conferring any rights upon any Person other than the parties hereto.

10.8 Assignment. Neither AFI Canada nor any of the US Debtors may assign any of its rights, interests or obligations in or under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, and provided that (a) the assignee agrees to be bound by the terms of this Agreement, and (b) the assigning party shall remain liable hereunder for any breach of the terms of this Agreement by such assignee.

10.9 Third-Party Beneficiaries. This Agreement does not confer any legal, equitable or other rights or remedies of any nature whatsoever under or by reason of this Agreement upon any Person other than the parties to this Agreement and their respective successors and permitted assigns.

10.10 Time is of the Essence. Time shall be of the essence of this Agreement.

10.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument, and it will not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

10.12 Delivery by Electronic Transmission. This Agreement may be executed and delivered by facsimile or other electronic transmission (including in PDF format) and such execution and delivery shall be effective as execution and delivery of a manually executed counterpart to this Agreement.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the terms set forth in this Agreement are hereby agreed to as of the date first written above.

ARMSTRONG FLOORING, INC.

By: ______________________________
Name: Dalton Edgecomb
Title: Chief Transformation Officer

By: ______________________________
Name:
Title:

I/We have the authority to bind the corporation.

AFI LICENSING LLC

By: ______________________________
Name: Dalton Edgecomb
Title: Chief Transformation Officer

By: ______________________________
Name:
Title:

I/We have the authority to bind the corporation.

ARMSTRONG FLOORING LATIN AMERICA, INC.

By: ______________________________
Name: Dalton Edgecomb
Title: Chief Transformation Officer

By: ______________________________
Name:
Title:

I/We have the authority to bind the corporation.

ARMSTRONG FLOORING CANADA LTD.

By: ______________________________
Name: Dalton Edgecomb
Title: Chief Transformation Officer

By: ______________________________
Name:
Title:

I/We have the authority to bind the corporation.

Acknowledged, accepted and agreed to as of the date first written above.

GRANT THORNTON LIMITED, in its capacity as Court-appointed Information Officer of ARMSTRONG FLOORING CANADA LTD., ARMSTRONG FLOORING, INC., AFI LICENSING LLC and ARMSTRONG FLOORING LATIN AMERICA, INC. and not in its personal or corporate capacity

By: ______________________________

Name: Jonathan Krieger, CPA, CA, CIRP, LIT

Title: Senior Vice President

I have the authority to bind the corporation.

SCHEDULE A

WIRE TRANSFER ACCOUNT DETAILS OF AFI CANADA

THIS IS EXHIBIT "H" TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26TH DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

BRITISH COLUMBIA | BC Registry Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For

ARMSTRONG FLOORING CANADA LTD.

Date and Time of Search:	**May 09, 2022 07:48 AM Pacific Time**
Currency Date:	January 11, 2022

ACTIVE

Incorporation Number:	C1361471		
Name of Company:	ARMSTRONG FLOORING CANADA LTD.		
Business Number:	810289967 BC0003		
Recognition Date and Time:	Continued into British Columbia on May 06, 2022 07:47 AM Pacific Time	**In Liquidation:**	No
Last Annual Report Filed:	Not Available	**Receiver:**	No

PREVIOUS FOREIGN JURISDICTION INFORMATION

Identifying Number in Foreign Jurisdiction:
9386033

Name in Foreign Jurisdiction:
AFI Canada Ltd.

Date of Incorporation, Continuation or Amalgamation in Foreign Jurisdiction:
August 01, 2015

Foreign Jurisdiction:
FEDERAL

EXTRAPROVINCIAL REGISTRATION INFORMATION

Previous Registration Number in BC:
A0098437

Extraprovincial Company's Name in BC:
AFI CANADA LTD.

REGISTERED OFFICE INFORMATION

Mailing Address:
1200 WATERFRONT CENTRE
200 BURRARD STREET
PO BOX 48600
VANCOUVER BC V7X 1T2
CANADA

Delivery Address:
1200 WATERFRONT CENTRE
200 BURRARD STREET
VANCOUVER BC V6C 3L6
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
1200 WATERFRONT CENTRE
200 BURRARD STREET
PO BOX 48600
VANCOUVER BC V7X 1T2
CANADA

Delivery Address:
1200 WATERFRONT CENTRE
200 BURRARD STREET
VANCOUVER BC V6C 3L6
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Parisi, Christopher S.

Mailing Address:
1770 HEMPSTEAD ROAD
P.O. BOX 10068
LANCASTER PA 17605
UNITED STATES

Delivery Address:
1770 HEMPSTEAD ROAD
P.O. BOX 10068
LANCASTER PA 17605
UNITED STATES

NO OFFICER INFORMATION FILED .

THIS IS EXHIBIT “I” TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26TH DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

RESIGNATION

TO: **ARMSTRONG FLOORING CANADA LTD.** (the "**Corporation**")

AND TO: **the shareholder of the Corporation**

The undersigned, Christopher S. Parisi, hereby resigns as a director and officer of the Corporation effective as of August 31, 2022.

Dated the 30th day of August, 2022.

Christopher S. Parisi

THIS IS EXHIBIT “J” TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26TH DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

BRITISH COLUMBIA | BC Registry Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

Notice of Change of Directors

FORM 10
BUSINESS CORPORATIONS ACT
Section 127

Filed Date and Time: **September 9, 2022 02:09 PM Pacific Time**

Incorporation Number:
C1361471

Name of Company:
ARMSTRONG FLOORING CANADA LTD.

Date of Change of Directors

August 31, 2022

Director(s) who have ceased to be Directors

Last Name, First Name, Middle Name:
Parisi, Christopher S.

Mailing Address:
1770 HEMPSTEAD ROAD
P.O. BOX 10068
LANCASTER PA 17605
UNITED STATES

Delivery Address:
1770 HEMPSTEAD ROAD
P.O. BOX 10068
LANCASTER PA 17605
UNITED STATES

BRITISH COLUMBIA
BC Registry Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

Cover Sheet

ARMSTRONG FLOORING CANADA LTD.

Confirmation of Service

Form Filed:	Notice of Change of Directors
Date and Time of Filing:	September 9, 2022 02:09 PM Pacific Time
Name of Company:	ARMSTRONG FLOORING CANADA LTD.
Incorporation Number:	**C1361471**

This package contains:

- Certified Copy of the Notice of Articles

Check your documents carefully to ensure there are no errors or omissions. If errors or omissions are discovered, please contact the Corporate Registry for instructions on how to correct the errors or omissions.

BRITISH COLUMBIA | BC Registry Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

CERTIFIED COPY
Of a Document filed with the Province of
British Columbia Registrar of Companies

T.K. SPARKS

Notice of Articles

BUSINESS CORPORATIONS ACT

This Notice of Articles was issued by the Registrar on: September 9, 2022 02:09 PM Pacific Time

Incorporation Number: **C1361471**

Recognition Date and Time: Continued into British Columbia on May 6, 2022 07:47 AM Pacific Time

NOTICE OF ARTICLES

Name of Company:

ARMSTRONG FLOORING CANADA LTD.

REGISTERED OFFICE INFORMATION

Mailing Address:
1200 WATERFRONT CENTRE
200 BURRARD STREET
PO BOX 48600
VANCOUVER BC V7X 1T2
CANADA

Delivery Address:
1200 WATERFRONT CENTRE
200 BURRARD STREET
VANCOUVER BC V6C 3L6
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
1200 WATERFRONT CENTRE
200 BURRARD STREET
PO BOX 48600
VANCOUVER BC V7X 1T2
CANADA

Delivery Address:
1200 WATERFRONT CENTRE
200 BURRARD STREET
VANCOUVER BC V6C 3L6
CANADA

DIRECTOR INFORMATION

No director information to display.

AUTHORIZED SHARE STRUCTURE

1.	No Maximum	Common Shares	Without Par Value Without Special Rights or Restrictions attached

THIS IS EXHIBIT “K” TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26TH DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412085035.47

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : AFI CANADA LTD.

FILE CURRENCY : 11APR 2022

ENQUIRY NUMBER 20220412085035.47 CONTAINS 6 PAGE(S), 1 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crfj5 06/2019)

BORDEN LADNER GERVAIS LLP - A. GASPARINI - ADRIANA GASPARINI
22 ADELAIDE STREET WEST, SUITE 3400
TORONTO ON M5H 4E3

CONTINUED... 2

Ontario

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412085035.47

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(3480)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : AFI CANADA LTD.
FILE CURRENCY : 11APR 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
725951925

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		01		004		20170327 1402 1462 3216	P PPSA	10

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME: AFI CANADA LTD. — ONTARIO CORPORATION NO.
04 ADDRESS: 40 KING STREET WEST, SUITE 2100 TORONTO ON M5H3C2

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: ELEMENT FLEET MANAGEMENT INC.
09 ADDRESS: 4 ROBERT SPECK PARKWAY, SUITE 900 MISSISSAUGA ON L4Z1S1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X		X	X				

11 MOTOR — YEAR MAKE — MODEL — V.I.N.
12 VEHICLE

13 GENERAL ALL PRESENT AND FUTURE MOTOR VEHICLES (INCLUDING, WITHOUT
14 COLLATERAL LIMITATION, PASSENGER AUTOMOBILES, VANS, TRUCKS, TRUCK-TRACTORS,
15 DESCRIPTION TRUCK-TRAILERS, TRUCK-CHASSIS AND TRUCK BODIES), AUTOMOTIVE

16 REGISTERING AGENT: ELEMENT FLEET MANAGEMENT INC.
17 ADDRESS: 4 ROBERT SPECK PARKWAY, SUITE 900 MISSISSAUGA ON L4Z1S1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : AFI CANADA LTD.
FILE CURRENCY : 11APR 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
725951925

