

**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**

**APPLICATION RECORD
FOR ARMSTRONG FLOORING, INC., AFI LICENSING LLC, ARMSTRONG
FLOORING LATIN AMERICA, INC.
AND ARMSTRONG FLOORING CANADA LTD.
(Returnable June 8, 2022)**

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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Court File No:

**ONTARIO
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**NOTICE OF APPLICATION
(Returnable June 8, 2022)**

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List on Wednesday, June 8, 2022 at 12 p.m., or soon after that time as the Application can be heard, by Judicial Video Conference via Zoom, Toronto, ON.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS - EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than two (2) days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

**IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY
LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A
LOCAL LEGAL AID OFFICE.**

Date: June 2, 2022

Issued by:

Local Registrar

Address of court office:

330 University Avenue
7th Floor
Toronto, ON M5G 1R7

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AND TO:	ELEMENT FLEET MANAGEMENT INC. 4 Robert Speck Parkway, Suite 900 Mississauga, ON L4Z 1S1

APPLICATION

- (1) The Applicant, Armstrong Flooring Canada Ltd., in its capacity as foreign representative of itself as well as Armstrong Flooring, Inc., AFI Licensing LLC and Armstrong Flooring Latin America, Inc. makes application for: Orders substantially in the form filed herewith. The Orders to be requested on June 8, 2022, the return date of this Application will be, *inter alia*:
- (a) abridging the time for service of the Notice of Application and the Application Record and dispensing with further service thereof, if necessary;
 - (b) declaring that Armstrong Flooring Canada Ltd. (“**AFI Canada**”) is a “foreign representative” as defined in section 45 of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the “**CCAA**”) in respect of the jointly administered insolvency proceedings (the “**U.S. Proceedings**”) of Armstrong Flooring, Inc., AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and AFI Canada (collectively, the “**Companies**”) in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) under Chapter 11 of Title 11 (“**Chapter 11**”) of the United States Bankruptcy Code (the “**U.S. Bankruptcy Code**”);
 - (c) declaring that the U.S. Proceedings are “foreign proceedings” as defined in section 45 of the CCAA and the centre of main interests for each of the Companies is the United States of America;
 - (d) declaring that, with respect to each of the Companies, the U.S. Proceedings are “foreign main proceedings” as defined in section 45 of the CCAA;
 - (e) recognizing and enforcing in Canada certain orders of the U.S. Court made in the U.S. Proceedings on the dates indicated below, including the following:
 - (1) 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 Companies’ Estates;

- (2) an Order dated May 11, 2022 Authorizing Retention and Appointment of Epiq Corporate Restructuring, LLC 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;
- (3) 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;
- (4) 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;
- (5) 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;
- (6) 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;
- (7) 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;
- (8) 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);
- (9) 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;

- (10) an Order dated May 11, 2022 Authorizing the Debtors to File Under Seal Portions of Their Creditor Matrix and Other Filings Containing Employee Addresses;
 - (11) 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;
 - (12) an Interim Order dated May 11, 2022 Authorizing Debtors to Pay Certain Prepetition Taxes and Related Obligations;
 - (13) 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; and
 - (14) 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;
- (f) staying all proceedings taken or that might be taken against the Companies 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;

- (g) restraining further proceedings and any action, suit or proceeding against the Companies;
- (h) prohibiting the commencement of any action, suit or proceeding against the Companies;
- (i) granting a Court-ordered charge, namely, the Administration Charge, as provided for in the draft Supplemental Order;
- (j) appointing Grant Thornton Limited (“**Grant Thornton**”) as information officer (in such capacity, the “**Information Officer**”) in respect of this proceeding;
- (k) such further ancillary relief as set out in the draft orders attached at Tabs 3 and 4 of the Application Record; and
- (l) such further and other relief as counsel may request and this Honourable Court may permit.

(2) **THE GROUNDS FOR THE APPLICATION ARE:**

- (a) the Companies are a leading global producer of resilient flooring products for use primarily in the construction and renovation of commercial, residential and institutional buildings;
- (b) on May 8, 2022, the Companies commenced the U.S. Proceedings by filing voluntary petitions under Chapter 11;
- (c) pursuant to the Joint Administration Order, the Chapter 11 proceedings in respect of the Companies were placed under joint administration;
- (d) pursuant to the Foreign Representative Order, AFI Canada was authorized to act as the foreign representative of the U.S. Proceedings in respect of the Companies;
- (e) AFI Canada is a corporation incorporated under the laws of the Province of British Columbia;

- (f) to facilitate the cooperation between the U.S. Court and this Honourable Court and to integrate the U.S. Proceedings with these proceedings, AFI Canada is requesting recognition of the “foreign proceedings” and recognition of certain substantive and procedural orders which have been issued by the U.S. Court in the U.S. Proceedings;
 - (g) to ensure that affected stakeholders in Canada are properly informed of developments in the U.S. Proceedings, AFI Canada is requesting the appointment of Grant Thornton as the Information Officer to report to this Honourable Court from time to time on the status of the U.S. Proceedings;
 - (h) Grant Thornton has consented to act as the Information Officer in these proceedings, if so appointed by the Court;
 - (i) the provisions of the CCAA, including Part IV thereof;
 - (j) rules 2.03, 3.02, 14.05, 16, 17 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;
 - (k) section 106 of the *Courts of Justice Act*; R.S.O. 1990, c. C-43; and
 - (l) such further and other grounds as counsel may advise and this Honourable Court may permit.
- (3) **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the application:
- (a) the affidavit of Michel S. Vermette, sworn June 1, 2022 and the exhibits referred to therein;
 - (b) the Pre-Filing Report of Grant Thornton dated June 3, 2022;
 - (c) the consent of Grant Thornton to act as Information Officer; and
 - (d) such further and documentary evidence as counsel may advise and this Honourable Court may permit.

June 3, 2022

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LLC, Armstrong Flooring Latin America, Inc. and
Armstrong Flooring Canada Ltd.

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

NOTICE OF APPLICATION

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Tab 2

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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**AND IN THE MATTER OF ARMSTRONG FLOORING,
INC., AFI LICENSING LLC, ARMSTRONG FLOORING
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**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 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 accordane 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 million² 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

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**").

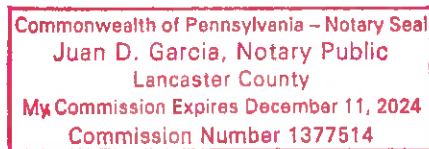
128. I believe that the granting of the Administration Charge, and the amount of the charge proposed, is appropriate, fair and reasonable in the circumstances, particularly in light of the complexity of the AFI Group's business operations and the proposed role of GTL.

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


A Notary Public in and for the Commonwealth of
Pennsylvania


MICHEL S. VERMETTE



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

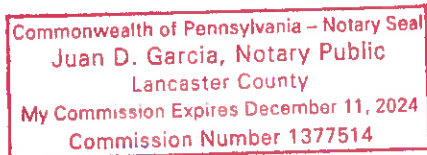
ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) PROCEEDINGS COMMENCED AT TORONTO	
AFFIDAVIT OF MICHEL S. VERMETTE (Sworn June 1, 2022)	
BORDEN LADNER GERVAIS LLP Bay Adelaide Centre, East Tower 22 Adelaide Street West Toronto ON M5H 4E3 Tel: 416-367-6000 Fax: 416-367-6749 Roger Jaipargas – LSO No. 43275C Tel: 416-367-6266 rjaipargas@blg.com Tyler Mondor McNaughton – LSO No. 78081Q Tel: 416-367-6037 tmcnaughton@blg.com Lawyers for Armstrong Flooring, Inc., AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd.	

THIS IS EXHIBIT "A" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022



A Notary Public in and for the Commonwealth of Pennsylvania





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

AFI Canada Ltd.

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

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

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:
ASA TRUE COPY:
ATTEST:

U.S. BANKRUPTCY COURT
U.S. DISTRICT COURT
MIDDLESEX COUNTY
NEW YORK

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?

- ☒ No
☐ Yes

District

When

Case number

MM / DD / YYYY

If more than 2 cases, attach a separate list.

District

When

Case number

MM / DD / YYYY

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? ☐ No ☒ Yes
- Debtor See Annex 1 Relationship Affiliate
 District Delaware When Date hereof
MM / DD / YYYY
- List all cases. If more than 1, attach a separate list. 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 | ☐ \$1,000,001-\$10 million | ☐ \$500,000,001-\$1 billion |
| ☐ \$50,001-\$100,000 | ☐ \$10,000,001-\$50 million | ☐ \$1,000,000,001-\$10 billion |
| ☐ \$100,001-\$500,000 | ☐ \$50,000,001-\$100 million | ☐ \$10,000,000,001-\$50 billion |
| ☐ \$500,001-\$1 million | ☒ \$100,000,001-\$500 million | ☐ More than \$50 billion |

16. Estimated liabilities

(consolidated with debtor affiliates)*

- | | | |
|--|---|--|
| ☐ \$0-\$50,000 | ☐ \$1,000,001-\$10 million | ☐ \$500,000,001-\$1 billion |
| ☐ \$50,001-\$100,000 | ☐ \$10,000,001-\$50 million | ☐ \$1,000,000,001-\$10 billion |
| ☐ \$100,001-\$500,000 | ☐ \$50,000,001-\$100 million | ☐ \$10,000,000,001-\$50 billion |
| ☐ \$500,001-\$1 million | ☒ \$100,000,001-\$500 million | ☐ 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
X 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
X 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)

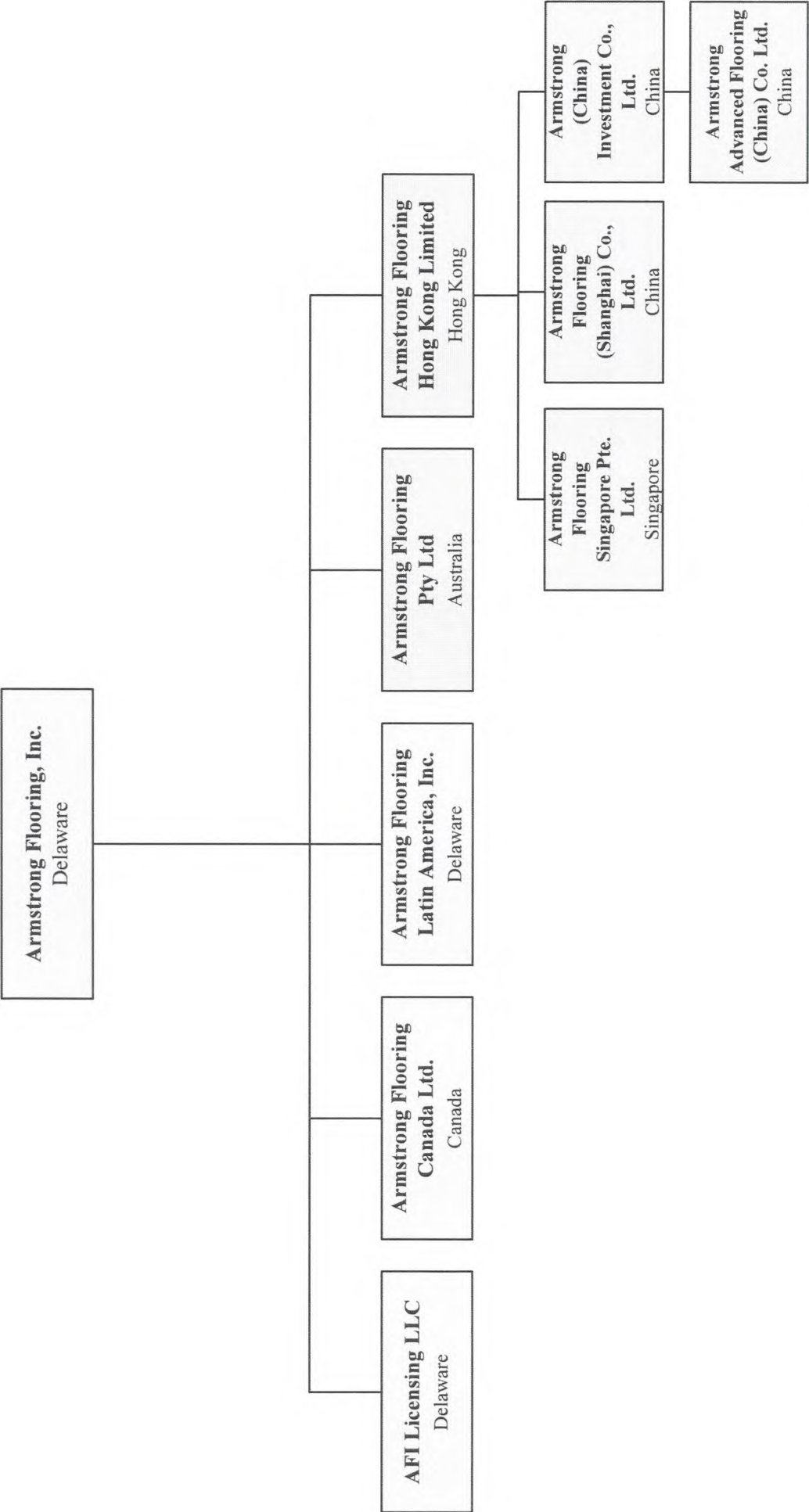
**CONSOLIDATED CORPORATE OWNERSHIP STATEMENT
AND LIST OF EQUITY SECURITY HOLDERS PURSUANT TO
FEDERAL RULES OF BANKRUPTCY PROCEDURE 1007 AND 7007.1**

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**



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 AMERICA 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 MUNKSJÖ GLASSFIBRE OY AHLSTROMINTIE 19 KOTKA 48600 FINLAND	PHONE: 358 10 888 0 CHERYL.BROWN@AHLSTROM-MUNKSJÖ.COM	VENDOR	C/U/D			\$1,363,260.68
12 OXYVINYL 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		Delaware
					(State)		
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 form 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	Mailing address, if different from principal place of business	
	1770 Hempstead Road		
	Number Street	Number Street	
	P.O. Box 10068		
	P.O. Box		
	Lancaster PA 17605		
	City State ZIP Code	City State ZIP Code	
	Lancaster	Location of principal assets, if different from principal place of business	
	County	Number Street	
		City State ZIP Code	
5. Debtor's website (URL)	https://www.armstrongflooring.com/		

CERTIFIED:
AS A TRUE COPY:
ATTEST:

U.S. BANKRUPTCY COURT
U.S. DISTRICT COURT

Deputy Clerk

By

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?

☒ No

☐ Yes District _____

When _____

Case number _____

MM / DD / YYYY

If more than 2 cases, attach a separate list.

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? ☐ No ☒ Yes
- Debtor See Annex 1 Relationship Affiliate
District Delaware When Date hereof
MM / DD / YYYY
- List all cases. If more than 1, attach a separate list. 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 | ☐ \$1,000,001-\$10 million | ☐ \$500,000,001-\$1 billion |
| ☐ \$50,001-\$100,000 | ☐ \$10,000,001-\$50 million | ☐ \$1,000,000,001-\$10 billion |
| ☐ \$100,001-\$500,000 | ☐ \$50,000,001-\$100 million | ☐ \$10,000,000,001-\$50 billion |
| ☐ \$500,001-\$1 million | ☒ \$100,000,001-\$500 million | ☐ More than \$50 billion |

16. **Estimated liabilities**
(consolidated with debtor affiliates)*
- | | | |
|--|---|--|
| ☐ \$0-\$50,000 | ☐ \$1,000,001-\$10 million | ☐ \$500,000,001-\$1 billion |
| ☐ \$50,001-\$100,000 | ☐ \$10,000,001-\$50 million | ☐ \$1,000,000,001-\$10 billion |
| ☐ \$100,001-\$500,000 | ☐ \$50,000,001-\$100 million | ☐ \$10,000,000,001-\$50 billion |
| ☐ \$500,001-\$1 million | ☒ \$100,000,001-\$500 million | ☐ 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
X 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
X 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

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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

**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

secured ☐
secured ☐
secured ☐
secured ☐
secured ☐

unsecured ☐
unsecured ☐
unsecured ☐
unsecured ☐
unsecured ☐

subordinated ☐
subordinated ☐
subordinated ☐
subordinated ☐
subordinated ☐

\$N/A
\$N/A
\$N/A
\$N/A
\$N/A

Approximate
number of holders:
None
None
None
None
None

d. Number of shares of preferred stock

None¹

e. Number of shares of common stock

21,779,575²

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

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-____ (____)

(Joint Administration Pending)

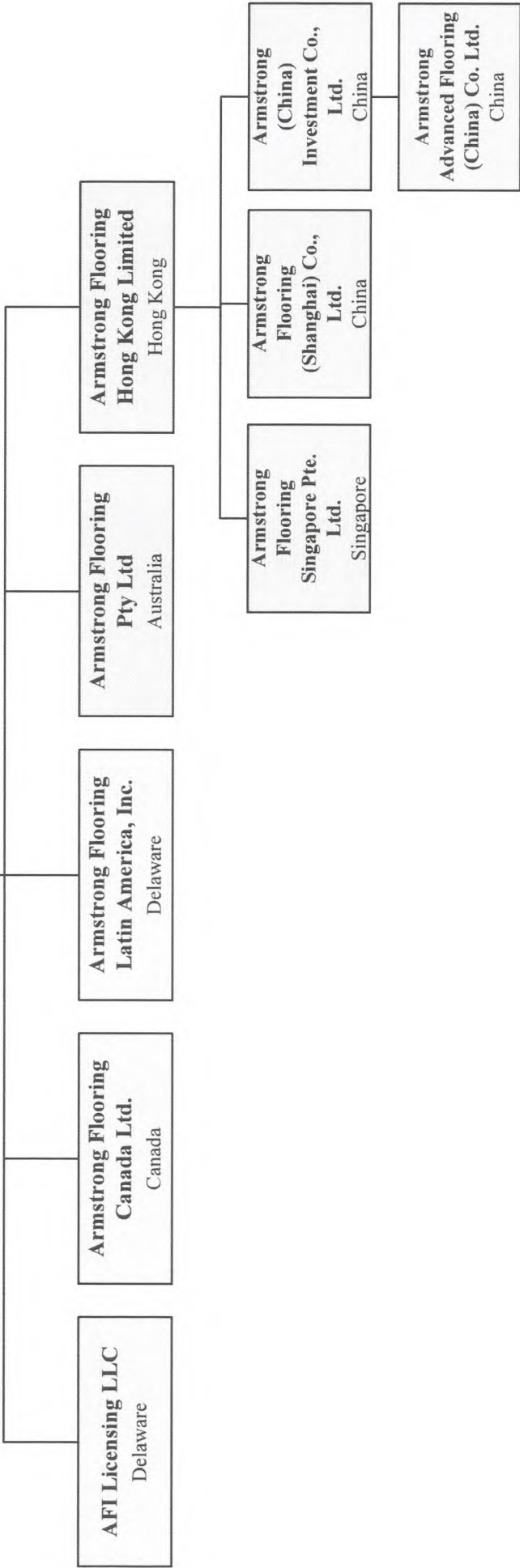
**CONSOLIDATED CORPORATE OWNERSHIP STATEMENT
AND LIST OF EQUITY SECURITY HOLDERS PURSUANT TO
FEDERAL RULES OF BANKRUPTCY PROCEDURE 1007 AND 7007.1**

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**



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 AMERICA INC 3585 KLOCKNER 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 MUNKSJÖ GLASSFIBRE OY AHLSTROMINTIE 19 KOTKA 48600 FINLAND	PHONE: 358 10 888 0 CHERYL.BROWN@AHLSTROM-MUNKSJÖ.COM	VENDOR	C/U/D			\$1,363,260.68
12 OXYVINYL 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		Delaware
					(State)		
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 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 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	Mailing address, if different from principal place of business	
	1770 Hempstead Road		
	Number Street	Number Street	
	P.O. Box 10068		
	P.O. Box		
	Lancaster PA 17605		
	City State ZIP Code	City State ZIP Code	
	Lancaster	Location of principal assets, if different from principal place of business	
	County	Number Street	
		City State ZIP Code	
5. Debtor's website (URL)	https://www.armstrongflooring.com/		

CERTIFIED:
AS A TRUE COPY:
ATTEST:

U.S. BANKRUPTCY COURT

U.S. BANKRUPTCY COURT

By

Deputy Clerk

5/13/2022

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?

- ☒ No
☐ Yes

District _____

When _____

Case number _____

MM / DD / YYYY

If more than 2 cases, attach a separate list.

District _____

When _____

Case number _____

MM / DD / YYYY

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?

☐ No

☒ Yes

Debtor

See Annex 1

Relationship

Affiliate

District

Delaware

When

Date hereof

MM / DD / YYYY

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

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

☐ 50-99

☐ 100-199

☒ 200-999

☐ 1,000-5,000

☐ 5,001-10,000

☐ 10,001-25,000

☐ 25,001-50,000

☐ 50,001-100,000

☐ More than 100,000

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

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

16. **Estimated liabilities**
(consolidated with debtor affiliates)*
- | | | |
|--|---|--|
| ☐ \$0-\$50,000 | ☐ \$1,000,001-\$10 million | ☐ \$500,000,001-\$1 billion |
| ☐ \$50,001-\$100,000 | ☐ \$10,000,001-\$50 million | ☐ \$1,000,000,001-\$10 billion |
| ☐ \$100,001-\$500,000 | ☐ \$50,000,001-\$100 million | ☐ \$10,000,000,001-\$50 billion |
| ☐ \$500,001-\$1 million | ☒ \$100,000,001-\$500 million | ☐ 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
X 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
X 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)

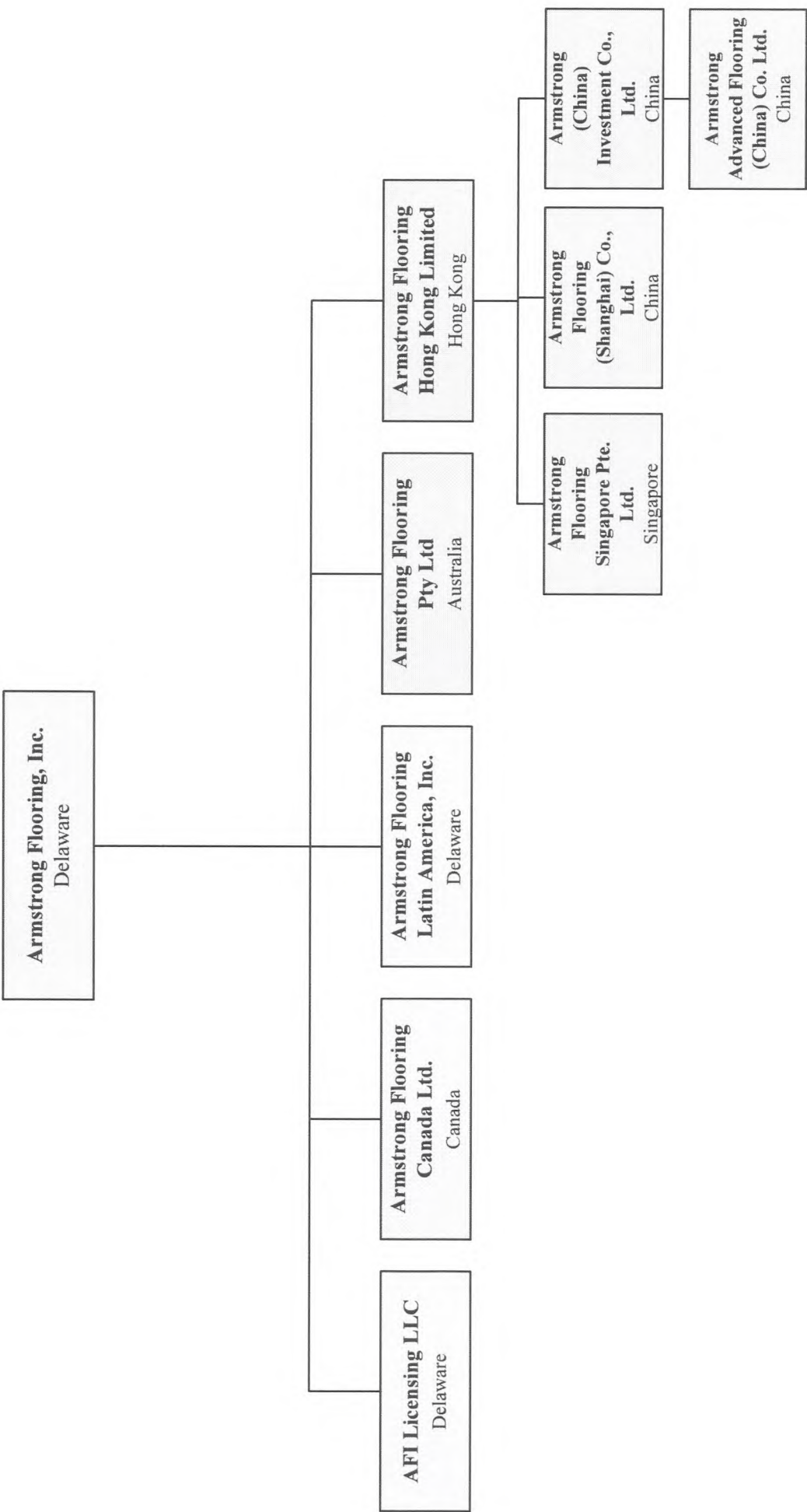
**CONSOLIDATED CORPORATE OWNERSHIP STATEMENT
AND LIST OF EQUITY SECURITY HOLDERS PURSUANT TO
FEDERAL RULES OF BANKRUPTCY PROCEDURE 1007 AND 7007.1**

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



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 AMERICA INC 3585 KLOCKNER 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):

7	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	Delaware
		(State)	
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	None		
Include any assumed names, trade names, and doing business as names			
3. Debtor's federal Employer Identification Number (EIN)	35-2552943		
4. Debtor's address	Principal place of business	Mailing address, if different from principal place of business	
	1770 Hempstead Road		
	Number Street	Number Street	
	P.O. Box 10068		
	P.O. Box		
	Lancaster PA 17605		
	City State ZIP Code	City State ZIP Code	
	Lancaster	Location of principal assets, if different from principal place of business	
	County		
		Number Street	
		City State ZIP Code	
5. Debtor's website (URL)	https://www.armstrongflooring.com/		

CERTIFIED:
AS A TRUE COPY:
ATTEST:

U.S. BANKRUPTCY COURT
U.S. BANKRUPTCY COURT

By
Clerk

5/13/22

41.

Debtor Armstrong Flooring Latin America, 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?

☒ No

☐ Yes District _____

When _____

Case number _____

MM / DD / YYYY

If more than 2 cases, attach a separate list.

District _____

When _____

Case number _____

MM / DD / YYYY

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?** ☐ No
☒ Yes Debtor See Annex 1 Relationship Affiliate
 District Delaware When Date hereof
 List all cases. If more than 1, attach a separate list. Case Number, if known _____
 MM / DD / YYYY

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 | ☐ \$1,000,001-\$10 million | ☐ \$500,000,001-\$1 billion |
| ☐ \$50,001-\$100,000 | ☐ \$10,000,001-\$50 million | ☐ \$1,000,000,001-\$10 billion |
| ☐ \$100,001-\$500,000 | ☐ \$50,000,001-\$100 million | ☐ \$10,000,000,001-\$50 billion |
| ☐ \$500,001-\$1 million | ☒ \$100,000,001-\$500 million | ☐ More than \$50 billion |

16. **Estimated liabilities**
(consolidated with debtor affiliates)*
- | | | |
|--|---|--|
| ☐ \$0-\$50,000 | ☐ \$1,000,001-\$10 million | ☐ \$500,000,001-\$1 billion |
| ☐ \$50,001-\$100,000 | ☐ \$10,000,001-\$50 million | ☐ \$1,000,000,001-\$10 billion |
| ☐ \$100,001-\$500,000 | ☐ \$50,000,001-\$100 million | ☐ \$10,000,000,001-\$50 billion |
| ☐ \$500,001-\$1 million | ☒ \$100,000,001-\$500 million | ☐ 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 Michel S. Vermette
X Signature of authorized representative of debtor Printed name
Title President and Chief Executive Officer

18. Signature of attorney

/s/ Joseph O. Larkin Date 05/08/2022
X Signature of attorney for debtor MM / DD / YYYY