01 CAUTION FILING | PAGE NO. 02 | OF | TOTAL PAGES 004 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20170327 1402 1462 3216 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 10

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME | ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE
10

11 MOTOR VEHICLE — YEAR | MAKE | MODEL | V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION — EQUIPMENT (INCLUDING, WITHOUT LIMITATION, TRAILERS, BOXES AND
14 REFRIGERATION UNITS), MATERIAL-HANDLING EQUIPMENT AND OTHER GOODS
15 (WHETHER SIMILAR OR DISSIMILAR TO THE FOREGOING) LEASED FROM TIME TO

16 REGISTERING AGENT — ELEMENT FLEET MANAGEMENT INC.
17 ADDRESS 4 ROBERT SPECK PARKWAY, SUITE 900 MISSISSAUGA ON L4Z1S1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

Ontario

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412085035.47

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : AFI CANADA LTD.
FILE CURRENCY : 11APR 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
725951925

01 CAUTION FILING | PAGE NO. 03 | OF | TOTAL PAGES 004 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20170327 1402 1462 3216 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 10

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME — ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS — INVENTORY — EQUIPMENT — ACCOUNTS — OTHER — MOTOR VEHICLE INCLUDED — AMOUNT — DATE OF MATURITY — OR — NO FIXED MATURITY DATE

11 MOTOR VEHICLE — YEAR — MAKE — MODEL — V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION — TIME BY THE SECURED PARTY TO THE DEBTOR, TOGETHER WITH, IN EACH
14 CASE, ALL PRESENT AND FUTURE PARTS, ATTACHMENTS, ACCESSORIES AND
15 ACCESSIONS ATTACHED THERE TO OR INSTALLED THEREIN, AND ALL PROCEEDS

16 REGISTERING AGENT — ELEMENT FLEET MANAGEMENT INC.
17 ADDRESS — 4 ROBERT SPECK PARKWAY, SUITE 900 — MISSISSAUGA — ON — L4Z1S1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

Ontario

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412085035.47

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : AFI CANADA LTD.
FILE CURRENCY : 11APR 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
725951925

01 CAUTION FILING | PAGE NO. | OF TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER | REGISTRATION PERIOD
| 04 | 004 | | 20170327 1402 1462 3216 | P PPSA | 10

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME — ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS — INVENTORY — EQUIPMENT — ACCOUNTS — OTHER — MOTOR VEHICLE INCLUDED — AMOUNT — DATE OF MATURITY OR — NO FIXED MATURITY DATE
10

11 MOTOR VEHICLE — YEAR — MAKE — MODEL — V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION OF OR RELATING TO ANY OF THE FOREGOING.
14
15

16 REGISTERING AGENT ELEMENT FLEET MANAGEMENT INC.
17 ADDRESS 4 ROBERT SPECK PARKWAY, SUITE 900 MISSISSAUGA ON L4Z1S1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fu 06/2019)

Ontario

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412085035.47

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 6
(3484)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : AFI CANADA LTD.
FILE CURRENCY : 11APR 2022

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
725951925	20170327 1402 1462 3216			

1 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crfj5 06/2019)

Ontario

THIS IS EXHIBIT "L" TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26TH DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "ARMSTRONG FLOORING CANADA LTD."

Search Date and Time: May 9, 2022 at 7:04:43 am Pacific time
Account Name: Not available.

NIL RESULT

0 Matches in 0 Registrations   Exact Matches: 0 (*)   Total Search Report Pages: 0

The search returned a NIL result. 0 registrations were found.

No registered liens or encumbrances have been found on file that match EXACTLY to the search criteria listed above and no similar matches to the criteria have been found.

THIS IS EXHIBIT “M” TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26TH DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

Roger Jaipargas
T 416.367.6266
rjaipargas@blg.com

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada M5H 4E3
T 416.367.6000
F 416.367.6749
blg.com

Borden Ladner Gervais

August 17, 2022

VIA COURIER AND REGULAR MAIL

Element Fleet Management Inc.
4 Robert Speck Parkway, Suite 900
Mississauga, Ontario
L4Z 1S1

Dear Sir/Madam,

Re: Armstrong Flooring Canada Ltd. (formally AFI Canada Ltd.)

We are the lawyers for Armstrong Flooring Canada Ltd. (formally AFI Canada Ltd.) ("**Armstrong Flooring Canada**") and certain of its affiliates.

Armstrong Flooring Canada, together with each of, Armstrong Flooring, Inc., AFI Licensing LLC and Armstrong Flooring Latin America, Inc. (collectively, together with Armstrong Flooring Canada, the "**Armstrong Group**") filed voluntary petitions for relief commencing cases (the "**US Insolvency Proceedings**") 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 "**US Bankruptcy Court**") on or about May 8, 2022 (the "**Petition Date**").

On June 8, 2022, the Ontario Superior Court of Justice (Commercial List) (the "**Ontario Court**") granted the Initial Recognition Order and the Supplemental Order, recognizing the US Insolvency Proceedings as a foreign main proceeding, pursuant to Part IV of the *Companies' Creditors Arrangement Act* ("**CCAA**") (the "**Ancillary Proceedings**"). Copies of the Initial Recognition Order and the Supplemental Order dated June 8, 2022 made by Mr. Justice Cavanagh of the Ontario Court can be found at the following website: https://docs.grantthornton.ca/common#Armstrong-Flooring-Inc. Element Fleet Management Inc., ("**Element**") was served with the Application Record of Armstrong Flooring Canada, on or about June 3, 2022, in connection with the Ancillary Proceedings.

We have obtained an Enquiry Response Certificate in respect of a search under the *Personal Property Search Act* (Ontario) ("**PPSA**"), as against "AFI Canada Ltd." with a file currency of April 11, 2022, which search discloses a registration under the PPSA in favour of Element, as against AFI Canada Ltd. We are advised by our client that, to the best of their knowledge, there are no outstanding amounts owing to Element and that the PPSA registration that was made by Element on March 27, 2017, should be discharged by Element.

In light of the foregoing, reference is made to Sections 56 and 67 of the PPSA, with respect to the request by Armstrong Flooring Canada for Element to discharge the PPSA registration that has been filed as against AFI Canada Ltd. Armstrong Flooring Canada requests that pursuant to Section 56 of the PPSA, Element's PPSA registration naming AFI Canada Ltd. as a debtor, be discharged forthwith by Element. In the event that Element fails to discharge the above referenced PPSA registration against AFI Canada Ltd., our client reserves the right to seek payment of the fine provided for at Section 56(4) of the PPSA, together with any damages that Armstrong Flooring Canada may have suffered and to seek an Order from the Ontario Court to expunge the Element PPSA registration as against AFI Canada Ltd., pursuant to Section 56 and Section 67 of the PPSA. In the event that such relief is required from the Ontario Court, our client reserves the right to seek costs against Element.

I look forward to hearing from you by no later than August 30, 2022, in connection with the above-noted request. I presume your response will include a copy of the verification statement evidencing the discharge of the Element PPSA registration as against AFI Canada Ltd., as required by Section 46(6) of the PPSA.

Yours very truly,

Roger Jaipargas
RJ/je

cc Jonathan Krieger, Grant Thornton Limited
Matthew Gottlieb, Lax O'Sullivan Lisus Gottlieb LLP
Client

131287009:v1

THIS IS EXHIBIT "N" TO THE AFFIDAVIT

OF DALTON EDGECOMB SWORN BEFORE

ME ON THIS 26TH DAY OF SEPTEMBER, 2022

____

A Notary Public in and for the State of Connecticut

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	**Chapter 11**
ARMSTRONG FLOORING, INC., *et al.*,	**Case No. 22-10426 (MFW)**
Debtors.[1]	**(Jointly Administered)**
	Related Docket No. 314

ORDER PURSUANT TO BANKRUPTCY RULE 3003(c)(3) AND LOCAL RULE 2002-1(e) ESTABLISHING BAR DATES AND RELATED PROCEDURES FOR FILING PROOFS OF CLAIM (INCLUDING FOR ADMINISTRATIVE EXPENSE CLAIMS ARISING UNDER SECTION 503(b)(9) OF THE BANKRUPTCY CODE) AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF

Upon consideration of the motion (the **Motion**")[2] of the Debtors for entry of an order, pursuant to Bankruptcy Rule 3003(c)(3) and Local Rule 2002-1(e), establishing Bar Dates and related procedures by which creditors must file their Proofs of Claim, as more fully described in the Motion; and the Court having reviewed the Motion; and the Court having determined that there is good and sufficient cause for the relief set forth herein; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated as of February 29, 2012; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor,

---

1 The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Armstrong Flooring, Inc. (3305); AFI Licensing LLC (3265); Armstrong Flooring Latin America, Inc. (2943); and Armstrong Flooring Canada Ltd. (N/A). The address of the Debtors' corporate headquarters is PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065.

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

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.

2. The Court hereby approves (i) the forms of the Bar Date Notice, the Proof of Claim Form, and the Publication Notice, substantially in the forms attached to this Order as **Exhibit 1**, **Exhibit 2** and **Exhibit 3**, respectively, and (ii) the manner of providing notice of the Bar Dates as described in this Order.

3. Pursuant to Bankruptcy Rule 3003(c)(2), any creditor (as defined in section 101(10) of the Bankruptcy Code) other than a governmental unit (as defined in section 101(27) of the Bankruptcy Code), who asserts a claim (as defined in section 101(5) of the Bankruptcy Code) against the Debtors that arose, or is deemed to have arisen, prior to May 8, 2022 (the "**Petition Date**") and does not fall under any of the categories set forth in paragraph 9 of this Order, must file a Proof of Claim on or prior to **August 5, 2022 at 5:00 p.m. (Eastern)** (the "**General Bar Date**") as provided in this Order.