Joseph O. Larkin
Printed name

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

920 N. King Street
Number Street

Wilmington Delaware 19801
City State ZIP code

(302) 651-3000 Joseph.Larkin@skadden.com
Contact phone Email address

4883 Delaware
Bar number 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)

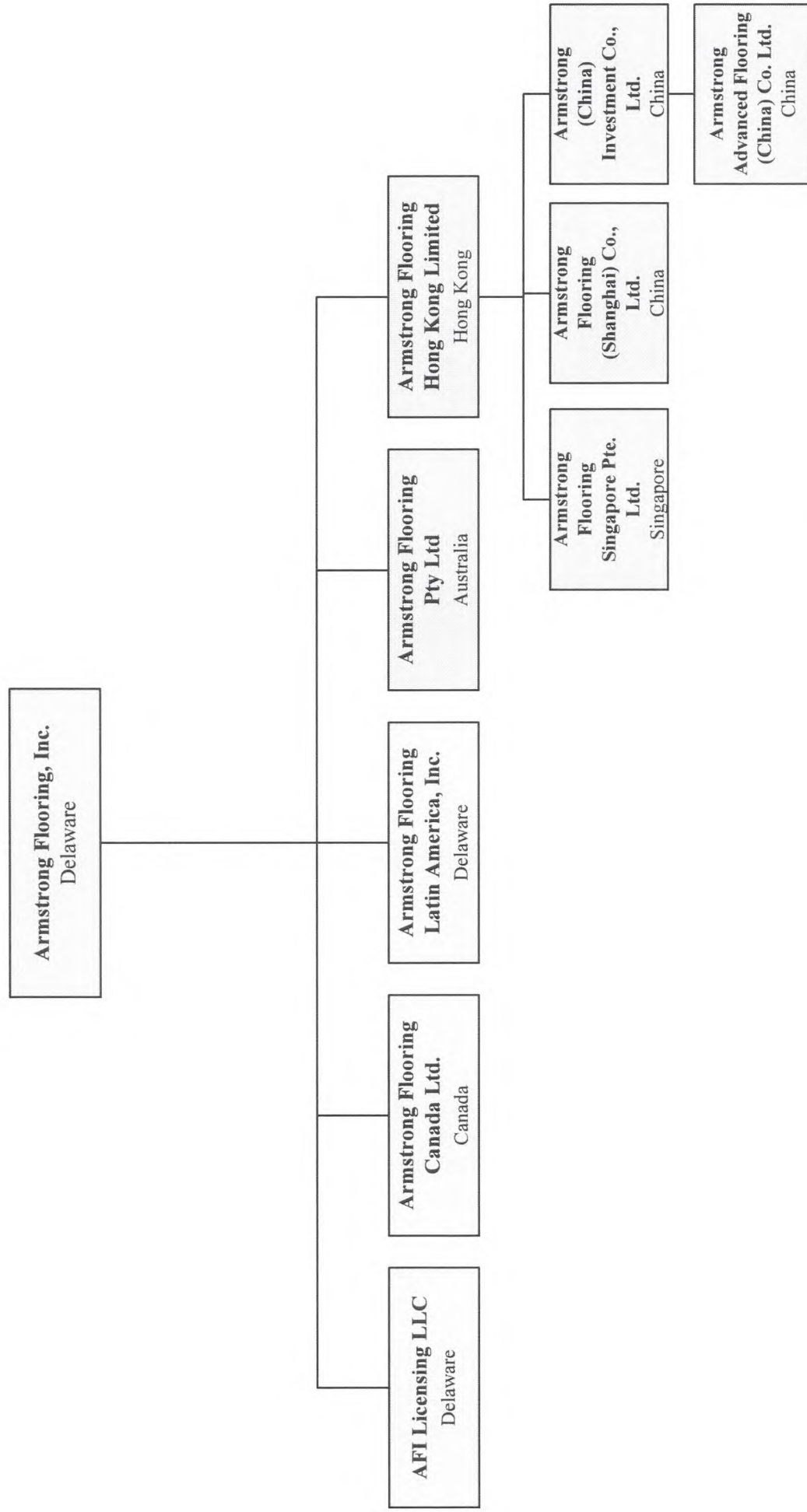
**CONSOLIDATED CORPORATE OWNERSHIP STATEMENT
AND LIST OF EQUITY SECURITY HOLDERS PURSUANT TO
FEDERAL RULES OF BANKRUPTCY PROCEDURE 1007 AND 7007.1**

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**



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 KLOCKNER RD GORDONVILLE, 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 ALQUIPPA, 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., <i>et al.</i>		
United States Bankruptcy Court for the:		District of	Delaware
		(State)	
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

☒ /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.

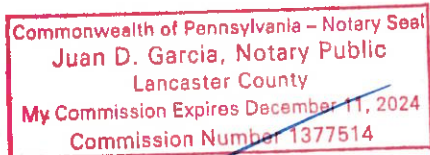


Christopher S. Parisi

THIS IS EXHIBIT "B" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia PA Notary
A Notary Public in and for the Commonwealth of Pennsylvania



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-10426 (___)

(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.

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

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**

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

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 amount⁹ 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.

<u>Date of Repayment</u>	<u>Prepayment Premium</u>
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 PAPERS¹⁰

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 accord 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

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.

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 USD¹⁴ 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 nonexempt¹⁶, 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 earnings¹⁷ 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 Employees¹⁹ 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 salary²² 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 executive 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 voluntarily²⁷ 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.

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 participant's 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

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

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

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 divert 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

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 "file 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 "C" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary
A Notary Public in and for the Commonwealth of Pennsylvania

Commonwealth of Pennsylvania - Notary Seal
Juan D. Garcia, Notary Public
Lancaster County
My Commission Expires December 11, 2024
Commission Number 1377514



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

(Joint Administration Pending)

Related Docket No[s]. 15

**ORDER PURSUANT TO 11 U.S.C. § 1505 AUTHORIZING
ARMSTRONG FLOORING CANADA LTD. TO ACT AS FOREIGN
REPRESENTATIVE ON BEHALF OF THE DEBTORS' ESTATES**

CERTIFIED:
AS A TRUE COPY
ATTEST:

U.S. BANKRUPTCY COURT
U.S. DISTRICT COURT
DELAWARE

By

Deputy Clerk

5/13/2022

Upon the motion (the “**Motion**”)² of the Debtors for an order (this “**Order**”) under Bankruptcy Code section 1505, authorizing Armstrong Flooring Canada Ltd. (“**AFI Canada**”) to act as Foreign Representative on behalf of the Debtors’ estates in any judicial or other proceedings in a foreign country, including the Canadian Proceedings, all as more fully set forth in the Motion; and upon consideration of the First-Day Declaration; and this Court having jurisdiction to consider the Motion 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 consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and this Court

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 Motion.

492.

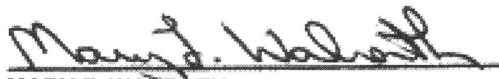
having held a hearing on the Motion; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is necessary and is in the best interests of the Debtors, their estates, creditors, and all parties in interests; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor; it is hereby;

ORDERED, ADJUDGED AND DECREED that:

1. The Motion is GRANTED as set forth herein.
2. AFI Canada is authorized, pursuant to section 1505 of the Bankruptcy Code, to act as the Foreign Representative on behalf of the Debtors' estates in any other judicial or other proceedings in a foreign country, including the Canadian Proceedings, and shall be authorized and have the power to act in any way permitted by applicable foreign law, including, but not limited to (i) seeking recognition of the Chapter 11 Cases in the Canadian Proceedings, (ii) requesting that the Canadian Court lend assistance to this Court in protecting the property of the Debtors' estates, and (iii) seeking any other appropriate relief from the Canadian Court that AFI Canada deems just and proper in the furtherance of the protection of the Debtors' estates.
3. This Court requests the aid and assistance of the Canadian Court to recognize the Chapter 11 Cases as a "foreign proceeding" and AFI Canada as a "foreign representative" pursuant to the CCAA, and to recognize and give full force and effect in all provinces and territories of Canada to this Order.
4. The Debtors are authorized to take all action necessary to carry out this Order.

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

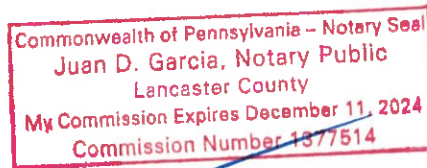
Dated: May 11th, 2022
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "D" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, Notary
A Notary Public in and for the Commonwealth of Pennsylvania





**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

(Joint Administration Pending)

Related Docket No. 12

**ORDER AUTHORIZING RETENTION AND APPOINTMENT
OF EPIQ CORPORATE RESTRUCTURING, LLC AS CLAIMS
AND NOTICING AGENT PURSUANT TO 28 U.S.C. SECTION 156(c),
11 U.S.C. SECTION 105(a), BANKRUPTCY RULE 2002(f), AND LOCAL
BANKRUPTCY RULE 2002-1(f), *NUNC PRO TUNC TO THE PETITION DATE***

Upon the application (the “**Application**”)² of the Debtors for entry of an order, pursuant to 28 U.S.C. §156(c), section 105(a) of the Bankruptcy Code, Local Bankruptcy Rule 2002-1(f), and the Claims Agent Protocol, authorizing the Debtors to retain and appoint Epiq Corporate Restructuring, LLC (“**Epiq**”) as their claims and noticing agent (“**Claims and Noticing Agent**”) to, among other things, (i) distribute required notices to parties in interest, (ii) receive, maintain, docket, and otherwise administer the proofs of claim filed in the Debtors’ Chapter 11 Cases, and (iii) provide such other administrative services, as required by the Debtors and approved by the Court, that would fall within the purview of services to be provided by the Clerk’s office, all as more fully set forth in the Application; and upon consideration of the First-Day Declaration and the Tran Declaration, which is attached to the Agreement as **Exhibit B**; and the Debtors having determined that there will be more than 200 entities included in their creditor matrix; and it

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.

appearing that distributing notices and maintaining, processing, and docketing proofs of claim would be unduly burdensome for the Clerk's office; and 28 U.S.C. § 156(c) permitting the Court to utilize, at the expense of the Debtors, the services of a claims and noticing agent; and the Court having found that Epiq has the capability and experience to provide such services and that Epiq is a "disinterested person" as the term is defined by 11 U.S.C. § 101(14); and the 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Application having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Application is in the best interests of the Debtors, their estates, their creditors, 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. Notwithstanding the terms of the Standard Services Agreement (the "**Agreement**"), which is attached to the Application as **Exhibit C**, the Application is approved solely as set forth in this Order.

3. Epiq is appointed as the Claims and Noticing Agent in the Debtors' Chapter 11 Cases, and the Debtors are authorized to retain Epiq, effective *nunc pro tunc* to the Petition Date, under the terms of the Agreement, as modified by the Application and this Order.

4. Epiq is authorized and directed to perform noticing services, receive, maintain, record, and otherwise administer the proofs of claim filed in the Chapter 11 Cases, and perform all related tasks, all as described in the Application (as defined in the Application, the “**Claims and Noticing Services**”).

5. Epiq shall serve as the custodian of the Court records and shall be designated as the authorized repository for all proofs of claim that have been or will be filed in the Debtors' Chapter 11 Cases. In addition, Epiq is authorized and directed to maintain the official claims register for the Debtors and to provide the Clerk with a certified duplicate thereof upon the request of the Clerk.

6. Epiq is authorized and directed to obtain a post office box or address for the receipt of proofs of claim.

7. Epiq is authorized to take such other action that is necessary or appropriate to comply with all duties set forth in the Agreement.

8. The Debtors are authorized to (a) compensate Epiq in accordance with the Agreement upon the receipt of reasonably detailed invoices setting forth the services that Epiq provided in its capacity as the Claims and Noticing Agent and at the rates charged for each, and (b) reimburse Epiq for all reasonable and necessary expenses that it incurs as the Claims and Noticing Agent upon the presentation of appropriate documentation. The Debtors may compensate and reimburse Epiq for Claims and Noticing Services without the need for Epiq to file fee applications or otherwise seek the Court's approval of its fees and expenses.

9. Epiq shall keep and maintain records of all services that it provides as the Claims and Noticing Agent showing dates, categories of services, fees charged, and expenses incurred. Epiq shall also serve monthly invoices on the Debtors, the U.S. Trustee, counsel for the Debtors, counsel for any official committee appointed in the Chapter 11 Cases, and any party in interest who specifically requests, in writing, service of the monthly invoices.

10. The parties shall meet and confer in an attempt to resolve any dispute that may arise relating to the Agreement or the Claims and Noticing Agent's monthly invoices, and the parties may seek adjudication of the matter by the Court if resolution cannot be achieved by the parties.

11. Pursuant to Bankruptcy Code section 503(b)(1)(A), the undisputed fees and expenses of the Claims and Noticing Agent under the Agreement as approved by this Order shall be an administrative expense of the Debtors' estates.

12. Epiq may apply its retainer to all prepetition invoices, and thereafter, have the retainer replenished to the original retainer amount, and thereafter, hold its retainer under the Agreement during the Chapter 11 Cases as security for the payment of fees and expenses incurred under the Agreement.

13. The indemnification provisions of the Agreement are approved, subject to the following modifications and clarifications:

- (a) The Claims and Noticing Agent shall not be entitled to indemnification, contribution, or reimbursement for services other than the services provided under the Agreement, unless such services and the indemnification, contribution, or reimbursement therefor are approved by the Court;
- (b) Notwithstanding anything to the contrary in the Agreement, the Debtors shall have no obligation to indemnify the Claims and Noticing Agent, or provide contribution or reimbursement to the Claims and Noticing Agent, for any claim or expense to the extent that it is either (i) judicially

determined (the determination having become final and no longer subject to appeal) to have arisen from the Claims and Noticing Agent's gross negligence, willful misconduct, or fraud; (ii) for a contractual dispute in which the Debtors allege the breach of the Claims and Noticing Agent's contractual obligations unless the Court determines that indemnification, contribution, or reimbursement would be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003); or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii), but determined by this Court, after notice and a hearing, to be a claim or expense for which that person should not receive indemnity, contribution, or reimbursement under the terms of the Agreement as modified by this Order;

- (c) If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these Chapter 11 Cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing these Chapter 11 Cases, the Claims and Noticing Agent believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution, or reimbursement obligations under the Agreement, including, without limitation, the advancement of defense costs, the Claims and Noticing Agent must file an application with the Court, and the Debtors may not pay any such amounts to the Claims and Noticing Agent before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time during which the Court shall have jurisdiction over any request for payment by the Claims and Noticing Agent for indemnification, contribution, or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify the Claims and Noticing Agent; and
- (d) All parties in interest shall retain the right to object to any demand by the Claims and Noticing Agent for indemnification, contribution, or reimbursement.

14. Notwithstanding any terms in the Agreement to the contrary, (i) the Claims and Noticing Agent's liability shall not be limited during the Chapter 11 Cases to the amount billed to or paid by the Debtors, and (ii) the Debtors shall not be subject to late charges during the Chapter 11 Cases.

15. Notwithstanding anything in the Agreement, by this Order the Court is not authorizing Epiq to establish accounts with financial institutions on behalf of the Debtors.

16. In the event that the Claims and Noticing Agent is unable to provide the services set forth in this Order, the Claims and Noticing Agent shall notify the Clerk and counsel for the Debtors immediately and cause to have all originals of proofs of claim and all computer information turned over to another claims and noticing agent with the advice and consent of the Clerk and counsel for the Debtors.

17. The Claims and Noticing Agent shall not cease providing claims processing services during the Chapter 11 Cases for any reason without prior order of the Court authorizing the Claims and Noticing Agent to do so; *provided, however*, that the Claims and Noticing Agent may seek such an order on expedited notice by filing a request with the Court with notice of such request to be served on the Debtors, counsel for the Debtors, the U.S. Trustee, and any official committee appointed in the Chapter 11 Cases by facsimile or overnight delivery; *provided, further, however*, that except as expressly provided herein, the Debtors and the Claims and Noticing Agent may otherwise terminate or suspend other services as provided under the Agreement.

18. After entry of an order terminating the Claims and Noticing Agent's services, upon the closing of the Chapter 11 Cases, or for any other reason, the Claims and Noticing Agent shall be responsible for archiving all proofs of claim with the Federal Archives Record Administration, if applicable, and shall be compensated by the Debtors in connection therewith.

19. The Debtors may submit an application under 11 U.S.C. §327 or other law to retain Epiq as an administrative advisor to provide additional services that the Court has not authorized Epiq to provide in this Order.

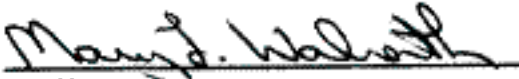
20. To the extent that the Agreement, the Application, and this Order differ or are inconsistent, this Order shall control.

21. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

22. The Debtors and the Claims and Noticing Agent are authorized to take any and all action that is necessary or appropriate to effectuate the relief granted pursuant to this Order in accordance with the Application and Agreement.

23. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: May 11th, 2022
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "E" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary
A Notary Public in and for the Commonwealth of Pennsylvania

Commonwealth of Pennsylvania - Notary Seal
Juan D. Garcia, Notary Public
Lancaster County
My Commission Expires December 11, 2024
Commission Number 1377514



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

(Jointly Administered)

Related Docket Nos. 9, 123, 138, 160

**INTERIM ORDER (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**

Upon the motion (the “**Motion**”)² of the Debtors for an interim order (this “**Interim Order**”) and a final order (a) authorizing, but not directing, the Debtors to make payments, subject to the conditions described herein, toward (i) the Critical Vendor Claims; and (ii) the Foreign Vendor Claims; (b) authorizing, but not directing, the Debtors to pay, in their sole discretion, on a provisional basis, certain suppliers that may seek to discontinue supplying products or services in breach of their agreements with the Debtors; and (c) directing banks and financial institutions at which the Debtors maintain disbursement and other accounts, at the Debtors’ instruction, to receive honor process, and pay, to the extent of funds on deposit, any and all checks or electronic fund transfer; and upon consideration of the First-Day Declaration; and this Court having jurisdiction over this matter 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,

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 Motion.

2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, 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 Motion is GRANTED on an interim basis as set forth herein.
2. Subject to the protocol set forth in paragraphs 3 and 4 below, the Debtors are hereby authorized, but not required, to pay, in their sole discretion, without further order of this Court the Foreign Vendor Claims and the Critical Vendor Claims in amounts not to exceed \$9 million in the aggregate absent further order of the Court.
3. The Company shall consult with Pathlight Capital LP (“**Pathlight**”) and Bank of America, National Association (“**BANA**”, and together with Pathlight, the “**Lenders**”) with respect to all payments of Foreign Vendor Claims and Critical Vendor Claims. The Company shall not pay Foreign Vendor Claims or Critical Vendor Claims in excess of \$6 million without the express written consent of the Lenders, which consent shall not be unreasonably withheld, conditioned or delayed (the “**Reserved CV Funds**”); *provided, however*, that in the event that the Lenders do not consent to the payment of Foreign Vendor Claims or Critical Vendor Claims from the Reserved CV Funds, the Company may file a motion with the Bankruptcy Court to resolve such dispute and to get authority to use such funds in the manner requested by the Debtors, subject

to proper notice and the Lenders' right to object, and all parties shall be bound by the Bankruptcy Court's ruling without right to appeal. If the Company has received binding bids sufficient, in the aggregate, to repay all amounts due and owing to the Lenders (after any working capital or similar adjustments contemplated in such bids), the restrictions in this provision shall be released, other than the Lenders' consultation rights.

4. Absent written consent by the Lenders, which may be withheld in their sole discretion, Reserved CV Funds may not be used by the Company for any purpose other than for payments to Critical Vendors or Foreign Vendors, and the Company shall reserve \$8 million on or after the date that the Reserved CV Funds have been disbursed.

5. Any Critical Vendor that accepts payment pursuant to the authority granted in this Order agrees to supply goods and services to the Debtors postpetition on Customary Trade Terms or on such other favorable terms as are acceptable to the Debtors; *provided, however*, that the Debtors' inability to agree on Customary Trade Terms shall not preclude them from paying a Critical Vendor Claim if the Debtors determine, in the reasonable exercise of their business judgment, that such payment is necessary to the Debtors' operations.

6. If a Critical Vendor refuses to supply goods and/or services to the Debtors on Customary Trade Terms (or such other terms as are agreed by the parties) following receipt of any payment on account of its Critical Vendor Claim, then the Debtors may, in their sole discretion with notice to the affected Critical Vendor, declare any payments made to such Critical Vendor on account of its Critical Vendor Claim to have been on account of any 503(b)(9) Claim, Priority Claim, or Administrative Expense Claim, without giving effect to any rights of setoff or reclamation. Nothing herein shall constitute a waiver of the Debtors' rights to seek damages or other appropriate remedies against any breaching Critical Vendor.

7. The Debtors are authorized to pay, on a provisional basis, prepetition claims of vendors who have contractual obligations to the Debtors, but who nevertheless may refuse to honor such obligations on a postpetition basis (collectively, the “**Contract Counterparties**”); *provided* that the Debtors will provide notice of any such Contract Counterparty to the official committee of unsecured creditors or, if none is appointed, the U.S. Trustee.

8. The form of Notice of Provisional Payment attached to the Motion as **Exhibit D** is hereby approved by this Court in all respects.

9. Notwithstanding anything to the contrary herein, any payment to be made or authorization contained hereunder shall be subject to the requirements imposed on the Debtors pursuant to the DIP Documents.

10. Notwithstanding anything to the contrary herein, any payment to be made or authorization contained hereunder shall be subject to the requirements imposed (a) on the Debtors pursuant to (i) any order of this Court approving cash collateral, or DIP financing or (ii) the *Interim Order (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* [Docket No. 90] (the “**Cash Management Order**”) and (b) upon the Debtors and the Critical Vendor or Foreign Vendor, as applicable, receiving payment hereunder pursuant to any subsequent order entered by this Court approving payments to Critical Vendor Claims and Foreign Vendor Claims.

11. All Banks are, subject to the Cash Management Order, (a) authorized and directed to receive, process, honor and pay any and all prepetition and postpetition checks, drafts, electronic transfers and other forms of payment used by the Debtors to satisfy their Critical Vendor Claims,

whether presented before, on, or after the Petition Date; *provided* that sufficient funds are on deposit in the applicable accounts to cover such payments, and (b) prohibited from placing any holds on, or attempting to reverse, any automatic transfers on account of Critical Vendor Claims. The Banks shall rely on the direction and representations of the Debtors as to which checks and fund transfers should be honored and paid pursuant to this Interim Order, and no such Bank shall have any liability to any party for relying on such direction and representations by the Debtors as provided for in this Interim Order.

12. To the extent the Debtors have not yet sought to remit payment on account of the Critical Vendor Claims, the Debtors are authorized, but not directed, to issue checks or provide for other means of payment of the Critical Vendor Claims to the extent set forth herein.

13. Any party receiving payment from the Debtors is authorized and directed to rely upon the representations of the Debtors as to which payments are authorized by this Interim Order.

14. Nothing in the Motion or this Interim Order or the relief granted (including any actions taken or payments made by the Debtors pursuant thereto) shall be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors' or any other party in interest's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise to pay any claim or other obligation; (d) granting third-party-beneficiary status or bestowing any additional rights on any third party; or (e) being otherwise enforceable by any third party.

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

16. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

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

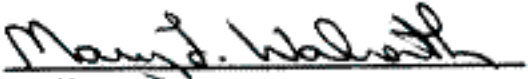
18. All time periods set forth in this Interim Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

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

20. The final hearing on the Motion shall be held on June 3, 2022 at 10:30 a.m., prevailing Eastern Time. Any objections or responses to the entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on May 27, 2022, and shall be served on: (a) Armstrong Flooring, Inc., P.O. Box. 10068, 1770 Hempstead Road, Lancaster, PA 17065 (Attn: Christopher Parisi, Esq. (csparisi@armstrongflooring.com)); (b) proposed counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 920 North King Street, Wilmington, Delaware 19801 (Attn: Joseph Larkin, Esq. (joseph.larkin@skadden.com) and Jacqueline Dakin, Esq. (jacqueline.dakin@skadden.com)); (c) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Linda Casey, Esq.); (d) counsel to the prepetition Lenders (Attn: Brian Swett, Esq. (bswett@mcguirewoods.com)) and Brian Greer, Esq. (greerb@gtlaw.com)) ; and (e) counsel to any statutory committee appointed in the Chapter 11 Cases. If no objections or responses are filed and served, this Court may enter a final order without further notice or hearing.

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

Dated: May 17th, 2022
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "F" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022


Juan D. Garcia PA Notary
A Notary Public in and for the Commonwealth of Pennsylvania

Commonwealth of Pennsylvania – Notary Seal
Juan D. Garcia, Notary Public
Lancaster County
My Commission Expires December 11, 2024
Commission Number 1377514



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., et al.,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

(Jointly Administered)

Related Docket No. 7

**INTERIM ORDER (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**

Upon the motion (the “**Motion**”)² of the Debtors for an interim order (this “**Interim Order**”) and a final order (i) authorizing, but not directing, the Debtors to pay certain prepetition claims of Shippers, Warehousemen, and other Lien Claimants (each, as defined below); (ii) authorizing, but not directing, the Debtors to pay Customs Duties (as defined below); and (iii) authorizing banks and financial institutions (collectively, the “**Banks**”) to receive, process, honor, and pay all checks or electronic transfers related thereto and granting related relief; and upon consideration of the First-Day Declaration; and this Court having jurisdiction over this matter 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court

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 Motion.

having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, 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 Motion is GRANTED on an interim basis as set forth herein.
2. The Debtors are authorized, but not directed, to pay certain prepetition claims of Shippers, Warehousemen, and other Lien Claimants in an aggregate amount not to exceed \$6.51 million on an interim basis, absent further order of the Court.
3. The Debtors are authorized, but not directed, to pay prepetition Customs Duties in an aggregate amount not to exceed \$1.82 million on an interim basis, absent further order of the Court.
4. The Debtors are authorized, but not directed, to condition payment of a Possessory Claim to (a) releasing any liens the holder of such Possessory Claim may have on the Debtors' goods or property *provided, however*, that should such party fail promptly to release such lien and/or interest upon payment by the Debtors, any such lien and/or interest shall be deemed released and expunged; and (b) providing goods or services to the Debtors on Customary Trade Terms.
5. If a Claimant accepts payment on account of its respective prepetition claim and thereafter does not continue provide goods or services to the Debtors on the Customary Trade Terms during the pendency of these Chapter 11 Cases, then any payment on account of such prepetition claim received by such party shall be deemed to be an unauthorized voidable

postpetition transfer under Bankruptcy Code Section 549 and, therefore, recoverable by the Debtors; and (b) upon recovery by the Debtors, any such prepetition claim shall be reinstated as if the payment had not been made, less the Debtors' reasonable costs in recovering such amounts.

6. As a condition of receiving payment on a Possessory Claim, the Debtors, in their sole discretion, are authorized to require that the applicable Claimants take whatever action is necessary to remove any existing liens or interests at such Claimant's sole cost and expense and waive any right to assert a lien or interest on account of the paid claim of such Claimant.

7. Notwithstanding anything to the contrary herein, any payment to be made or authorization contained hereunder shall be subject to the requirements imposed on the Debtors pursuant to the DIP Documents to be approved by this Court.

8. All Banks are (a) authorized and directed to receive, process, honor and pay any and all prepetition and postpetition checks, drafts, electronic transfers and other forms of payment used by the Debtors to satisfy their Possessory Claims, whether presented before, on, or after the Petition Date; *provided* that sufficient funds are on deposit in the applicable accounts to cover such payments, and (b) prohibited from placing any holds on, or attempting to reverse, any automatic transfers on account of Possessory Claims. The Banks shall rely on the direction and representations of the Debtors as to which checks and fund transfers should be honored and paid pursuant to this Interim Order, and no such Bank shall have any liability to any party for relying on such direction and representations by the Debtors as provided for in this Interim Order.

9. To the extent the Debtors have not yet sought to remit payment on account of the Possessory Claims, the Debtors are authorized, but not directed, to issue checks or provide for other means of payment of the Possessory Claims.

10. Any party receiving payment from the Debtors is authorized and directed to rely upon the representations of the Debtors as to which payments are authorized by this Interim Order.

11. Nothing in the Motion or this Interim Order or the relief granted (including any actions taken or payments made by the Debtors pursuant thereto) shall be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors' or any other party in interest's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise to pay any claim or other obligation; (d) granting third-party-beneficiary status or bestowing any additional rights on any third party; or (e) being otherwise enforceable by any third party.

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

13. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

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

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

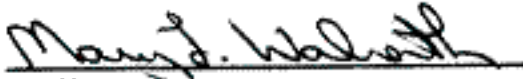
16. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order.

17. The final hearing on the Motion shall be held on June 3, 2022 at 10:30 a.m., prevailing Eastern Time. Any objections or responses to the entry of a final order on the Motion

shall be filed on or before 4:00 p.m., prevailing Eastern Time, on May 27, 2022, and shall be served on: (a) Armstrong Flooring, Inc., P.O. Box. 10068, 1770 Hempstead Road, Lancaster, PA 17065 (Attn: Christopher Parisi, Esq. (csparisi@armstrongflooring.com)); (b) proposed counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 920 North King Street, Wilmington, Delaware 19801 (Attn: Joseph Larkin, Esq. (joseph.larkin@skadden.com) and Jacqueline Dakin, Esq. (jacqueline.dakin@skadden.com)); (c) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Linda Casey, Esq. (linda.casey@usdoj.gov)); (d) counsel to the prepetition Lenders (Attn: Brian Swett, Esq. (bswett@mcguirewoods.com) and Brian Greer, Esq. (greerb@gtlaw.com)); and (e) counsel to any statutory committee appointed in the Chapter 11 Cases. If no objections or responses are filed and served, this Court may enter a final order without further notice or hearing.

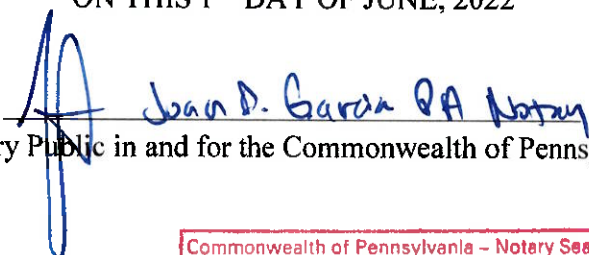
18. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

Dated: May 12th, 2022
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "G" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022


A Notary Public in and for the Commonwealth of Pennsylvania

Commonwealth of Pennsylvania - Notary Seal
Juan D. Garcia, Notary Public
Lancaster County
My Commission Expires December 11, 2024
Commission Number 1377514



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

(Joint Administration Pending)

Related Docket No[s]. 8

**INTERIM ORDER (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**

Upon the motion (the “**Motion**”)² of the Debtors for an interim order (this “**Interim Order**”) and a Final Order under Bankruptcy Code sections 105(a), 363, 1107 and 1108 and Bankruptcy Rules 6003 and 6004, (i) authorizing the Debtors to (a) continue to honor certain prepetition Customer Programs Obligations, and (b) otherwise continue their customer programs and practices in the ordinary course of business, and (ii) granting related relief; and upon consideration of the First-Day Declaration; and this Court having jurisdiction over this matter 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper

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 Motion.

pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, 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 Motion is GRANTED on an interim basis as set forth herein.
2. The Debtors are authorized, but not directed, to continue the Customer Programs in the ordinary course of business and without further order of this Court, and to perform and honor all prepetition obligations thereunder in the ordinary course of businesses, in an amount not to exceed \$2.5 million, and in the same manner and on the same basis as if the Debtors performed and honored such obligations prior to the Petition Date.
3. All Banks are (a) authorized and directed to receive, process, honor and pay any and all prepetition and postpetition checks, drafts, electronic transfers and other forms of payment used by the Debtors on account of the Customer Programs, whether presented before, on, or after the Petition Date; *provided* that sufficient funds are on deposit in the applicable accounts to cover such payments, and (b) prohibited from placing any holds on, or attempting to reverse, any automatic transfers on account of the Customer Programs; *provided that* the Debtors are authorized to issue new postpetition checks to replace any checks, drafts and other forms of payment, or effect new postpetition fund transfers, which may be inadvertently dishonored or rejected and to reimburse any expenses that may be incurred as a result of any bank's failure to honor a prepetition check. The Banks shall rely on the direction and representations of the Debtors as to which checks and fund transfers should be honored and paid pursuant to this

Interim Order, and no such Bank shall have any liability to any party for relying on such direction and representations by the Debtors as provided for in this Interim Order.