4. Notwithstanding Paragraph 3 above, the deadline for governmental units (as defined in section 101(27) of the Bankruptcy Code) to file a Proof of Claim against the Debtors is **November 4, 2022 at 5:00 p.m. (Eastern)** (the "**Governmental Bar Date**").

5. Any person or entity (including, without limitation, each individual, partnership, joint venture, corporation, estate, trust and governmental unit), that holds, or seeks to assert, a claim (as defined in section 101(5) of the Bankruptcy Code) against the Debtors that arose, or is deemed to have arisen, prior to the Petition Date including, without limitation, secured claims, unsecured priority claims (including, without limitation, claims entitled to priority under sections 507(a)(4) through 507(a)(10) and 503(b)(9) of the Bankruptcy Code) and unsecured non-priority

claims (the holder of any such claim, the "**Claimant**"), must properly file a Proof of Claim on or before the applicable Bar Date in order to share in the Debtors' estates.

6. All Claimants must submit (by overnight mail, courier service, hand delivery, regular mail, in person or electronically through the online Proof of Claim Form available at https://dm.epiq11.com/armstrongflooring/) an original, written proof of claim that substantially conforms to the Proof of Claim Form so as to be ***actually received*** by Epiq, the Debtors' claims and noticing agent, by no later than 5:00 p.m. (Eastern) on or before the applicable Bar Date at the following address:

If by First-Class Mail: Armstrong Flooring, Inc., Claims Processing Center c/o Epiq Corporate Restructuring, LLC P.O. Box 4419 Beaverton, OR 97076-4419	If by Hand Delivery or Overnight Mail: Armstrong Flooring, Inc., Claims Processing Center c/o Epiq Corporate Restructuring, LLC 10300 SW Allen Blvd. Beaverton, OR 97005

7. A Proof of Claim must satisfy all of the following requirements to be considered properly and timely filed in these Chapter 11 Cases:

a. be **actually received** by Epiq as described in paragraph 6 above by overnight mail, courier service, hand delivery, regular mail, in person or electronically through the Proof of Claim Form available on Epiq's website on or before the applicable Bar Date;

b. be signed by the Claimant;

c. be written in the English language;

d. be denominated in lawful currency of the United States;

e. conform substantially to the Proof of Claim Form or Official Form 410;

f. specify the Debtor and its bankruptcy case number;

g. set forth with specificity the legal and factual basis for the alleged claim; and

h. include supporting documentation or an explanation as to why such documentation is not available.

8. Proofs of Claim sent to Epiq by facsimile, telecopy, or electronic mail will **not** be accepted and will **not** be considered properly or timely filed for any purpose in these Chapter 11 Cases.

9. Notwithstanding the above, holders of the following claims are **not** required to file a Proof of Claim on or before the applicable Bar Date solely with respect to such claim:

a. a claim against the Debtors for which a signed proof of claim has already been properly filed with the Clerk of the Bankruptcy Court for the District of Delaware or Epiq in a form substantially similar to Official Bankruptcy Form No. 410;

b. a claim that is listed on the Debtors' schedules of assets and liabilities (collectively, the "**Schedules**") if and only if (i) such claim is not scheduled as "disputed," "contingent," or "unliquidated," (ii) the holder of such claim agrees with the amount, nature and priority of the claim as set forth in the Schedules, **and** (iii) the holder of such claim agrees that the claim is an obligation of the Debtor as listed in its Schedules;

c. an administrative expense claim allowable under sections 503(b) and 507(a)(2) of the Bankruptcy Code as an expense of administration (other than any claim allowable under section 503(b)(9) of the Bankruptcy Code);

d. an administrative expense claim for post-petition fees and expenses incurred by any professional allowable under sections 330, 331, and 503(b) of the Bankruptcy Code;

e. a claim that has been paid in full by the Debtors in accordance with the Bankruptcy Code or an order of this Court;

f. a claim that has been allowed by an order of this Court entered on or before the applicable Bar Date;

g. a claim of a current employee for benefits under a self-insured benefit plan; provided however, that a current employee must submit a claim by the General Bar Date for all other claims arising before the Petition Date, including claims, if any, for wrongful termination, discrimination, harassment, hostile work environment, and retaliation and claims covered by the Debtors' workers compensation insurance;

h. any fees payable to the U.S. Trustee under 28 U.S.C. § 1930 or accrued interest thereon arising under 31 U.S.C. § 3717; and

i. a claim for which specific deadlines have been fixed by an order of this Court entered on or before the applicable Bar Date.

10. Any Claimant exempted from filing a Proof of Claim pursuant to paragraph 9 above must still properly and timely file a Proof of Claim for any other claim that does not fall within the exemptions provided by paragraph 9 above.

11. Any person or entity holding an equity security (as defined in section 101(16) of the Bankruptcy Code and including, without limitation, common stock, preferred stock, warrants, or stock options) or other ownership interest in the Debtors (an "**Interest Holder**") is not required to file a proof of interest on or before the applicable Bar Date; *provided*, *however*, that the Debtors reserve the right to seek relief at a later date establishing a deadline for Interest Holders to file proofs of interest.

12. Any person or entity that holds a claim that arises from the rejection of an executory contract or unexpired lease must file a Proof of Claim based on such rejection by the later of (a) the General Bar Date or (b) 5:00 p.m. (Eastern) on the date that is thirty (30) days following service of an order approving rejection of any executory contract or unexpired lease of the Debtors.

13. If the Debtors amend their Schedules, then the deadline to submit a Proof of Claim for those creditors affected by any such amendment shall be the later of (i) the applicable Bar Date or (ii) 5:00 p.m. (Eastern) on the date that is thirty (30) days from the date that the Debtor provides written notice to the affected creditor that the Schedules have been amended.

14. Not later than a date that is four (4) business days after entry of this Order, the Debtors shall serve the Bar Date Notice, together with a copy of the Proof of Claim Form, by first class United States mail, postage prepaid (or equivalent service), to the following parties:

a. all known holders of potential claims and their counsel (if known), including all persons and entities listed in the Schedules at the addresses set forth therein (or any more recent address that is known to the Debtors), as potentially holding claims;

b. all parties that have requested notice of the proceedings in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002 as of the date of the Bar Date Order;

c. all parties that have filed proofs of claim in the Chapter 11 Cases as of the date of the Bar Date Order;

d. all known parties to executory contracts and unexpired leases with the Debtors;

e. all known parties to litigation with the Debtors;

f. the District Director of the Internal Revenue Service for the District of Delaware;

g. all other known taxing authorities for the jurisdictions in which the Debtors maintain or conduct business;

h. the Securities and Exchange Commission;

i. the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business;

j. the United States Attorney for the District of Delaware;

k. the Federal Communications Commission;

l. the U.S. Trustee for the District of Delaware;

m. all other entities listed on the Debtors' matrix of creditors;

n. all persons who were employees of the Debtors as of the Petition Date, or within six months prior to the Petition Date; and

o. counsel (if known) to any of the foregoing.

15. In accordance with Bankruptcy Rule 2002(a)(7), service of the Bar Date Notice and Proof of Claim Form in the manner set forth in this Order is and shall be deemed to be good and sufficient notice of the Bar Date to known Claimants.

16. Pursuant to Bankruptcy Rule 2002(l), the Debtors shall cause the Publication Notice to be published once in one or more regional or local newspapers, trade journals, or similar publications, in states where the Debtors operated their businesses, as soon as practicable after

entry of the Bar Date Order but no later than thirty (30) days before the General Bar Date. Such form and manner of publication notice is hereby approved and authorized and is and shall be deemed to be good and sufficient notice of the Bar Dates to unknown Claimants.

17. Properly filing an original, written Proof of Claim that substantially conforms to the Proof of Claim Form shall be deemed to satisfy the procedural requirements for the assertion of administrative priority claims under section 503(b)(9) of the Bankruptcy Code; *provided*, *however*, that all other administrative claims under section 503(b) of the Bankruptcy Code must be made by separate requests for payment in accordance with section 503(a) of the Bankruptcy Code and will not be deemed proper if made by Proof of Claim.

18. Claimants filing claims under section 503(b)(9) of the Bankruptcy Code shall attach to the Proof of Claim a supplemental statement setting forth with specificity: (i) the date of shipment of the goods the Claimant contends the Debtors received in the twenty (20) days before the Petition Date; (ii) the date, place, and method (including carrier name) of delivery of the goods the Claimant contends the Debtors received in the twenty (20) days before the Petition Date; (iii) the value of the goods the Claimant contends the Debtors received in the twenty (20) days before the Petition Date; and (iv) whether the Claimant timely made a demand to reclaim such goods under section 546(c) of the Bankruptcy Code, including any documentation identifying such demand.

19. Pursuant to Bankruptcy Rule 3003(c)(2), absent further order of the Court to the contrary, any Claimant that is required to file a Proof of Claim in these Chapter 11 Cases pursuant to the Bankruptcy Code, the Bankruptcy Rules, or this Order with respect to a particular claim against the Debtors, but that fails to do so properly by the applicable Bar Date, may not be treated as a creditor in these Chapter 11 Cases with respect to such claim for purposes of voting and

distribution; *provided*, *however*, that a holder of a claim may be treated as a creditor for purposes of voting and distribution as to any undisputed, noncontingent and liquidated claims identified in the Schedules on behalf of such holder, in the amount set forth in the Schedules.