4. To the extent the Debtors have not yet sought to remit payment on account of the Customer Programs, the Debtors are authorized, but not directed, to issue checks or provide for other means of payment on account of the Customer Programs.

5. The Debtors are authorized, but not directed, to continue, renew, replace, modify, and/or terminate such of their Customer Programs as they deem appropriate, in their discretion, and in the ordinary course of business, without further application to the Court.

6. Notwithstanding anything to the contrary herein, any payment to be made or authorization contained hereunder shall be subject to the requirements imposed on the Debtors pursuant to the DIP documents to be approved by this Court.

7. Any party receiving payment from the Debtors is authorized and directed to rely upon the representations of the Debtors as to which payments are authorized by this Interim Order.

8. Nothing in the Motion or this Interim Order or the relief granted (including any actions taken or payments made by the Debtors pursuant thereto) shall be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors' or any other party in interest's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise to pay any claim or other obligation; (d) granting third-party-beneficiary status or bestowing any additional rights on any third party; or (e) being otherwise enforceable by any third party.

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

10. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

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

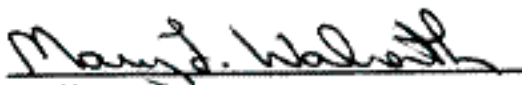
12. All time periods set forth in this Interim Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

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

14. The final hearing on the Motion shall be held on June 3, 2022 at 10:30 a.m., prevailing Eastern Time. Any objections or responses to the entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on May 27, 2022, and shall be served on: (a) Armstrong Flooring, Inc., P.O. Box. 10068, 1770 Hempstead Road, Lancaster, PA 17065 (Attn: Christopher Parisi, Esq. (csparisi@armstrongflooring.com)); (b) proposed counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 920 North King Street, Wilmington, Delaware 19801 (Attn: Joseph Larkin, Esq. (joseph.larkin@skadden.com) and Jacqueline Dakin, Esq. (jacqueline.dakin@skadden.com)); (c) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Linda Casey, Esq. (linda.casey@usdoj.gov)); (d) counsel to the prepetition Lenders (Attn: Brian Swett, Esq. (bswett@mcguirewoods.com) and Brian Greer, Esq. (greerb@gtlaw.com)); and (e) counsel to any statutory committee appointed in the Chapter 11 Cases. If no objections or responses are filed and served, this Court may enter a final order without further notice or hearing.

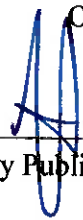
15. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

Dated: May 11th, 2022
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

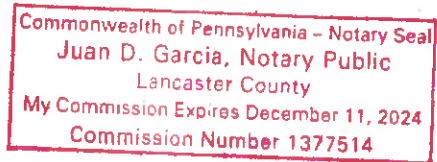
THIS IS EXHIBIT "H" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022



Juan D. Garcia, PA Notary

A Notary Public in and for the Commonwealth of Pennsylvania



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

(Joint Administration Pending)

Related Docket No[s]. 10

**INTERIM ORDER (I) AUTHORIZING DEBTORS TO (A) PAY CERTAIN
PREPETITION EMPLOYEE OBLIGATIONS AND (B) CONTINUE EMPLOYEE
BENEFITS PROGRAMS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtors for an interim order (this “**Interim Order**”) and a Final Order under Bankruptcy Code sections 105(a), 363(b), 507(a), 1107(a), and 1108 and Bankruptcy Rules 6003 and 6004, (i) authorizing, but not directing, the Debtors, *inter alia*, to pay prepetition wages, salaries, employee benefits, and amounts to or on account of independent contractors or temporary employees; (ii) authorizing, but not directing, the Debtors to continue the maintenance of all employee benefit programs in the ordinary course; (iii) authorizing, but not directing, the Debtors to honor employee expense obligations; (iv) authorizing the Debtors to pay over to appropriate parties prepetition withholdings; (v) authorizing the Debtors to honor certain retiree benefit obligations; (vi) authorizing financial institutions to receive, process, honor and pay all checks, drafts and other forms of payment, including fund transfers, used by the Debtors relating to the foregoing; and (vii) granting related relief on an interim basis as further described herein; and upon consideration of the First-Day

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 Motion.

Declaration; and this Court having jurisdiction over this matter 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of this Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, 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 Motion is GRANTED as set forth herein.
2. The Debtors are authorized, but not directed, to pay and/or honor, in their sole discretion, the Prepetition Employee Obligations as and when such obligations are due; *provided, however,* that the Debtors are authorized, but not directed, to pay Prepetition Employee Obligations during the Interim Period in an aggregate amount not to exceed \$2.6 million, unless otherwise ordered by this Court; and *provided, further, however,* that during the Interim Period, except as otherwise set forth herein, no Employee may receive payment on account of the Prepetition Employee Obligations in an amount in excess of the limits provided for by Bankruptcy Code sections 507(a)(4) or 507(a)(5) pursuant to this Order; and *provided, further, however,* that this Interim Order does not approve any Bonus Plan, and the Debtors shall make

no payments during the Interim Period pursuant to the Bonus Plans absent further order of this Court.

3. The Debtors are authorized, but not directed, in their sole discretion, to continue administering the Sales Commission Plans in the ordinary course of business; *provided, however*, that the Debtors shall make no payments during the Interim Period pursuant to the Sales Commission Plans absent further order of this Court.

4. The Debtors are authorized, but not directed, in their sole discretion, to honor the Employee Benefit Obligations and Employee Expense Obligations that were in effect as of the Petition Date, and to continue the Employee Compensation and Benefits programs in the ordinary course; *provided, however*, that such relief shall not constitute or be deemed an assumption or an authorization to assume any of such Employee Compensation and Benefits programs, including, policies, plans, programs, practices, and procedures, under Bankruptcy Code section 365(a).

5. The Debtors are authorized, but not directed, in their sole discretion, to allow Employees to use accrued prepetition PTO; *provided, however*, that during the Interim Period, no Employee who is voluntarily or involuntarily terminated may receive payment on account of the PTO, unless otherwise required by state law or the terms of the CBA by which the Employee is covered, absent further order of this Court. No Severance Obligations will be paid during the Interim Period absent further Order of this Court.

6. The Debtors are authorized, but not directed, in their sole discretion, to pay all Withholding Obligations as and when such obligations are due. The Debtors may remit any and all amounts withheld from Employees, including social security, FICA, federal and state income taxes, garnishments, health care payments, other insurance premiums, retirement fund

withholding, and other types of withholding, whether these amounts relate to the period prior to the date of the Debtors' chapter 11 filings or subsequent thereto.

7. In accordance with section 362(d) of the Bankruptcy Code, Employees are authorized to proceed with their workers' compensation claims in the appropriate judicial or administrative forum and the Debtors are authorized to pay all prepetition amounts relating thereto in the ordinary course of business.

8. No payment in excess of the caps set forth in sections 507(a)(4) or 507(a)(5) are approved.

9. Notwithstanding anything to the contrary herein, any payment to be made or authorization contained hereunder shall be subject to the requirements imposed on the Debtors pursuant to the DIP documents to be approved by this Court.

10. All Banks are (a) authorized and directed to receive, process, honor and pay any and all prepetition and postpetition checks, drafts, electronic transfers and other forms of payment used by the Debtors to satisfy their Prepetition Employee Obligations, whether presented before, on, or after the Petition Date; *provided* that sufficient funds are on deposit in the applicable accounts to cover such payments, and (b) prohibited from placing any holds on, or attempting to reverse, any automatic transfers on account of Prepetition Employee Obligations. The Banks shall rely on the direction and representations of the Debtors as to which checks and fund transfers should be honored and paid pursuant to this Interim Order, and any such Bank shall not have any liability to any party for relying on such direction and representations by the Debtors as provided for in this Interim Order or for inadvertently honoring or dishonoring any check or fund transfer.

11. To the extent the Debtors have not yet sought to remit payment on account of the Prepetition Employee Obligations, the Debtors are authorized, but not directed, to issue checks or provide for other means of payment of the Prepetition Employee Obligations.

12. The Debtors are authorized to issue new postpetition checks to replace any checks, drafts and other forms of payment, or effect new postpetition electronic transfers on account of the Prepetition Employee Obligations, which may be inadvertently dishonored or rejected and to reimburse any expenses that may be incurred as a result of any bank's failure to honor a prepetition check.

13. Notwithstanding the relief granted herein and any actions taken hereunder, nothing herein shall create, nor is intended to create, any rights in favor of, or enhance the status of any claims, including any claim held by any Employee or any third party. For the avoidance of doubt, nothing contained in the Motion or this Interim Order is intended or should be construed to create an administrative priority claim on account of any Employee.

14. Any party receiving payment from the Debtors is authorized and directed to rely upon the representations of the Debtors as to which payments are authorized by this Interim Order.

15. No provision of this Interim Order shall be construed as authority to make any payment which is subject to the provisions of Bankruptcy Code section 503(c).

16. Nothing in the Motion or this Interim Order or the relief granted (including any actions taken or payments made by the Debtors pursuant thereto) shall be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors' or any other

party in interest's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise to pay any claim or other obligation; (d) granting third-party beneficiary status or bestowing any additional rights on any third party; or (e) being otherwise enforceable by any third party.

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

18. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

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

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

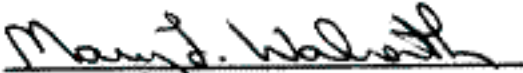
21. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order.

22. The final hearing on the Motion shall be held on June 3, 2022 at 10:30 a.m., prevailing Eastern Time. Any objections or responses to the entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on May 27, 2022, and shall be served on: (a) Armstrong Flooring, Inc., P.O. Box. 10068, 1770 Hempstead Road, Lancaster, PA 17065 (Attn: Christopher Parisi, Esq. (csparisi@armstrongflooring.com)); (b) proposed counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 920 North King Street, Wilmington, Delaware 19801 (Attn: Joseph Larkin, Esq. (joseph.larkin@skadden.com) and Jacqueline Dakin, Esq. (jacqueline.dakin@skadden.com)); (c) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Linda

Casey, Esq. (linda.casey@usdoj.gov); (d) counsel to the prepetition Lenders (Attn: Brian Swett, Esq. (bswett@mcguirewoods.com) and Brian Greer, Esq. (greerb@gtlaw.com)); and (e) counsel to any statutory committee appointed in the Chapter 11 Cases. If no objections or responses are filed and served, this Court may enter a final order without further notice or hearing.

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

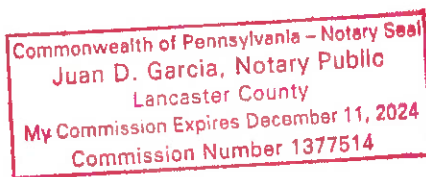
Dated: May 11th, 2022
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "I" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary
A Notary Public in and for the Commonwealth of Pennsylvania





**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ARMSTRONG FLOORING, INC.,

Debtor.

Chapter 11

Case No. 22-10426 (MFW)

Fed. Tax Id. No. 47-4303305

Related Docket No. 3

In re:

AFI LICENSING LLC,

Debtor.

Chapter 11

Case No. 22-10427 (MFW)

Fed. Tax Id. No. 36-4833265

Related Docket No. 3

In re:

**ARMSTRONG FLOORING LATIN
AMERICA, INC.,**

Debtor.

Chapter 11

Case No. 22-10428 (MFW)

Fed. Tax Id. No. 35-2552943

Related Docket No. 3

In re:

ARMSTRONG FLOORING CANADA LTD.,

Debtors.

Chapter 11

Case No. 22-10429 (MFW)

Related Docket No. 3

**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)**

Upon the motion (the “**Motion**”)¹ of the Debtors for an order (this “**Order**”)

(i) directing joint administration of these cases and administratively consolidating the respective Chapter 11 Cases of each Debtor for procedural purposes only and (ii) waiving the requirement that the captions in the Chapter 11 Cases list the Debtors’ tax identification numbers and certain other information; and upon consideration of the First-Day Declaration; and this Court having jurisdiction over this matter 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, 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 Motion is GRANTED on a final basis as set forth herein.
2. Each of the above-captioned Chapter 11 Cases of the Debtors be, and hereby is, jointly administered by the Court for procedural purposes only. Nothing contained in this Order shall be deemed or construed as directing or otherwise effecting any substantive consolidation of any of the Chapter 11 Cases.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

3. The caption of the jointly administered cases shall read as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

**ARMSTRONG FLOORING, INC., *et al.*,
Debtors.¹**

Chapter 11

**Case No. 22-10426 (MFW)
(Jointly Administered)**

4. Each motion, application, and notice shall be captioned as indicated in the preceding decretal paragraph and all original docket entries shall be made in the case of Armstrong Flooring, Inc., Case No. 22-10426 (MFW).

5. A docket entry shall be made in each of the Chapter 11 Cases (except that of Armstrong Flooring, Inc.) substantially as follows:

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing joint administration for procedural purposes only of the chapter 11 cases of: Armstrong Flooring, Inc., Case No. 22-10426 (MFW); AFI Licensing LLC, Case No. 22-10427 (MFW); Armstrong Flooring Latin America, Inc., Case No. 22-10428 (MFW); and Armstrong Flooring Canada Ltd., Case No. 22-10429 (MFW). The docket for Armstrong Flooring, Inc., Case No. 22-10426 (MFW), should be consulted for all matters affecting these cases.

6. One consolidated docket, one file, and one consolidated service list shall be maintained by the Debtors and kept by the Clerk of the Court with the assistance of the notice and claims agent retained by the Debtors in these Chapter 11 Cases.

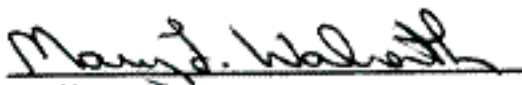
7. The requirements under Bankruptcy Code section 342(c)(1) and Bankruptcy Rule 2002(n) that the case caption and other notices mailed in the Chapter 11 Cases include the Debtors' tax identification numbers and other identifying information about the Debtors are hereby waived. The Debtors shall include in all papers filed and each notice mailed by the

Debtors a footnote listing all of the Debtors, the last four digits of their respective tax identification numbers, and the address of their corporate headquarters.

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

9. 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: May 11th, 2022
Wilmington, Delaware

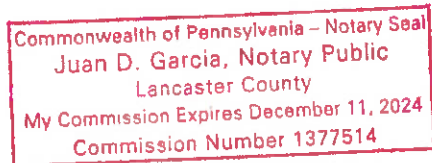

MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "J" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, Notary

A Notary Public in and for the Commonwealth of Pennsylvania





**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

(Jointly Administered)

Related Docket No[s]. 4

**ORDER *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**

Upon the motion (the “**Motion**”)² of the Debtors for an order (this “**Order**”) (i) authorizing the 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 the Debtors’ 30 largest general unsecured creditors; and (ii) granting related relief; and upon consideration of the First-Day Declaration; and this Court having jurisdiction over this matter 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular

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.

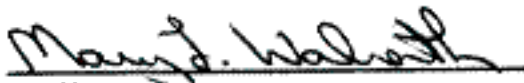
² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, 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 Motion is GRANTED, *nunc pro tunc* to the Petition Date, as set forth herein.
2. The requirement of Local Bankruptcy Rule 2002-1(f)(v) that each Debtor, or its duly-retained agent, maintain a separate creditor mailing matrix, is hereby waived. The Debtors are authorized to submit a consolidated creditor matrix in satisfaction of Local Bankruptcy Rule 1007-2(a); *provided* that if any of the Chapter 11 Cases convert to a case under chapter 7 of the Bankruptcy Code, the applicable Debtor shall file its own creditor matrix.
3. The Debtors are authorized to file a consolidated list of the 30 largest unsecured creditors in these Chapter 11 Cases in lieu of each Debtor filing a list of its 20 largest unsecured creditors.
4. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.
5. 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: May 12th, 2022
Wilmington, Delaware

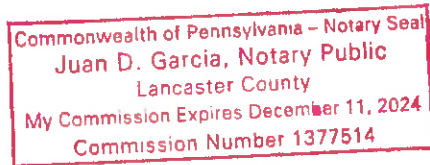

MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "K" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary

A Notary Public in and for the Commonwealth of Pennsylvania





**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

Jointly Administered

Related Docket No. 5

**ORDER AUTHORIZING THE DEBTORS TO FILE
UNDER SEAL PORTIONS OF THEIR CREDITOR MATRIX
AND OTHER FILINGS CONTAINING EMPLOYEE ADDRESSES**

Upon the motion (the “**Motion**”)² of the Debtors for entry of an order (this “**Order**”) authorizing the debtors to file under seal portions of their creditor matrix and other filings containing employee address; and upon consideration of the First-Day Declaration; and this Court having jurisdiction over this matter 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is

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 Motion.

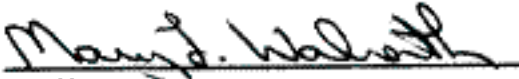
in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby;

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is GRANTED as set forth herein.
2. The Debtors are hereby authorized to file under seal those portions of the creditor matrix that contain the home addresses of the Debtors' employees.
3. The creditor matrix shall remain under seal and not made available to anyone, except that copies shall be provided to this Court, the U.S. Trustee, or a Chapter 7 or Chapter 11 trustee, if appointed.
4. The Debtors are hereby authorized to file under seal those portions of future filings, including, but not limited to, schedules of assets and liabilities, statements of financial affairs, and affidavits of service (together with the creditor matrix, the "**Sealed Filings**"), that contain the home addresses of the Debtors' employees.
5. The claims and noticing agent in the Chapter 11 Cases shall maintain a separate, confidential mailing list for service to the Debtors' employees at their respective residences for the benefit of all parties in interest desiring to serve the Debtors' employees with pleadings or notices in the Chapter 11 Cases.
6. Notwithstanding anything in this Order, service of all pleadings shall include the home addresses of the Debtors' employees.
7. The Clerk of Court is directed to file and maintain the unredacted creditor matrix under seal and shall not make it publicly available. The unredacted creditor matrix shall not be unsealed unless and until permitted by further order of this Court.

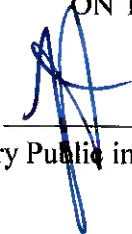
8. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: May 11th, 2022
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "L" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary
A Notary Public in and for the Commonwealth of Pennsylvania

Commonwealth of Pennsylvania – Notary Seal
Juan D. Garcia, Notary Public
Lancaster County
My Commission Expires December 11, 2024
Commission Number 1377514



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., et al.,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

Jointly Administered

Related Docket No. 6

**INTERIM ORDER 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**

Upon the motion (the “**Motion**”)² of the Debtors for an interim order (this “**Interim Order**”) and a final order authorizing, but not directing, the Debtors to (i) maintain existing insurance policies and pay all insurance obligations arising thereunder, (ii) continue to honor insurance premium financing obligations, and (iii) renew, revise, extend, supplement, change, or enter into new insurance policies and/or premium financing agreements as needed in their business judgment; and upon consideration of the First-Day Declaration; and this Court having jurisdiction over this matter 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States

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 Motion.

Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, 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 Motion is GRANTED on an interim basis as set forth herein.
2. The Debtors are authorized, but not directed, to maintain the Insurance Policies and to pay the Insurance Obligations and Premium Financing Obligations as they become due, including any amounts owed to the Insurance Broker, in an aggregate amount not to exceed \$163,000 on an interim basis, absent further order of the Court.
3. Without further order of this Court, the Debtors are authorized, but not directed, to renew, revise, extend, supplement, change, or enter into new insurance coverage and/or premium finance agreements in the ordinary course of business as needed in their business judgment.
4. The Debtors are authorized, but not directed, to fund the Premium Financing Obligations, make all payments under the PFA, and continue to grant AFCO security interests in the Insurance Policies and their proceeds as security for the Debtors' performance of their obligations under the PFA.
5. Notwithstanding anything to the contrary herein, any payment to be made or authorization contained hereunder shall be subject to the requirements imposed on the Debtors pursuant to the DIP Documents.

6. All Banks are (a) authorized and directed to receive, process, honor, and pay any and all prepetition and postpetition checks, drafts, electronic transfers, and other forms of payment used by the Debtors to satisfy their Insurance Obligations and Premium Financing Obligations, whether presented before, on, or after the Petition Date; *provided* that sufficient funds are on deposit in the applicable accounts to cover such payments, and (b) prohibited from placing any holds on, or attempting to reverse, any transfers on account of Insurance Obligations and Premium Financing Obligations. The Banks shall rely on the direction and representations of the Debtors as to which checks and fund transfers should be honored and paid pursuant to this Interim Order, and no such Bank shall have any liability to any party for relying on such direction and representations by the Debtors as provided for in this Interim Order.

7. To the extent the Debtors have not yet sought to remit payment on account of the Insurance Obligations and Premium Financing Obligations, the Debtors are authorized, but not directed, to issue checks or provide for other means of payment of the Insurance Obligations and Premium Financing Obligations.

8. Any party receiving payment from the Debtors is authorized and directed to rely upon the representations of the Debtors as to which payments are authorized by this Interim Order.

9. Nothing in the Motion or this Interim Order or the relief granted (including any actions taken or payments made by the Debtors pursuant thereto) shall be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors' or any other party in interest's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise to pay any claim or other obligation; (d) granting third-party-beneficiary status

or bestowing any additional rights on any third party; or (e) being otherwise enforceable by any third party.

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

11. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

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

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

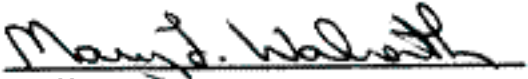
14. The Debtors are authorized to take all actions necessary to implement the relief granted in this Interim Order.

15. The final hearing on the Motion shall be held on June 3, 2022 at 10:30 a.m., prevailing Eastern Time. Any objections or responses to the entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on May 27, 2022, and shall be served on: (a) Armstrong Flooring, Inc., P.O. Box. 10068, 1770 Hempstead Road, Lancaster, PA 17065 (Attn: Christopher Parisi, Esq. (csparisi@armstrongflooring.com)); (b) proposed counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 920 North King Street, Wilmington, Delaware 19801 (Attn: Joseph Larkin, Esq. (joseph.larkin@skadden.com) and Jacqueline Dakin, Esq. (jacqueline.dakin@skadden.com)); (c) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Linda Casey, Esq. (linda.casey@usdoj.gov)); (d) counsel to the prepetition Lenders (Attn: Brian Swett, Esq. (bswett@mcguirewoods.com) and Brian Greer, Esq. (greerb@gtlaw.com)); and (e) counsel to any

statutory committee appointed in the Chapter 11 Cases. If no objections or responses are filed and served, this Court may enter a final order without further notice or hearing.

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

Dated: May 12th, 2022
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "M" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, Notary
A Notary Public in and for the Commonwealth of Pennsylvania

Commonwealth of Pennsylvania – Notary Seal
Juan D. Garcia, Notary Public
Lancaster County
My Commission Expires December 11, 2024
Commission Number 1377514



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

(Joint Administration Pending)

Related Docket No. 13

**INTERIM ORDER AUTHORIZING DEBTORS TO PAY
CERTAIN PREPETITION TAXES AND
RELATED OBLIGATIONS**

Upon the motion (the “**Motion**”)² of the Debtors for an interim order (this “**Interim Order**”) and a final order authorizing, but not directing, Debtors to remit and pay certain taxes and other related obligations (collectively, the “**Taxes and Assessments**”) as the Debtors, in their discretion, deem necessary to various federal, state, county, city, and foreign taxing, licensing, and regulatory authorities (collectively, the “**Applicable Authorities**”); and upon consideration of the First-Day Declaration; and this Court having jurisdiction over this matter 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having

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

been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, 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 Motion is GRANTED on an interim basis as set forth herein.
2. The Debtors are hereby authorized, but not directed, in their sole discretion, to pay all prepetition Taxes and Assessments owed to Applicable Authorities in the ordinary course of business; *provided* that payments for prepetition Taxes and Assessments will not exceed \$760,670 during the Interim Period absent further order of the Court; *provided, further*, that nothing contained in this Interim Order shall authorize the Debtors to pay past-due Taxes and Assessments.
3. All Banks are (a) authorized and directed to receive, process, honor, and pay any and all prepetition and postpetition checks, drafts, electronic transfers, and other forms of payment used by the Debtors to satisfy their Taxes and Assessments, whether presented before, on, or after the Petition Date; *provided* that sufficient funds are on deposit in the applicable accounts to cover such payments, and (b) prohibited from placing any holds on, or attempting to reverse, any automatic transfers on account of Taxes and Assessments. The Banks shall rely on the direction and representations of the Debtors as to which checks and fund transfers should be honored and paid pursuant to this Interim Order, and no such Bank shall have any liability to any party for relying on such direction and representations by the Debtors as provided for in this Interim Order.

4. To the extent the Debtors have not yet sought to remit payment on account of the Taxes and Assessments, the Debtors are authorized, but not directed, to issue checks or provide for other means of payment of the Taxes and Assessments, which may be inadvertently dishonored or rejected and to reimburse any expenses that may be incurred as a result of any Bank's failure to honor a prepetition check.

5. Notwithstanding anything to the contrary herein, any payment to be made or authorization contained hereunder shall be subject to the requirements imposed on the Debtors pursuant to the DIP Documents to be approved by this Court.

6. Any party receiving payment from the Debtors is authorized and directed to rely upon the representations of the Debtors as to which payments are authorized by this Interim Order.

7. Nothing in the Motion or this Interim Order or the relief granted (including any actions taken or payments made by the Debtors pursuant thereto) shall be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors' or any other party in interest's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise to pay any claim or other obligation; (d) granting third-party-beneficiary status or bestowing any additional rights on any third party; or (e) being otherwise enforceable by any third party.

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

9. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

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

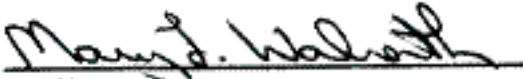
11. All time periods set forth in this Interim Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

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

13. The final hearing on the Motion shall be held on June 3, 2022, at 10:30 a.m. prevailing Eastern Time. Any objections or responses to the entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on May 27, 2022, and shall be served on: (a) Armstrong Flooring, Inc., P.O. Box 10068, 1770 Hempstead Road, Lancaster, PA 17065 (Attn: Christopher Parisi, Esq. (csparisi@armstrongflooring.com)); (b) proposed counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 920 North King St, Wilmington, DE 19801 (Attn: Joseph Larkin, Esq. (joseph.larkin@skadden.com) and Jacqueline Dakin, Esq. (jacqueline.dakin@skadden.com)); (c) the United States Trustee for the District of Delaware, 844 King Street, Suite 2007, Wilmington, Delaware 19801 (Attn: Linda Casey, Esq. (linda.casey@usdoj.gov)); (d) counsel to the prepetition Lenders (Attn: Brian Swett; Esq. (bswett@mcguirewoods.com) and Brian Greer, Esq. (greerb@gtlaw.com)); and (e) counsel to any statutory committee appointed in the Chapter 11 Cases. If no objections or responses are filed and served, this Court may enter a final order without further notice or hearing.

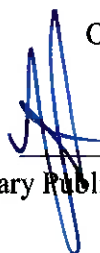
14. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

Dated: May 11th, 2022
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "N" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary
A Notary Public in and for the Commonwealth of Pennsylvania

Commonwealth of Pennsylvania - Notary Seal
Juan D. Garcia, Notary Public
Lancaster County
My Commission Expires December 11, 2024
Commission Number 1377514



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

Jointly Administered

Related Docket No. 14

**INTERIM ORDER (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**

Upon the motion (the “**Motion**”)² of the Debtors for an interim order (this “**Interim Order**”) and a final order (i) approving the Debtors’ proposed form of adequate assurance of postpetition payment to the Utility Companies, (ii) establishing Adequate Assurance Procedures for resolving any objection by the Utility Companies relating to the Proposed Adequate Assurance, and (iii) prohibiting the Utility Companies from altering, refusing, or discontinuing service to, or discriminating against, the Debtors on the basis of the commencement of the Chapter 11 Cases or a debt owed by the Debtors for services rendered prior to the Petition Date, or on account of any perceived inadequacy of the Debtors’ Proposed Adequate Assurance, all as more fully described in the Motion; and upon consideration of the First-Day Declaration; and the Court having jurisdiction over this matter 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

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

Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, 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 Motion is GRANTED on an interim basis as set forth herein.
2. Within 20 days after the Petition Date, the Debtors shall (a) establish a newly-created, interest-bearing, segregated account (the “**Utility Deposit Account**”) at a bank which is a party to a Uniform Depository Agreement with the U.S. Trustee for the District of Delaware, and (b) for each Utility Company listed on **Schedule 1** hereto (the “**Utility Company List**”), place a deposit for such Utility Company equal to approximately two weeks of Utility Services (each such deposit, a “**Utility Deposit**”) into such Utility Deposit Account; *provided, however*, that no Utility Deposit shall be made for any Utility Company that already holds a deposit, prepayment, or surety bond equal to or greater than two weeks of Utility Services. In addition, if a Utility Company holds a deposit, prepayment, or surety bond that is less than two weeks of Utility Services, the Utility Deposit for that Utility Company shall be reduced by the amount of any prepetition deposit, prepayment, or surety bond.