20. Nothing contained in this Order, the Publication Notice, or the Bar Date Notice is intended or shall be construed as a waiver of any of the Debtors' rights, including, without limitation, the rights to: (a) dispute, or assert offsets or defenses against, any filed claim or any claim listed or reflected in the Schedules as to the nature, amount, liability, or classification thereof; (b) subsequently designate any scheduled claim as disputed, contingent, or unliquidated; or (c) otherwise amend or supplement the Schedules. In addition, nothing contained in this Order, the Publication Notice or the Bar Date Notice is intended or shall be construed as an admission of the validity of any claim against the Debtors or an approval, assumption, or rejection of any agreement, contract, or lease under section 365 of the Bankruptcy Code. All such rights and remedies are reserved.

21. The provisions of this Order apply to all claims of whatever character or nature against the Debtors or their assets, whether secured or unsecured, priority or non-priority, liquidated or unliquidated, fixed or contingent.

22. All Claimants who desire to rely on the Schedules with respect to filing a proof of claim in these Chapter 11 Cases shall have the sole responsibility for determining that their respective claim is accurately listed therein.

23. Notwithstanding the possible application of Bankruptcy Rules 6004(h), 7062, or 9014, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

24. The Debtors and Epiq are authorized to take all actions necessary or appropriate to effectuate the relief granted pursuant to this Order.

25. The Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to this Order.

Dated: June 16th, 2022
Wilmington, Delaware

MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	**Chapter 11**
ARMSTRONG FLOORING, INC., *et al.*,	**Case No. 22-10426 (MFW)**
Debtors.[1]	**(Jointly Administered)**

NOTICE OF DEADLINE FOR THE FILING OF PROOFS OF CLAIM, INCLUDING CLAIMS ASSERTED UNDER SECTION 503(b)(9) OF THE BANKRUPTCY CODE

(GENERAL BAR DATE IS AUGUST 5, 2022 AT 5:00 P.M. (EASTERN)

TO: ALL HOLDERS OF POTENTIAL CLAIMS AGAINST THE DEBTOR (AS LISTED BELOW)

PLEASE TAKE NOTICE that on May 8, 2022 (the "**Petition Date**"), Armstrong Flooring, Inc. and certain of its affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the "**Debtors**") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "**Chapter 11 Cases**") with the United States Bankruptcy Court for the District of Delaware (the "**Court**").

PLEASE TAKE FURTHER NOTICE that on _____________, 2022, the Court entered an order (the "**Bar Date Order**") establishing **August 5, 2022 at 5:00 p.m. (Eastern)** (the "**General Bar Date**") as the last date and time for each person or entity to file a proof of claim in the Chapter 11 Cases (the "**Proof of Claim**" or "**Proofs of Claims**," as applicable); *provided that*, solely with respect to a governmental unit, the last date and time for such governmental unit to file a Proof of Claim in the Chapter 11 Cases is **November 4, 2022 at 5:00 p.m. (Eastern)** (the "**Governmental Bar Date**," and together with the General Bar Date, the "**Bar Dates**").

For your convenience, enclosed with this Notice is a proof of claim form (the "**Proof of Claim Form**"). To the extent your claim is listed in the Debtors' schedules of assets and liabilities filed in the Chapter 11 Cases (collectively, the "**Schedules**"), such Proof of Claim Form identifies on its face the amount, nature and classification of your claim in the Schedules. A copy of the Debtors' Schedules can be viewed free of charge on the website of the Debtors' Claims Agent, Epiq Corporate Restructuring, LLC at http://dm.epiq11.com/Armstrongflooring, under the Key

[1] The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Armstrong Flooring, Inc. (3305); AFI Licensing LLC (3265); Armstrong Flooring Latin America, Inc. (2943); and Armstrong Flooring Canada Ltd. (N/A). The address of the Debtors' corporate headquarters is PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065.

Documents folder "Schedules & Statements". If you disagree with the amount, nature, and classification of your claim as set forth on the enclosed Proof of Claim Form, you must file a Proof of Claim by the applicable Bar Date, in writing, at Armstrong Flooring, Inc., Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OR 97005, or online at http://dm.epiq11.com/Armstrongflooring. Additional Proof of Claim forms can also be found online at http://dm.epiq11.com/Armstrongflooring under the Tab "Claims". Such Proofs of Claim should be prepared and filed in accordance with the procedures set forth herein.

PLEASE TAKE FURTHER NOTICE that the Bar Date Order and the procedures set forth therein and herein for the filing of Proofs of Claim apply to all claims (the holder of any such claim, a "**Claimant**") against the Debtors that arose, or are deemed to have arisen, prior to the Petition Date, regardless of their character or nature, whether secured or unsecured, priority or non-priority, liquidated or unliquidated, fixed or contingent, including, without limitation, claims entitled to administrative priority status under section 503(b)(9) of the Bankruptcy Code.[2]

As used in this Notice, the term "**creditor**" has the meaning given to it in section 101(10) of the Bankruptcy Code, and includes all persons, entities, estates, trusts, governmental units, and the United States Trustee. In addition, the terms "**persons**," "**entities,**" and "**governmental units**" are defined in sections 101(41), 101(15), and 101(27) of the Bankruptcy Code, respectively.

As used in this Notice, the term "**claim**" or "**Claim**" has the meaning given to it in section 101(5) of the Bankruptcy Code, and includes as to or against the Debtor: (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

YOU ARE RECEIVING THIS NOTICE BECAUSE YOU MAY HAVE OR YOU MAY ASSERT A CLAIM AGAINST THE DEBTORS IN THE ABOVE-CAPTIONED CHAPTER 11 CASES. THEREFORE, YOU SHOULD READ THIS NOTICE CAREFULLY AND DISCUSS IT WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.

General Information about the Debtors' Cases. The Debtors' cases are being jointly administered under case number 22-10426 (MFW)

Debtors' Information. The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Armstrong Flooring, Inc. (3305); AFI Licensing LLC (3265); Armstrong Flooring Latin America, Inc. (2943); and Armstrong Flooring Canada Ltd. (N/A). The address of the Debtors' corporate headquarters is PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065.

2 A claim arising under section 503(b)(9) of the Bankruptcy Code is a claim arising from the value of goods received by any of the Debtors within twenty (20) days before the Petition Date, provided that the goods were sold to such Debtor in the ordinary course of business.

A CLAIMANT SHOULD CONSULT AN ATTORNEY IF THE CLAIMANT HAS ANY QUESTIONS, INCLUDING WHETHER SUCH CLAIMANT SHOULD FILE A PROOF OF CLAIM.

1. PERSONS OR ENTITIES WHO MUST FILE A PROOF OF CLAIM.

Any person or entity that has or seeks to assert a claim against the Debtors which arose, or is deemed to have arisen, prior to the Petition Date, including, without limitation, a claim under section 503(b)(9) of the Bankruptcy Code, **MUST FILE A PROOF OF CLAIM ON OR BEFORE THE APPLICABLE BAR DATE** in order to share potentially in the Debtors' estates, except as set forth in (A) below.

Under the Bar Date Order, the filing of a Proof of Claim Form shall be deemed to satisfy the procedural requirements for the assertion of administrative priority claims under section 503(b)(9) of the Bankruptcy Code. All other administrative claims under section 503(b) of the Bankruptcy Code must be made by separate requests for payment in accordance with section 503(a) of the Bankruptcy Code and shall not be deemed proper if made by proof of claim. No deadline has yet been established for the filing of administrative claims other than claims under section 503(b)(9) of the Bankruptcy Code. **Claims under section 503(b)(9) of the Bankruptcy Code must be filed by the General Bar Date**.

Acts or omissions of the Debtors that occurred or arose before the Petition Date may give rise to Claims against the Debtors that must be filed by the applicable Bar Date, notwithstanding that such Claims may not have matured, are contingent, or have not become fixed or liquidated prior to or as of the Petition Date.

THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT MEAN THAT YOU HAVE A CLAIM OR THAT THE DEBTORS BELIEVE THAT YOU HAVE A CLAIM. A CLAIMANT SHOULD CONSULT AN ATTORNEY IF THE CLAIMANT HAS ANY QUESTIONS, INCLUDING WHETHER SUCH CLAIMANT SHOULD FILE A PROOF OF CLAIM.

A. Claims For Which No Proof of Claim is Required to be Filed.

Notwithstanding the above, holders of the following claims are **NOT** required to file a Proof of Claim on or before the applicable Bar Date solely with respect to such claim:

a. a claim against the Debtors for which a signed proof of claim has already been properly filed with the Clerk of the Bankruptcy Court for the District of Delaware or Epiq Corporate Restructuring, LLC ("**Epiq**") in a form substantially similar to Official Bankruptcy Form No. 410;

b. a claim that is listed on the Debtors' Schedules if and only if (i) such claim is not scheduled as "disputed," "contingent," or "unliquidated," (ii) the holder of such claim agrees with the amount, nature and priority of the claim as set forth in the Schedules, **and** (iii) the holder of such claim agrees that the claim is an obligation of the Debtors listed in the Schedules;

c. an administrative expense claim allowable under sections 503(b) and 507(a)(2) of the Bankruptcy Code as an expense of administration (other than any claim allowable under section 503(b)(9) of the Bankruptcy Code);

d. an administrative expense claim for post-petition fees and expenses incurred by any professional allowable under sections 330, 331, and 503(b) of the Bankruptcy Code;

e. a claim that has been paid in full by the Debtors in accordance with the Bankruptcy Code or an order of this Court;

f. a claim that has been allowed by an order of this Court entered on or before the applicable Bar Date;

g. any fees payable to the U.S. Trustee under 28 U.S.C. § 1930 or accrued interest thereon arising under 31 U.S.C. § 3717; and

h. a claim for which specific deadlines have been fixed by an order of this Court entered on or before the applicable Bar Date.