3. Except as the amount may be adjusted by application of the provisions of this Interim Order, the aggregate amount of approximately \$549,690 shall be deposited in the Utility Deposit Account on account of the Utility Deposits within 20 days after the Petition Date and shall be held for the purpose of providing adequate assurance of payment to each Utility Company for its postpetition Utility Services provided to the Debtors. Any liens on such segregated account shall extend solely to the estates' reversionary interest in the Utility Deposit Account.

4. The balance of the Utility Deposit Account may be adjusted by the Debtors, without further order of the Court, as follows: (a) the balance of the Utility Deposit Account may be reduced by the amount of the Utility Deposit associated with any terminated utility account, provided that the Debtors shall provide 10 business days' notice to the applicable Utility Company prior to any such reduction, during which time such Utility Company may object to the reduction, and upon such timely objection, the Debtors shall not reduce the Utility Deposit until such objection has been resolved among the parties or by order of this Court; (b) the balance of the Utility Deposit Account shall be increased to the extent a Utility Company is added to the Utility Company List; and (c) the balance of the Utility Deposit Account may be adjusted in accordance with the terms of any agreement with respect to adequate assurance of payment reached between a Debtor and a Utility Company.

5. The Debtors shall maintain the Utility Deposit Account until the earlier of the Court's entry of an order authorizing the return of the Utility Deposit Account to the Debtors or the effective date of a chapter 11 plan.

6. The following procedures (the “**Adequate Assurance Procedures**”) are hereby approved with respect to all Utility Companies, including any Subsequently Identified Utility Company:

- (a) Except as provided by the Adequate Assurance Procedures, the Utility Companies will be prohibited from (i) altering, refusing, or discontinuing services to, or discriminating against, the Debtors on the basis of the commencement of the Chapter 11 Cases or a debt owed by the Debtors for services rendered prior to the Petition Date, or on account of any perceived inadequacy of the Debtors’ Proposed Adequate Assurance, or (ii) requiring the Debtors to pay a deposit or other security in connection with the provision of postpetition Utility Services, other than the funding of the Utility Deposit.
- (b) Within 48 hours after entry of this Interim Order, the Debtors will mail a copy of the Motion and Interim Order to the Utility Companies on the Utility Company List.
- (c) If a Utility Company is not satisfied with the Proposed Adequate Assurance and seeks additional adequate assurance of payment, it must serve a request for additional adequate assurance (an “**Additional Assurance Request**”) upon: (i) Armstrong Flooring, Inc., PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065 (Attn: Christopher Parisi, Esq. (csparisi@armstrongflooring.com)); (ii) proposed counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 920 North King Street, Wilmington, Delaware 19801 (Attn: Joseph Larkin, Esq. (joseph.larkin@skadden.com), Jacqueline Dakin, Esq. (jacqueline.dakin@skadden.com), and Rebecca Ritchie, Esq. (rebecca.ritchie@skadden.com)); and (iii) counsel to any statutory committee appointed in the Chapter 11 Cases (collectively, the “**Adequate Assurance Notice Parties**”).
- (d) Any Additional Assurance Request must (i) be made in writing; (ii) set forth the amount and form of additional assurance of payment requested; (iii) set forth the type of Utility Services, any account numbers, and the location(s) for which the Utility Services are provided; (iv) include a summary of the Debtors’ payment history to such Utility Company, including whether the Utility Company holds any deposits or other security, and if so, in what amount; (v) set forth why the Utility Company believes the Proposed Adequate Assurance is insufficient; and (vi) provide an email address to which the Debtors may respond to the Additional Assurance Request.

- (e) Upon the Debtors' receipt of an Additional Assurance Request, the Debtors will have the greater of (i) 14 days from the receipt of such Additional Assurance Request and (ii) 30 days from the entry of this Interim Order (the "**Resolution Period**") to negotiate with the requesting Utility Company and resolve its Additional Assurance Request. The Debtors and any Utility Company may, without notice to any party-in-interest or further order of the Court, extend the Resolution Period by such additional period as they shall mutually agree.
- (f) Should the Debtors be unable to reach a resolution with respect to an Additional Assurance Request within the Resolution Period, the Debtors will file a motion requesting that the court determine the adequacy of the Proposed Adequate Assurance with respect to a Utility Company making such Additional Assurance Request (the "**Determination Motion**"). The Debtors shall seek to have such Determination Motion heard at the next omnibus hearing.
- (g) Any Utility Company that does not serve an Additional Assurance Request shall be deemed to have received adequate assurance of payment that is satisfactory to such Utility Company within the meaning of Bankruptcy Code section 366(c)(2), subject to such Utility Company's right to seek a modification of adequate assurance under Bankruptcy Code section 366(c)(3).
- (h) The Debtors will reserve on account of each Utility Company included in the Utility Company List its respective Proposed Adequate Assurance within 10 business days of entry of the order granting this Motion.

7. The Debtors are authorized, in their sole discretion, to amend the Utility Company List to add or remove any Utility Company, and this Interim Order shall apply to any such Subsequently Identified Utility Company that is added to such list. The Debtors shall file a copy of any such amendment with the court. This Interim Order shall only apply to a Subsequently Identified Utility Company upon service of a copy of the Motion and this Interim Order upon such Subsequently Identified Utility Company, provided that, for the avoidance of doubt, upon such service, such Subsequently Identified Utility Company shall be bound by the provisions of this Interim Order, including that such Subsequently Identified Utility Company shall be prohibited from altering or discontinuing service. Such Subsequently Identified Utility Company

shall be permitted to make an Additional Assurance Request, in compliance with the Adequate Assurance Procedures, after receiving notice of the Motion.

8. Pending entry of the Final Order and resolution of any Additional Assurance Request, Objection, or Determination Motion, the Utility Companies, including Subsequently Identified Utility Companies, are prohibited from (a) discriminating against the Debtors, (b) altering, refusing, or discontinuing service to the Debtors, or (c) requiring payment of a deposit or receipt or any other security for continued service other than the Utility Deposit, on the basis of the commencement of the Chapter 11 Cases or a debt owed by the Debtors for services rendered prior to the Petition Date, or on account of any perceived inadequacy of the Debtors' Proposed Adequate Assurance. The Utility Companies are further prohibited from drawing upon any existing security deposit, surety bond, or other form of security to secure future payment for Utility Services.

9. This Interim Order shall be binding on all Utility Companies providing Utility Services to the Debtors and is not limited to those Utility Companies listed on the Utility Companies identified on the Utility Company List; *provided, however*, that if an additional Utility Company is added to such list, the Debtors shall increase the aggregate amount in the Utility Deposit Account by an amount equal to the cost of two weeks of Utility Services provided by such Subsequently Identified Utility Company to the Debtors.

10. For the avoidance of doubt, the terms of this Interim Order, including the Adequate Assurance Procedures, shall apply to each Utility Company, notwithstanding any customary business practices, policies, internal operating procedures, or state or local laws or regulations to the contrary. Any Utility Company that believes its customary business practices, policies, internal operating procedures, or state or local laws or regulations forbid it from

accepting the Proposed Adequate Assurance or entitle it to additional adequate assurance shall make an Additional Assurance Request or file an Objection in accordance with this Interim Order.

11. Nothing herein constitutes a finding that any entity is or is not a Utility Company hereunder or a “utility” within the meaning of Bankruptcy Code section 366, whether or not such entity is included on the Utility Company List.

12. Notwithstanding anything to the contrary herein, any payment to be made or authorization contained hereunder shall be subject to the requirements imposed on the Debtors pursuant to the DIP Documents to be approved by this Court.

13. Prior to terminating or assigning any Waste Management (“WM”) services provided to the Debtors, the Debtors shall provide notice of such termination or assignment in writing, including by e-mail, to: (i) counsel of record for WM, attention: Rachel B. Mersky, Esq. 1201 N. Orange Street, Suite 400, Wilmington, DE 19801 (rmersky@monlaw.com) and (ii) Waste Management, attention: Jacquolyn E. Hatfield-Mills, Waste Management, 800 Capitol Ste. 3000, Houston, TX 77001 (jmills@wm.com). The notice of termination or assignment shall include: (a) the date of termination or assignment; and (b) the location at which services are being terminated or assigned as defined in the agreement or invoice between WM and the Debtors. If the Debtors fail to provide notice as provided herein, the Debtors will not object to an administrative expense claim timely filed by WM for the costs and expense of services provided by WM to such location until the date notice is served notifying WM that WM’s services to the Debtors at a particular location are or have been terminated or assigned.

14. Nothing in the Motion or this Interim Order or the relief granted (including any actions taken or payments made by the Debtors pursuant thereto) shall be construed as (a)

authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors' or any other party in interest's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise to pay any claim or other obligation; (d) granting third-party-beneficiary status or bestowing any additional rights on any third party; (e) being otherwise enforceable by any third party; or (f) prejudicial to the Debtors' rights to contest any amounts owed to a Utility Company. Further, nothing contained in this Order shall be deemed to increase, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

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

16. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

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

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

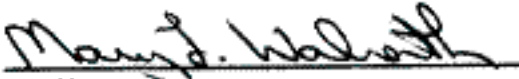
19. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order.

20. The final hearing on the Motion shall be held on June 3, 2022 at 10:30 a.m., prevailing Eastern Time. Any objections or responses to the entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on May 27, 2022, and shall be

served on: (a) Armstrong Flooring, Inc., P.O. Box. 10068, 1770 Hempstead Road, Lancaster, PA 17065 (Attn: Christopher Parisi, Esq. (csparisi@armstrongflooring.com)); (b) proposed counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 920 North King Street, Wilmington, Delaware 19801 (Attn: Joseph Larkin, Esq. (joseph.larkin@skadden.com) and Jacqueline Dakin, Esq. (jacqueline.dakin@skadden.com)); (c) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Linda Casey, Esq. (linda.casey@usdoj.gov)); (d) counsel to the prepetition Lenders (Attn: Brian Swett, Esq. (bswett@mcguirewoods.com) and Brian Greer, Esq. (greerb@gtlaw.com)); and (e) counsel to any statutory committee appointed in the Chapter 11 Cases. If no objections or responses are filed and served, this Court may enter a final order without further notice or hearing.

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

Dated: May 11th, 2022
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

SCHEDULE 1

UTILITY COMPANY LIST

Utility Provider	Type of Service	Address	Vendor / Account Number(s)	Current Deposit	Adequate Assurance Deposit
Amerigas National Accounts	Propane/Oil/Fuels	P.O. Box 10525 Palatine, IL 60055	874545	\$0	\$6,553
Aqua Illinois Inc	Water/Sewer	P.O. Box 70279 Philadelphia, PA 19176	855695	\$0	\$8,450
AT&T	Telephone/Telecom	P.O. Box 105262 Atlanta, GA 30348	856696	\$0	\$668
		P.O. Box 105414 Atlanta, GA 30348	859695	\$0	\$132
		P.O. Box 105068 Atlanta, GA 30348	863017	\$0	\$72
		P.O. Box 5094 Carol Stream, IL 60197	804866	\$0	\$67
		P.O. Box 5001 Carol Stream, IL 60197	860044	\$0	\$1,197
		P.O. Box 5025 Carol Stream, IL 60197	865643	\$0	\$459
		P.O. Box 5080 Carol Stream, IL 60197	865833	\$0	\$886
Atmos Energy	Natural Gas	P.O. Box 630872 Cincinnati, OH 45263	849308	\$0	\$1,640
Avaya Inc	Telephone/Telecom	P.O. Box 5332 New York, NY 10087	830577	\$0	\$16,871
Beech Creek Water Authority	Water/Sewer	P.O. Box 216 Beech Creek, PA 16822	802393	\$0	\$579
Bell Mobility Inc	Telephone/Telecom	P.O. Box 11095 Montreal, QC H3C 5E7 Canada	834043	\$0	\$109
Calpine Energy Solutions	Energy/Fuel	24220 Network Pl. Chicago, IL 60673	885279	\$0	\$23

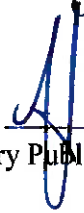
Centurylink	Telephone/Telecom	P.O. Box 1319 Charlotte, NC 28201	864117	\$0	\$245
City of Jackson	Water/Sewer	P.O. Box 1798 Memphis, TN 38101	832364	\$0	\$2,483
City of Kankakee	Water/Sewer	304 S. Indiana Ave. Kankakee, IL 60901	829990	\$0	\$4,593
City of Lancaster	Water/Sewer	P.O. Box 1020 Lancaster, PA 17608	802102	\$0	\$6,580
City of Stillwater	Electric	P.O. Box 1449 Stillwater, OK 74076	803239	\$0	\$64,584
Comcast	Telephone/Telecom	P.O. Box 70219 Philadelphia, PA 19176	885758	\$0	\$49
ComEd	Energy/Fuel	P.O. Box 6112 Carol Stream, IL 60197	819551	\$171,000.00 surety bond expiring Dec. 3, 2022	\$0
Constellation Newenergy Inc	Energy/Fuel	P.O. Box 5473 Carol Stream, IL 60197	861408	\$0	\$34,306
Direct Energy Business	Electric	P.O. Box 32179 New York, NY 10087	870175	\$0	\$57,312
		P.O. Box 70220 Philadelphia, PA 19176	886929	\$0	\$126,864
East Lampeter Township	Water/Sewer	P.O. Box 549 Brownstown, PA 17508	887088	\$0	\$362
Elk Environmental Services	Waste & Hazmat	1440 Carbon St. Reading, PA 19601	886970	\$0	\$272
Entergy Mississippi Inc.	Energy/Fuel	P.O. Box 8105 Baton Rouge, LA 70891	853785	\$200,000.00 surety bond expiring Aug. 20, 2022	\$0
Heritage Environmental Serv LLC	Waste & Hazmat	P.O. Box 933024 Cleveland, OH 44193	760596	\$0	\$1,889