Please take notice that any Claimant exempted from filing a Proof of Claim pursuant to paragraph A above <u>must still properly and timely file</u> a Proof of Claim for any other claim that does not fall within the exemptions provided by paragraph A above. As set forth in clause (e) above, creditors are not required to file a proof of claim with respect to any amounts that have already been paid by the Debtor.

B. <u>No Bar Date for Proof of Interest</u>.

Any person or entity holding an equity security (as defined in section 101(16) of the Bankruptcy Code and including, without limitation, common stock, preferred stock, warrants, or stock options) or other ownership interest in the Debtor (an "**Interest Holder**") is not required to file a proof of interest on or before the applicable Bar Date; *provided*, *however*, that the Debtors reserve the right to establish at a later time a bar date requiring Interest Holders to file proofs of interest. If such a bar date is established, Interest Holders will be notified in writing of the bar date for filing of proofs of interest at the appropriate time.

C. <u>Claims Arising from Rejected Executory Contracts or Unexpired Leases</u>.

Any person or entity that holds a claim that arises from the rejection of an executory contract or unexpired lease must file a Proof of Claim based on such rejection by the later of (a) the General Bar Date or (b) 5:00 p.m. (Eastern) on the date that is thirty (30) days following service of an order approving rejection of any executory contract or unexpired lease of the Debtors.

D. <u>Amendment to the Debtors' Schedules</u>.

If the Debtors amend the Schedules, then the deadline to submit a Proof of Claim for those creditors affected by any such amendment shall be the later of (i) the applicable Bar Date or (ii)

5:00 p.m. (Eastern) on the date that is thirty (30) days from the date that the Debtors provide written notice to the affected creditor that the Schedules have been amended.

2. WHEN AND WHERE TO FILE.

All Claimants must submit (by overnight mail, courier service, hand delivery, regular mail, or in person) an original, written Proof of Claim that substantially conforms to the Proof of Claim Form so as to be ***actually received*** by Epiq, the Debtors' claims and notice agent, by no later than 5:00 p.m. (Eastern) on or before the applicable Bar Date at the following address:

If by First-Class Mail: Armstrong Flooring, Inc., Claims Processing Center c/o Epiq Corporate Restructuring, LLC P.O. Box 4419 Beaverton, OR 97076-4419	If by Hand Delivery or Overnight Mail: Armstrong Flooring, Inc., Claims Processing Center c/o Epiq Corporate Restructuring, LLC 10300 SW Allen Blvd. Beaverton, OR 97005

Alternatively, Claimants may submit a Proof of Claim electronically by completing the Proof of Claim Form that can be accessed at Epiq's website, http://dm.epiq11.com/Armstrongflooring, under the Case Actions link "File a Claim."

Proofs of Claim will be deemed timely filed only if ***actually received*** by Epiq on or before the applicable Bar Date. Proofs of Claim may **not** be delivered by facsimile, telecopy, or electronic mail transmission. Any facsimile, telecopy, or electronic mail submissions will not be accepted and will not be deemed filed until a proof of claim is submitted to Epiq by overnight mail, courier service, hand delivery, regular mail, in person, or through Epiq's website listed above.

Claimants wishing to receive acknowledgment that their Proofs of Claim were received by Epiq must submit (i) a copy of the Proof of Claim and (ii) a self-addressed, stamped envelope (in addition to the original Proof of Claim sent to Epiq).

3. CONTENTS OF A PROOF OF CLAIM.

As noted above, the Debtors are enclosing a Proof of Claim Form for use in the Chapter 11 Cases, or you may use another proof of claim form that substantially conforms to Official Bankruptcy Form No. 410. The Proof of Claim Form is available free of charge on Epiq's website, http://dm.epiq11.com/Armstrongflooring, under the Tab "Claims."

To be valid, your Proof of Claim **MUST** (i) be signed by the Claimant; (ii) be written in the English language; (iii) be denominated in lawful currency of the United States; (iv) conform substantially to the Proof of Claim Form or Official Form 410; (v) specify the Debtors' bankruptcy case number; (vi) set forth with specificity the legal and factual bases for the alleged claim, and if other persons or entities are liable for such claim, identify such persons or entities; and (vii) include supporting documentation or an explanation as to why such documentation is not available. Your Proof of Claim must identify the Debtors.

If you are filing a Claim under section 503(b)(9) of the Bankruptcy Code, you must indicate in the Proof of Claim Form available on Epiq's website at http://dm.epiq11.com/Armstrongflooring the amount of the Claim that arises under section 503(b)(9) of the Bankruptcy Code. For each Claim under section 503(b)(9) of the Bankruptcy Code, you must attach to the Proof of Claim Form a supplemental statement setting forth with specificity: (i) the date of shipment of the goods you contend the Debtor received in the twenty (20) days before the Petition Date; (ii) the date, place, and method (including carrier name) of delivery of the goods you contend the Debtor received in the twenty (20) days before the Petition Date; (iii) the value of the goods you contend the Debtor received in the twenty (20) days before the Petition Date; and (iv) whether you timely made a demand to reclaim such goods under section 546(c) of the Bankruptcy Code, and, if so, include any documentation identifying such demand.

4. CONSEQUENCES OF FAILURE TO FILE PROOF OF CLAIM BY THE BAR DATE.

Absent order of the Court to the contrary, any Claimant that is required to file a Proof of Claim in the Chapter 11 Cases pursuant to the Bankruptcy Code, the Bankruptcy Rules, or the Bar Date Order with respect to a particular claim against the Debtors, but that fails to do so properly by the applicable Bar Date, shall not be treated as a creditor in the Chapter 11 Cases with respect to such claim for purposes of voting and distribution; *provided*, *however*, that a holder of a claim shall be treated as a creditor for purposes of voting and distribution as to any undisputed, noncontingent, and liquidated claims identified in the Schedules on behalf of such holder, in the amount set forth in the Schedules.

5. CONTINGENT CLAIMS.

Acts or omissions of or by the Debtors that occurred, or that are deemed to have occurred, prior to the Petition Date, including, without limitation, acts or omissions related to any indemnity agreement, guarantee, services provided to or rendered by the Debtors, or goods provided to or by the Debtors, may give rise to claims against the Debtors notwithstanding the fact that such claims (or any injuries on which they may be based) may be contingent or may not have matured or become fixed or liquidated prior to the Petition Date. Therefore, any person or entity that holds a claim or potential "claim," as that term is defined in section 101(5) of the Bankruptcy Code, against the Debtors, even if contingent, or unliquidated, **MUST** file a Proof of Claim on or before the applicable Bar Date.

6. THE DEBTORS' SCHEDULES.

You may be listed as the holder of a claim against the Debtor in the Schedules. The Schedules are available free of charge on Epiq's website at http://dm.epiq11.com/Armstrongflooring, under the Key Documents folder "Schedules & Statements". If you rely on the Schedules, it is your responsibility to determine that your claim is accurately listed in the Schedules. As described above, if (i) you agree with the nature, amount and priority of your claim as listed in the Schedules, **and** (ii) your claim is **NOT** described as "disputed," "contingent," or "unliquidated," **and** (iii) you agree that the claim is an obligation of the Debtors as listed in its Schedules, then you are not required to file a Proof of Claim in the Chapter 11 Cases with respect to such claim. Otherwise, or if you decide to file a Proof of Claim, you must do so before the applicable Bar Date in accordance with the procedures set forth in this Notice and the Bar Date Order.

7. **RESERVATION OF RIGHTS.**

Nothing contained in this Notice or the Bar Date Order is intended or should be construed as a waiver of any of the Debtors' rights, including without limitation, the right to: (a) dispute, or assert offsets or defenses against, any filed claim or any claim listed or reflected in the Schedules as to the nature, amount, liability, or classification thereof; (b) subsequently designate any scheduled claim as disputed, contingent, or unliquidated; or (c) otherwise amend or supplement the Schedules. Please see paragraph 1.D above regarding the time to file a Proof of Claim relating to any amendment to the Schedules. In addition, nothing contained herein is intended or should be construed as an admission of the validity of any claim against any of the Debtors or an approval, assumption, or rejection of any agreement, contract, or lease under section 365 of the Bankruptcy Code. All such rights and remedies are reserved.

8. **ADDITIONAL INFORMATION.**

The Schedules, the Proof of Claim Form, this Notice, and the Bar Date Order are available free of charge on Epiq's website at http://dm.epiq11.com/Armstrongflooring under the Tab "Dockets" or "Claims", as applicable. If you have questions concerning the filing or processing of Claims, you may contact the Debtors' claims agent, Epiq, at (888) 905-0459. If you require additional information regarding the filing of a Proof of Claim, you may contact counsel for the Debtors in writing at the address below.

Dated: Wilmington, Delaware
June 8, 2022

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Weber@chipmanbrown.com
Hamilton@chipmanbrown.com

Proposed Counsel to Debtors and Debtors-in-Possession

EXHIBIT 2

United States Bankruptcy Court for Delaware **Armstrong Flooring, Inc., Claims Processing Center** **c/o Epiq Corporate Restructuring, LLC** **P.O. Box 4419** **Beaverton, OR 97076-4419**	To submit your form online please go to http://dm.epiq11.com/ArmstrongFlooring
Name of Debtor: **Case Number:**	
	For Court Use Only

Proof of Claim (Official Form 410)

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. With the exception of claims under 503(b)(9), do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.
Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.
A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.
Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) **that you received.**

Part 1: Identify the Claim

1. Who is the current creditor?
Name of the current creditor (the person or entity to be paid for this claim): ______________________

Other names the creditor used with the debtor: ______________________

2. Has this claim been acquired from someone else? ☐ No ☐ Yes. From whom? ______________________

3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Where should notices to the creditor be sent?	**Where should payments to the creditor be sent?** (if different)
Name	Name
Number Street	Number Street
City State ZIP Code	City State ZIP Code
Country (if International): ________	Country (if International): ________
Contact phone: ________	Contact phone: ________
Contact email: ________	Contact email: ________

4. Does this claim amend one already filed?
☐ No
☐ Yes. Claim number on court claims register (if known) ________
Filed on ________
MM / DD / YYYY

5. Do you know if anyone else has filed a proof of claim for this claim?
☐ No
☐ Yes. Who made the earlier filing?
____

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?

☐ No

☐ Yes.
Last 4 digits of the debtor's account or any number you use to identify the debtor:

____ ____ ____ ____

7. How much is the claim?

$____.

Does this amount include interest or other charges?

☐ No

☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim?

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.

____

9. Is all or part of the claim secured?

☐ No

☐ Yes. The claim is secured by a lien on property.

Nature of property:

☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (official Form 410-A) with this *Proof of Claim.*

☐ Motor vehicle

☐ Other. Describe: ____

____

Basis for perfection: ______________________________________

____

Attach redacted copies of documents, if any, that show evidence of perfection of security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: $_____________________

Amount of the claim that is secured: $_____________________

Amount of the claim that is unsecured: $_____________________
(The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: $_____________________

Annual Interest Rate (when case was filed) ______________%

☐ Fixed ☐ Variable

10. Is this claim based on a lease?

☐ No

☐ Yes. **Amount necessary to cure any default as of the date of petition**.

$_____________________________

11. Is this claim subject to a right of setoff?

☐ No

☐ Yes. Identify the property:

____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☐ No

☐ Yes. *Check one:*

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

	Amount entitled to priority
☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	$_____________________
☐ Up to $3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	$_____________________
☐ Wages, salaries, or commissions (up to $15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	$_____________________
☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	$_____________________
☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	$_____________________
☐ Other. Specify subsection of 11 U.S.C. § 507 (a)(__) that applies.	$_____________________

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Does this claim qualify as an Administrative Expense under 11 U.S.C. § 503(b)(9)?

☐ No

☐ Yes. **Amount that qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9)**: $____________________________

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b). If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is. **A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.**	*Check the appropriate box:* ☐ I am the creditor. ☐ I am the creditor's attorney or authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004. ☐ I am a guarantor, surety, endorser, or other co-debtor. Bankruptcy Rule 3005. I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt. I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct. I declare under penalty of perjury that the foregoing is true and correct. Executed on date ________________ MM / DD / YYYY ______________________________ Signature **Print the name of the person who is completing and signing this claim:** Name ______________________________ First name Middle name Last name Title ______________________________ Company ______________________________ Identify the corporate servicer as the company if the authorized agent is a servicer. Address ______________________________ Number Street ______________________________ City State ZIP Code Contact Phone ________________ Email ________________

Instructions for Proof of Claim

United States Bankruptcy Court

These instructions and definitions generally explain the law. In certain circumstances, such as bankruptcy cases that debtors do not file voluntarily, exceptions to these general rules may apply. You should consider obtaining the advice of an attorney, especially if you are unfamiliar with the bankruptcy process and privacy regulations.

A person who files a fraudulent claim could be fined up to $500,000 imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157 and 3571

How to fill out this form

- **Fill in all of the information about the claim as of the date the case was filed.**
- **In the caption at the top of the form, check the box of the Debtor against whom you are asserting a claim. If you assert a claim against more than one Debtor you must file a separate claim for each such Debtor.** The full list of debtors is provided under the overview section on the Claims Agent's website: http://dm.epiq11.com/ArmstrongFlooring.
- **If the claim has been acquired from someone else, then state the identity of the last party** who owned the claim or was the holder of the claim and who transferred it to you before the initial claim was filed.
- **Attach any supporting documents to this form.** Attach redacted copies of any documents that show that the debt exists, a lien secures the debt, or both. (See the definition of redaction below.) Also attach redacted copies of any documents that show perfection of any security interest or any assignments or transfers of the debt. If such documentation is voluminous, you may include a summary of such documentation; provided, that, upon the request for additional documentation, you shall be required to transmit such written documentation no later than five (5) business days following the date of such request. If such documentation is unavailable, provide an explanation as to why such documentation is unavailable. Federal Rule of Bankruptcy Procedure (called "Bankruptcy Rule") 3001(c) and (d).
- **Do not attach original documents because attachments may be destroyed after scanning.**
- **If the claim is based on delivering health care goods or services, do not disclose confidential health care information. Leave out or redact confidential information both in the claim and in the attached documents.**
- **A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, individual's tax identification number, or financial account number, and only the year of any person's date of birth.** See Bankruptcy Rule 9037.
- **For a minor child, fill in only the child's initials and the full name and address of the child's parent or guardian.** For example, write *A.B., a minor child (John Doe, parent, 123 Main St, City, State).* See Bankruptcy Rule 9037.

Confirmation that the claim has been filed

To receive confirmation that the claim has been filed, either enclose a stamped self-addressed envelope and a copy of this form or you may access the Claims Agent's website (http://dm.epiq11.com/ArmstrongFlooring) to view your filed form under "Claims."

Where to Send Proof of Claim Form

First-Class Mail:
Armstrong Flooring, Inc.
Claims Processing Center
c/o Epiq Corporate Restructuring, LLC
P.O. Box 4419
Beaverton, OR 97076-4419

Hand Delivery or Overnight Mail:
Armstrong Flooring, Inc.
Claims Processing Center
c/o Epiq Corporate Restructuring, LLC
10300 SW Allen Blvd.
Beaverton, OR 97005

Electronic Filing:
By accessing the E-filing Claims link at
http://dm.epiq11.com/ArmstrongFlooring

Understand the terms used in this form

Administrative expense: Generally, an expense that arises after a bankruptcy case is filed in connection with operating, liquidating, or distributing the bankruptcy estate. 11 U.S.C. § 503.

Claim: A creditor's right to receive payment for a debt that the debtor owed on the date the debtor filed for bankruptcy. 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Creditor: A person, corporation, or other entity to whom a debtor owes a debt that was incurred on or before the date the debtor filed for bankruptcy. 11 U.S.C. §101 (10).

Debtor: A person, corporation, or other entity who is in bankruptcy. Use the debtor's name and case number as shown in the bankruptcy notice you received. 11 U.S.C. § 101 (13).

Evidence of perfection: Evidence of perfection of a security interest may include documents showing that a security interest has been filed or recorded, such as a mortgage, lien, certificate of title, or financing statement.

Information that is entitled to privacy: A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, an individual's tax identification number, or a financial account number, only the initials of a minor's name, and only the year of any person's date of birth. If a claim is based on delivering health care goods or services, limit the disclosure of the goods or services to avoid embarrassment or disclosure of confidential health care information. You may later be required to give more information if the trustee or someone else in interest objects to the claim.

Priority claim: A claim within a category of unsecured claims that is entitled to priority under 11 U.S.C. §507(a). These claims are paid from the available money or property in a bankruptcy case before other unsecured claims are paid. Common priority unsecured claims include alimony, child support, taxes, and certain unpaid wages.

Proof of claim: A form that shows the amount of debt the debtor owed to a creditor on the date of the bankruptcy filing. The form must be filed in the district where the case is pending.

Redaction of information: Masking, editing out, or deleting certain information to protect privacy. Filers must redact or leave out information entitled to **privacy** on the *Proof of Claim* form and any attached documents.

Secured claim under 11 U.S.C. §506(a): A claim backed by a lien on particular property of the debtor. A claim is secured to the extent that a creditor has the right to be paid from the property before other creditors are paid. The amount of a secured claim usually cannot be more than the value of the particular property on which the creditor has a lien. Any amount owed to a creditor that is more than the value of the property normally may be an unsecured claim. But exceptions exist; for example, see 11 U.S.C. § 1322(b) and the final sentence of 1325(a).

Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment may be a lien.

Setoff: Occurs when a creditor pays itself with money belonging to the debtor that it is holding, or by canceling a debt it owes to the debtor.

Uniform claim identifier: An optional 24-character identifier that some creditors use to facilitate electronic payment.

Unsecured claim: A claim that does not meet the requirements of a secured claim. A claim may be unsecured in part to the extent that the amount of the claim is more than the value of the property on which a creditor has a lien.

Offers to purchase a claim

Certain entities purchase claims for an amount that is less than the face value of the claims. These entities may contact creditors offering to purchase their claims. Some written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court, the bankruptcy trustee, or the debtor. A creditor has no obligation to sell its claim. However, if a creditor decides to sell its claim, any transfer of that claim is subject to Bankruptcy Rule 3001(e), any provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.) that apply, and any orders of the bankruptcy court that apply.

EXHIBIT 3

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	**Chapter 11**
ARMSTRONG FLOORING, INC., ***et al.*****,**	**Case No. 22-10426 (MFW)**
Debtors.[1]	**(Jointly Administered)**

NOTICE OF DEADLINE FOR THE FILING OF PROOFS OF CLAIM, INCLUDING CLAIMS ASSERTED UNDER SECTION 503(b)(9) OF THE BANKRUPTCY CODE

(GENERAL BAR DATE IS AUGUST 5, 2022 AT 5:00 P.M. (Eastern))

PLEASE TAKE NOTICE OF THE FOLLOWING:

PLEASE TAKE NOTICE that on May 8, 2022 (the "**Petition Date**"), Armstrong Flooring, Inc. and certain of its affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the "**Debtors**") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "**Chapter 11 Cases**") with the United States Bankruptcy Court for the District of Delaware (the "**Court**").

PLEASE TAKE FURTHER NOTICE that on _____________, 2022, the Court entered an order (the "**Bar Date Order**") establishing **August 5, 2022, at 5:00 p.m. (Eastern)** (the "**General Bar Date**") as the last date and time for each person or entity to file a proof of claim in the Chapter 11 Cases (the "**Proof of Claim**" or "**Proofs of Claims**," as applicable); *provided that*, solely with respect to a governmental unit, the last date and time for such governmental unit to file a Proof of Claim in the Chapter 11 Cases is **November 4, 2022 at 5:00 p.m. (Eastern)** (the "**Governmental Bar Date**," and together with the General Bar Date, the "**Bar Dates**").

Pursuant to the Bar Date Order, each person or entity (including, without limitation, each individual, partnership, joint venture, corporation, estate, and trust) that holds or seeks to assert a claim (as defined in section 101(5) of the Bankruptcy Code) against the Debtors that arose, or is deemed to have arisen, prior to the Petition Date (including, without limitation, claims entitled to administrative priority status under section 503(b)(9) of the Bankruptcy Code), **MUST FILE A PROOF OF CLAIM** on or before the General Bar Date by sending an original proof of claim form to Epiq Corporate Restructuring, LLC ("**Epiq**"), at the following address: Armstrong Flooring, Inc., Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen

[1] The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Armstrong Flooring, Inc. (3305); AFI Licensing LLC (3265); Armstrong Flooring Latin America, Inc. (2943); and Armstrong Flooring Canada Ltd. (N/A). The address of the Debtors' corporate headquarters is PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065.

Blvd., Beaverton, OR 97005, or online at http://dm.epiq11.com/Armstrongflooring, under the Case Action link "File a Claim" so that it is ***actually received*** on or before the General Bar Date; *provided that*, solely with respect to governmental units (as defined in section 101(27) of the Bankruptcy Code), the deadline for such governmental units to file a proof of claim against the Debtor is the Governmental Bar Date. Proofs of claim must be sent by overnight mail, courier service, hand delivery, regular mail, or in person, or completed electronically through Epiq's website. Proofs of claim sent by facsimile, telecopy, or electronic mail will **not** be accepted and will **not** be considered properly or timely filed for any purpose in these Chapter 11 Cases.

ABSENT FURTHER ORDER OF THE COURT, ANY PERSON OR ENTITY THAT IS REQUIRED TO FILE A PROOF OF CLAIM IN THE CHAPTER 11 CASES WITH RESPECT TO A PARTICULAR CLAIM AGAINST THE DEBTORS, BUT THAT FAILS TO DO SO PROPERLY BY THE APPLICABLE BAR DATE, SHALL NOT BE TREATED AS A CREDITOR IN THESE CHAPTER 11 CASES WITH RESPECT TO SUCH CLAIM FOR PURPOSES OF VOTING AND DISTRIBUTION; PROVIDED, HOWEVER, THAT A HOLDER OF A CLAIM SHALL BE TREATED AS A CREDITOR FOR PURPOSES OF VOTING AND DISTRIBUTION AS TO ANY UNDISPUTED, NONCONTINGENT, AND LIQUIDATED CLAIMS IDENTIFIED IN THE DEBTORS' SCHEDULES OF ASSETS AND LIABILITIES (COLLECTIVELY, THE "SCHEDULES") ON BEHALF OF SUCH HOLDER IN THE AMOUNT SET FORTH IN THE SCHEDULES.

The Schedules, the Proof of Claim Form, the Bar Date Notice, and the Bar Date Order may be obtained by contacting the Debtors' Claims Agent, in writing, at Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OR 97005, or online at http://dm.epiq11.com/Armstrongflooring. The Bar Date Order can also be viewed on the Court's website at www.deb.uscourts.gov. If you have questions concerning the filing or processing of claims, you may contact the Debtor's claims agent, Epiq, at (888) 905-0459.

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ATTORNEYS FOR THE DEBTORS AND DEBTORS IN POSSESSION

Court File No.: CV-22-00682153-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,*
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF DALTON EDGECOMB
(Termination and Discharge)
(sworn September 26, 2022)

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22 Adelaide Street West
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Lawyers for Armstrong Flooring, Inc., AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd.

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Tab 3

Court File No. CV-22-00682153-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	**)**	**WEDNESDAY THE 28th**
	)	
MR. JUSTICE CAVANAGH	**)**	**DAY OF SEPTEMBER, 2022**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

O R D E R
(Administration Order)

THIS MOTION, made by Armstrong Flooring Canada Ltd. ("**Armstrong Flooring Canada**"), in its capacity as foreign representative (the "**Foreign Representative**") of itself as well as Armstrong Flooring, Inc., AFI Licensing LLC and Armstrong Flooring Latin America, Inc. (collectively, the "**U.S. Debtors**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Motion Record, was heard this day by Zoom Video Conference due to the COVID-19 pandemic.

ON READING the Motion Record and the affidavit of Dalton Edgecomb sworn September 26, 2022, (the "**Edgecomb Affidavit**"), the affidavit of Jonathan Krieger sworn September 22, 2022 (the "**Krieger Affidavit**"), the affidavit of Andrew Winton sworn September

22, 2022 (the "**Winton Affidavit**") and the first report of Grant Thornton Limited in its capacity as court-appointed information officer ("**Information Officer**") dated September 23, 2022 and the appendices thereto (the "**First Report**"), each filed, and on hearing the submissions of counsel for the Foreign Representative, counsel for the Information Officer, no one else appearing from the service list although duly served as evidenced by the Affidavit of Mariela Adriana Gasparini sworn September 23, 2022, filed;

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Edgecomb Affidavit.

3. **THIS COURT ORDERS** that, subject to the filing of the Information Officer's Certificate (as defined below) with this Court and the delivery thereof to the service list in the within proceedings, the following Order of the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") made in the insolvency proceedings of the Debtors under Chapter 11 of Title 11 of the United States Bankruptcy Code is hereby recognized and given full force and effect in all provinces and territories of Canada, pursuant to Section 49 of the CCAA:

   a. an order dated July 13, 2022, *inter alia*, (i) approving the sale of certain of the Debtor's assets free and clear of all liens, claims, encumbrances and other interests, (ii) approving the assumption and assignment of certain executory contracts and unexpired leases related thereto, and (iii) granting related relief (the "**U.S. Sale Order**").

4. **THIS COURT ORDERS** that the settlement agreement dated September 23, 2022, (the "**Settlement Agreement**") between Armstrong Flooring Canada and the U.S. Debtors be and is hereby approved, a copy of which is attached as Schedule "B" to the First Report.

5. **THIS COURT ORDERS AND DECLARES** that upon the satisfaction of the terms and conditions of the Settlement Agreement, the Information Officer shall file an Information Officer's certificate (the "**Information Officer's Certificate**") substantially in the form attached as Schedule "A" hereto with this Court.

6. **THIS COURT ORDERS** that the Information Officer is hereby directed to post a copy of the Information Officer's Certificate, once filed with this Court, on the case website maintained by the Information Officer in respect of the within proceedings and deliver a copy to the service list by email.

7. **THIS COURT ORDERS AND DECLARES** that Element Fleet Management Inc. ("**Element**") is not a secured creditor of Armstrong Flooring Canada.

8. **THIS COURT ORDERS AND DIRECTS** the registrar of personal property security in Ontario to fully discharge and delete the registration made by Element pursuant to the provisions of the *Personal Property Security Act* (Ontario) (the "**PPSA**") on March 27, 2017 as File Number 725951925, bearing Registration Number 20170327 1402 1462 3216, from the personal property registry.

9. **THIS COURT ORDERS** that paragraph 19 of the Supplemental Order dated June 8, 2022, made by Justice Cavanagh be and is hereby amended to read as follows:

THIS COURT ORDERS that the Information Officer, counsel to the Information officer and Borden Ladner Gervais LLP ("**BLG**") shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property in Canada, which charge shall not exceed an aggregate amount of $600,000, as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 21 and 23 hereof.

10. **THIS COURT ORDERS** that any of Armstrong Flooring Canada, or the Information Officer, is authorized to pay the fees and disbursements, plus applicable taxes, of Borden Ladner Gervais LLP, the lawyers for the Debtors, from the assets of Armstrong Flooring Canada.

11. **THIS COURT ORDERS** that the Information Officer is authorized to file an assignment in bankruptcy on behalf of Armstrong Flooring Canada under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

12. **THIS COURT ORDERS** that Grant Thornton Limited is authorized to act as trustee in bankruptcy on behalf of Armstrong Flooring Canada.

13. **THIS COURT ORDERS AND DECLARES,** without limiting the U.S. Sale Order, that upon the delivery of the Information Officer's certificate to Gordon Brothers Commercial & Industrial LLC ("**GBG**") substantially in the form attached as Schedule A hereto (the "**Information Officer's Certificate**"), all of GBG's right, title and interest in and to the Canadian AR described in the APA Amendment, dated September 23, 2022, shall vest absolutely in GBG, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or

otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing (i) any encumbrances or charges created by the Supplemental Order (Foreign Main Proceeding) of the Honourable Justice Cavanagh dated June 8, 2022 or any other orders of this Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

14. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Canadian AR shall stand in the place and stead of the Canadian AR, and that from and after the delivery of the Information Officer's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Canadian AR with the same priority as they had with respect to the Canadian AR immediately prior to the sale, as if the Canadian AR had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

15. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Armstrong Flooring Canada and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of Armstrong Flooring Canada;

the vesting of the Canadian AR in GBG pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Armstrong Flooring Canada and shall not be void or voidable by creditors of Armstrong Flooring Canada, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and assist the Information Officer, and its respective agents, in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Information Officer, as an officer of this Court, and may as necessary or desirable to give effect to this Order, or to assist the Information Officer, and its respective agents, in carrying out the terms of this Order.

17. **THIS COURT ORDERS** that each of the Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

18. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. (prevailing Eastern Time) on the date of this Order.

SCHEDULE "A": FORM OF INFORMATION OFFICER'S CERTIFICATE

Court File No. CV-22-00682153-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

INFORMATION OFFICER'S CERTIFICATE

A. Pursuant to an Initial Recognition Order dated June 8, 2022 and a Supplemental Order dated June 8, 2022 of Mr. Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List), Grant Thornton Limited was appointed as information officer ("**Information Officer**") of the Debtors.

B. Pursuant to an Order of the Court dated September 28, 2022 (the "**Administration Order**") the Court approved, *inter alia*, a settlement agreement dated September 23, 2022, (the "**Settlement Agreement**") between Armstrong Flooring Canada Ltd., Armstrong Flooring, Inc., AFI Licensing LLC and Armstrong Flooring Latin America, Inc.

C. Pursuant to the Administration Order, the Court also, *inter alia*, (i) subject to the filing of this certificate and delivery thereof to the service list in these proceedings, recognized and gave full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA an order dated July 13, 2022 of the United States Bankruptcy Court for the District of Delaware which, *inter alia*, approved the sale of certain of the Debtor's assets to Gordon Brothers Commercial & Industrial LLC ("**GBG**") free and clear of all liens, claims, encumbrances and other interests and (ii) provided for the vesting in GBG of the Debtor's right, title and interest in and to the Canadian AR, which vesting is to be effective with respect to the Canadian AR upon the delivery by the Information Officer to GBG of this certificate.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Administration Order.

THE INFORMATION OFFICER HEREBY CERTIFIES the following:

1. The Information Officer is satisfied, that the terms and conditions of the Settlement Agreement have been satisfied.

2. This Certificate was delivered by the Information Officer at ______________________ (*time*) on ____________________________ (*date*).

GRANT THORNTON LTD. in its capacity as Information Officer of Armstrong Flooring, Inc., AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd.

Per: ______________________________

Name:

Title:

Court File No.: CV-22-00682153-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

INFORMATION OFFICER'S CERTIFICATE

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Court

File No.: CV-22-00682153-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

ORDER
(Administration Order)

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Tab 4

Court File No. CV-22-00682153-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	**)**	**WEDNESDAY THE 28th**
	)	
MR. JUSTICE CAVANAGH	**)**	**DAY OF SEPTEMBER, 2022**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

DISCHARGE ORDER
(Termination and Discharge)

THIS MOTION, made by Armstrong Flooring Canada Ltd. ("**Armstrong Flooring Canada**"), in its capacity as foreign representative (the "**Foreign Representative**") of itself as well as Armstrong Flooring, Inc., AFI Licensing LLC and Armstrong Flooring Latin America, Inc. (collectively, the "**U.S. Debtors**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended the "**CCAA**") for an Order substantially in the form enclosed in the Motion Record, was heard this day by Zoom Video Conference due to the COVID-19 pandemic.

ON READING the Motion Record and the affidavit of Dalton Edgecomb sworn September 26, 2022, (the "**Edgecomb Affidavit**"), the affidavit of Jonathan Krieger sworn September 22, 2022 (the "**Krieger Affidavit**"), the affidavit of Andrew Winton, sworn September 22, 2022 (the "**Winton Affidavit**") and the first report of Grant Thornton Limited in its capacity as court-appointed information officer ("**Information Officer**") dated September 23, 2022 and the appendices thereto (the "**First Report**"), each filed, and on hearing the submissions of counsel for the Foreign Representative, counsel for the Information Officer, no one else appearing from the service list although duly served as evidenced by the Affidavit of Mariela Adriana Gasparini sworn September 23, 2022, filed;

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Pre-Filing Report of Grant Thornton Limited as the proposed information officer, dated June 6, 2022 and the appendices thereto (the "**Pre-Filing Report**") and the activities of the proposed information officer described therein in the Pre-Filing Report be and are hereby approved; provided, however that Grant Thornton Limited, in its personal capacity and only with respect to its own personal liability shall be entitled to rely upon or utilize in any way such approval.

3. **THIS COURT ORDERS** that the First Report of the Information Officer and the activities of the Information Officer as described in the First Report be and are hereby approved; provided, however, that the Information Officer, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of the Information Officer, as described in the First Report and as set out in the Krieger Affidavit, including the estimated fees and disbursements of the Information Officer up to its date of discharge, be and are hereby approved.

5. **THIS COURTS ORDERS** that the fees and disbursements of the Information Officer's legal counsel, Lax O'Sullivan Lisus Gottlieb ("**LOLG**"), as described in the First Report and as set out in the Winton Affidavit, including the estimated fees and disbursements of LOLG in connection with the services to be provided to the Information Officer up to its date of discharge, be and are hereby approved.

6. **THIS COURT ORDERS** that, immediately upon the Information Officer filing the certificate substantially in the form attached hereto as Schedule "A" (the "**Discharge Certificate**") with this Court (the "**Effective Time**"), these proceedings under Part IV of the CCAA (the "**Part IV CCAA Proceedings**") shall be and are hereby automatically terminated, as of the Effective Time, without the need for any further action, provided that nothing herein

impacts the validity of any Orders made in the Part IV CCAA Proceedings, or any actions or steps taken by any person therein.

7. **THIS COURT ORDERS** that the Information Officer is hereby directed to post a copy of the Discharge Certificate, once filed with the Court, on the case website maintained by the Information Officer in respect of the Part IV CCAA Proceedings and provide a copy to the service list by email.

8. **THIS COURT ORDERS** that prior to the Effective Time, the Information Officer may from time to time apply to this Court for advice and directions concerning any matter related to the administration of the Debtors' activities or the remaining Property (as defined in the Supplemental Order), the completion of the Part IV CCAA Proceedings, or the Information Officer's powers and duties.

9. **THIS COURT ORDERS** that the Administration Charge, as defined in and created by the Supplemental Order of Justice Cavanagh dated June 8, 2022, be and is hereby fully and finally terminated, discharged and released upon the filing of the Discharge Certificate by the Information Officer with this Court.

10. **THIS COURT ORDERS** that upon the filing of the Discharge Certificate by the Information Officer with this Court certifying that the Information Officer has completed the Remaining Duties, as defined and described in the First Report, the Information Officer shall be discharged in its capacity as Information Officer; provided, however, that notwithstanding its discharge herein: (a) the Information Officer shall remain as Information Officer for the performance of such incidental duties as may be required to complete the administration of the within Part IV CCAA Proceeding; and (b) the Information Officer shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Grant Thornton Limited, in its capacity as Information Officer.

11. **THIS COURT ORDERS AND DECLARES** that Grant Thornton Limited is hereby released and discharged from any and all liability that Grant Thornton Limited now has or may hereafter have by reason of, or in any way arising out of the acts or omissions of Grant Thornton Limited, while acting in its capacity as Information Officer herein, save and except for any gross

negligence or willful misconduct on the Information Officer's part. Without limiting the generality of the foregoing, Grant Thornton Limited is hereby forever released and discharged from any and all liability relating to the matters which were raised, or which could have been raised, in the within Part IV CCAA Proceedings, save and except for any gross negligence or willful misconduct on the Information Officer's part.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and assist the Information Officer, and its respective agents, in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Information Officer, as an officer of this Court, and may as necessary or desirable to give effect to this Order, or to assist the Information Officer, and its respective agents, in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

14. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. (prevailing Eastern Time) on the date of this Order.

____

SCHEDULE "A": FORM OF INFORMATION OFFICER'S DISCHARGE CERTIFICATE

Court File No. CV-22-00682153-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED
AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

INFORMATION OFFICER'S DISCHARGE CERTIFICATE

A. Pursuant to an Initial Recognition Order dated June 8, 2022 and a Supplemental Order dated June 8, 2022 of Mr. Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List), Grant Thornton Limited was appointed as information officer ("**Information Officer**") of the Debtors.

B. Pursuant to an Order of the Court dated September 28, 2022 (the "**Discharge Order**") the Court ordered, *inter alia*, that the Information Officer be discharged, effective upon the filing by the Information Officer of a certificate certifying the matters set out herein.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Discharge Order.

THE INFORMATION OFFICER HEREBY CERTIFIES the following:

1. The Information Officer is satisfied, in its discretion, that it has completed its remaining matters, as set out in the Information Officer's First Report to the Court dated September 23, 2022.

2. This Certificate was delivered by the Information Officer at ______________________ (*time*) on ____________________________ (*date*).

GRANT THORNTON LTD. in its capacity as Information Officer of Armstrong Flooring, Inc., AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd.

Per: _____________________________________
Name:
Title:

Court File No.: CV-22-00682153-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,*
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

INFORMATION OFFICER'S DISCHARGE CERTIFICATE

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Court File No.: CV-22-00682153-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

DISCHARGE ORDER
(Termination and Discharge)

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Court File No.: CV-22-00682153-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,*
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG FLOORING LATIN AMERICA, INC. AND ARMSTRONG FLOORING CANADA LTD. (THE "DEBTORS")

APPLICATION OF ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(Returnable September 28, 2022)

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