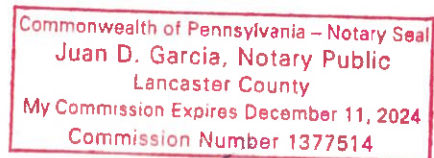
Homewood Disposal Service	Waste & Hazmat	P.O. Box 289 Kankakee, IL 60901	816075	\$0	\$15,210
Illinois Secretary of State	Telephone/Telecom	501 S Second St. Springfield, IL 62756	804458	\$0	\$2,495
JG Environmental LLC	Waste & Hazmat	202 Greenfield Rd. Lancaster, PA 17601	859414	\$0	\$6,811
Little Dixie Landfill Inc	Waste & Hazmat	P.O. Box 677839 Dallas, TX 75267	756756	\$0	\$5,564
McKee Environmental Inc	Waste & Hazmat	86 Quartz Dr. Bellefonte, PA 16823	886964	\$0	\$76
Mediant Communications LLC	Telephone/Telecom	P.O. Box 75185 Chicago, IL 60675	867478	\$0	\$52
Midwest Fiber Inc	Waste & Hazmat	422 S White Oak Rd. Normal, IL 61761	885280	\$0	\$243
Nicor Enerchange	Energy/Fuel	75 Remittance Dr. Chicago, IL 60675	886752	\$0	\$2,288
Nicor Gas	Energy/Fuel	P.O. Box 5407 Carol Stream, IL 60197	873867	\$0	\$36,139
Oklahoma Natural Gas	Natural Gas	P.O. Box 219296 Kansas City, MO 64121	863729	\$0	\$3,870
Pol Electric Utilities	Electric	2 N Ninth St. Allentown, PA 18101	804354	\$0	\$597
		P.O. Box 25222 Lehigh Valley, PA 18002	754752	\$0	\$27,468
Purchase Power	Energy/Fuel	P.O. Box 371874 Pittsburgh, PA 15250	809650	\$0	\$127
Republic Services #611	Waste & Hazmat	P.O. Box 9001099	886110	\$0	\$13,452
Republic Services #823	Waste & Hazmat	Louisville, KY 40290	884546	\$0	\$1,658
Republic Services Rental	Waste & Hazmat	P.O. Box 78829 Phoenix, AZ 85062	759853	\$0	\$6,405
San Gabriel Valley Water Company	Water/Sewer	P.O. Box 5970 El Monte, CA 91734	887013	\$0	\$471

Schwanger Bros & Co Inc	Propane/Oil/Fuels	P.O. Box 4186 Lancaster, PA 17604	886063	\$0	\$86
Staiman Recycling Corporation	Waste & Hazmat	201 Hepburn St. Williamsport, PA 17701	886685	\$0	\$21
Symmetry Energy Services LLC	Natural Gas	P.O. Box 301149 Dallas, TX 75303	857096	\$0	\$10,005
Talen Energy Marketing LLC	Energy/Fuel	P.O. Box 70375 Philadelphia, PA 19176	886279	\$0	\$58,344
UGI Utilities Inc.	Natural Gas	P.O. Box 15503 Wilmington, DE 19886	802334	\$0	\$13,638
Waste Management of Pennsylvania Inc	Waste & Hazmat	P.O. Box 13648 Philadelphia, PA 19101	820455	\$0	\$633
Wayne Township Landfill	Waste & Hazmat	P.O. Box 209 McElhattan, PA 17758	839036	\$0	\$114
West Penn Power Co	Energy/Fuel	P.O. Box 3687 Akron, OH 44309	813661	\$0	\$2,468
WM Corporate Services Inc.	Waste & Hazmat	P.O. Box 541065 Los Angeles, CA 90054	864657	\$0	\$4,210
Total				\$0 in cash	\$549,690

THIS IS EXHIBIT "O" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary
A Notary Public in and for the Commonwealth of Pennsylvania





**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., et al.,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

(Joint Administration Pending)

Related Docket No[s]. 11

**INTERIM ORDER (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**

Upon the motion (the “**Motion**”)² of the Debtors for an interim order (this “**Interim Order**”) and a Final Order under Bankruptcy Code sections 105(a), 345(b), 363, and 503(b) and Bankruptcy Rules 6003 and 6004 (i) authorizing continued use of the Debtors’ existing Cash Management System, Bank Accounts, and Business Forms and payment of related prepetition obligations; (ii) modifying certain deposit requirements; and (iii) authorizing the continuance of Intercompany Transactions and honoring certain related prepetition obligations; and upon consideration of the First-Day Declaration; and this Court having jurisdiction over this matter 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 this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that

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 Motion.

this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, 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 Motion is GRANTED on an interim basis as set forth herein.
2. Pursuant to Bankruptcy Code sections 105(a) and 363, the Debtors, in their discretion, are authorized, but not directed to, (a) designate, maintain, and continue to use any and all of their Bank Accounts in existence as of the Petition Date, with the same account numbers, including the accounts identified in **Exhibit D** annexed to the Motion; (b) close existing accounts, including, without limitation, any inactive accounts; and (c) treat the Bank Accounts for all purposes as accounts of the Debtors in their capacity as debtors in possession; *provided, however*, that the Debtors are only authorized to open new bank accounts (i) with a bank that (x) is organized under the laws of the United States of America or any state thereof, (y) is insured by the FDIC, and (z) has executed, or is willing to immediately execute, a Uniform Depository Agreement with the U.S. Trustee; and (ii) that are designated “Debtor in Possession” accounts by the relevant bank.
3. The U.S. Trustee Guidelines are hereby modified such that the Debtors are not required to (a) close all existing Bank Accounts and open new debtor-in-possession accounts or (b) establish specific accounts for tax payments.

4. The relief granted in this Interim Order is extended to any new bank account opened by the Debtors after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened.

5. In each instance in which the Debtors hold an account at a Bank that is a party to a Uniform Depository Agreement with the U.S. Trustee, within 15 days from the date of entry of this Interim Order, the Debtors shall (a) contact the Bank; (b) provide the Bank with each of the Debtors' employer identification numbers; and (c) identify each of their accounts held at the Bank as being held by a debtor in possession.

6. The Debtors are not required to: (a) close all existing Bank Accounts and open new debtor in possession accounts; or (b) establish specific Bank Accounts for tax payments.

7. The Bank Accounts are deemed debtor in possession accounts. The Debtors are authorized, but not directed, to maintain and use the Bank Accounts in the same manner and with the same account numbers, styles, and document forms as those employed prior to the Petition Date, including, without limitation: (a) to deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, automated clearinghouse ("ACH") transfers, drafts, electronic fund transfers, and other debits or items presented, issued, or drawn on the Bank Accounts, (b) to pay postpetition ordinary course bank fees and service fees in connection with the Bank Accounts, (c) to perform their obligations under the documents and agreements governing the Bank Accounts, including without limitation, any prepetition cash management agreements or treasury services agreements, and (d) to treat the Bank Accounts for all purposes as accounts of the Debtors in their capacities as debtors in possession.

8. Those certain existing deposit agreements between the Debtors and the Banks shall continue to govern the postpetition cash management relationship between the Debtors and

the Banks, and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect. Either the Debtors or the Banks may, without further order of this Court, implement changes to the cash management systems and procedures in the ordinary course of business pursuant to the terms of those certain existing deposit agreements, including, without limitation, the opening and closing of bank accounts.

9. To the extent any of the Debtors' Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code, the Debtors shall have a period of 30 days from the date of entry of the Interim order (or such additional time to which the U.S. Trustee may agree) to either bring such Bank Accounts into compliance with section 345(b) of the Bankruptcy Code or to make such other arrangements as are agreed to by the U.S. Trustee or approved by the Court; *provided* that nothing in the foregoing shall prevent the Debtor or the U.S. Trustee from seeking further relief from the Court to the extent such an arrangement cannot be reached within that time period (or such other period as agreed to by the Debtor and the U.S. Trustee).

10. Notwithstanding anything to the contrary herein, no prepetition secured lender shall be permitted to, and the Banks shall not honor any direction or request to, freeze or sweep any funds received by the Debtors postpetition and the Debtors shall be permitted to freely access such amounts in the Bank Accounts in the accordance with this Order, the Debtors' budget, and any order of this Court approving the use of cash collateral or any DIP financing.

11. Notwithstanding anything to the contrary herein, any payment to be made or authorization contained hereunder shall be subject to the requirements imposed on the Debtors pursuant to any order of this Court approving the use of cash collateral or any DIP financing.

12. Notwithstanding anything to the contrary herein, the Debtors are prohibited from entering into further Intercompany Loans absent further order of this Court.

13. The Banks are authorized without the need for further order of this Court to, in the ordinary course of business, (a) continue to administer, service, and maintain, the Bank Accounts as such accounts were administered, serviced, and maintained prior to the Petition Date, without interruption and in the ordinary course; (b) receive, process, honor, and pay any and all checks, drafts, wires, ACH transfers, electronic fund transfers, payment orders, or other items presented, issued, or drawn on the Bank Accounts (collectively, the “**Disbursements**”) on account of a claim; and (c) debit the Bank Accounts for: (i) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System; (ii) all checks drawn on the Debtors’ Bank Accounts which are cashed at such Bank’s counters or exchanged for cashier’s checks by the payees thereof prior to the Petition Date; and (iii) all checks or other items deposited in one of the Debtors’ Bank Accounts with such Bank prior to the Petition Date which have not been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the applicable Debtor was responsible for such items prior to the Petition Date; *provided, however*, that no checks, drafts, wires, or electronic fund transfers (excluding any electronic fund transfers that the Banks are obligated to settle), or other items presented, issued, or drawn on the Bank Accounts prior to the Petition Date shall be honored, unless (x) not otherwise prohibited by a “stop payment” request received by the Banks from the Debtors and (y) supported by sufficient funds in the Bank Account in question. For the avoidance of doubt, no prepetition check, drafts, wires, ACH, electronic fund transfer, payment order, or other items presented, issued, or drawn

on the Bank Accounts shall be honored absent Order of this Court permitting such prepetition claim to be paid.

14. Any of the Debtors' Banks may rely on the representations of the Debtors with respect to whether any check or other payment order dated, drawn or issued by the Debtors prior to, on or subsequent to the Petition Date should be honored pursuant to this or any other order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein. The Banks shall not be deemed in violation of this Interim Order and shall have no liability for relying on such representations by the Debtors or honoring any Disbursement that is subject to this Interim Order either (a) at the direction of the Debtors to honor such prepetition Disbursement, (b) in the good faith belief that this Court has authorized such prepetition Disbursement to be honored, or (c) as a result of an innocent mistake. To the extent that the Debtors direct that any Disbursement be dishonored or the Banks inadvertently dishonor any Disbursements, the Debtors may issue replacement Disbursements consistent with the orders of this Court.

15. Subject to the provisions of this Interim Order, the Banks are further authorized to (a) honor the Debtors' directions with respect to the opening or closing of any Bank Account and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions, and the Banks shall have no liability to any party for relying on such representations or instructions.

16. The Debtors will provide notice to the U.S. Trustee of the opening or closing of any bank account.

17. To the extent any other order is entered by this Court authorizing the Banks to honor checks, drafts, automated clearing house transfers, or other electronic funds transfers or

any other withdrawals made, drawn, or issued in payment of prepetition claims, the obligation to honor such items shall be subject to this Interim Order.

18. The Debtors shall serve a copy of this Interim Order on the Banks within two business days of the entry of this Interim Order, and upon any bank at which the Debtors open a new bank account, immediately upon the opening of such new account.

19. In connection with the Intercompany Transactions, the Debtors shall continue to maintain current, accurate, and detailed records with respect to all transfers of cash so that all Intercompany Transactions may be readily ascertained, traced, and accounted for on applicable intercompany accounts.

20. The Debtors are authorized to continue to use their existing Cash Management System. The Debtors may transfer funds into, out of, and through the Cash Management System using ordinary transfer methods in accordance with the Debtors' prepetition practice. In connection with the ongoing use of their Cash Management System, the Debtors shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly. The Debtors and the Banks may agree, without further order of this Court, to implement any changes to the Cash Management System and procedures in the ordinary course of business that they deem appropriate in their sole discretion, including, without limitation, closing any of the Bank Accounts or opening new bank accounts as set forth herein.

21. The Debtors are authorized to pay and/or reimburse their Banks and service providers in the ordinary course of business for any Bank Account Claims arising prior to or after the Petition Date. The Bank Account Claims that arise after the Petition Date shall be

granted administrative expense priority status pursuant to section 503(b) of the Bankruptcy Code.

22. The Debtors are authorized, but not directed to, continue to use their existing Business Forms without alteration or change and without the designation “Debtor in Possession” imprinted upon them; *provided, however*, that to the extent reasonably practicable, subsequently printed checks, including those printed electronically as needed, will bear the designation “Debtor in Possession.”

23. The Debtors are authorized to continue engaging in Intercompany Transactions by and among the Debtors and non-Debtors in the ordinary course of business consistent with the Debtors’ prepetition practice, including transferring funds through the Cash Management System. The Intercompany Claims arising postpetition relating to the Intercompany Transactions shall have administrative expense priority status pursuant to Bankruptcy Code section 503(b).

24. Nothing in this Interim Order or the Motion shall be deemed to constitute postpetition assumption or adoption of any agreement under Bankruptcy Code section 365. Except with respect to the Intercompany Transactions, nothing herein nor any actions taken hereunder shall create, nor is intended to create, any rights in favor of, or enhance the status of any claim held by, any person.

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

26. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

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

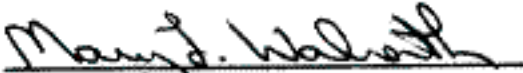
28. All time periods set forth in this Interim Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

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

30. The final hearing on the Motion shall be held on June 3, 2022 at 10:30 a.m., prevailing Eastern Time. Any objections or responses to the entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on May 27, 2022, and shall be served on: (a) Armstrong Flooring, Inc., P.O. Box. 10068, 1770 Hempstead Road, Lancaster, PA 17065 (Attn: Christopher Parisi, Esq. (csparisi@armstrongflooring.com)); (b) proposed counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 920 North King Street, Wilmington, Delaware 19801 (Attn: Joseph Larkin, Esq. (joseph.larkin@skadden.com) and Jacqueline Dakin, Esq. (jacqueline.dakin@skadden.com)); (c) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Linda Casey, Esq. (linda.casey@usdoj.gov)); (d) counsel to the prepetition Lenders (Attn: Brian Swett, Esq. (bswett@mcguirewoods.com) and Brian Greer, Esq. (greerb@gtlaw.com)); and (e) counsel to any statutory committee appointed in the Chapter 11 Cases. If no objections or responses are filed and served, this Court may enter a final order without further notice or hearing.

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

Dated: May 11th, 2022
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT "P" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary

A Notary Public in and for the Commonwealth of Pennsylvania

Commonwealth of Pennsylvania – Notary Seal
Juan D. Garcia, Notary Public
Lancaster County
My Commission Expires December 11, 2024
Commission Number 1377514



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ARMSTRONG FLOORING, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

(Jointly Administered)

Ref. Docket Nos. 104, 139, 146 & 147, 168

**INTERIM ORDER 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 RELIEF²**

Upon the motion (the “Motion”) of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) pursuant to sections 105, 361, 362, 363, 364(c)(1), 364(c)(2) 364(c)(3), 364(d), 364(e), 503 and 507 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the “Bankruptcy Rules”) and Rule 4001-2 of the Local Rules (the “Local Rules”) for the United States Bankruptcy Court for the District of Delaware (this “Court”), and upon the Supplemental Motion, further addressing the relief sought in the Motion (the “Supplemental Motion”) requesting, among other things:

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 Each capitalized term used but not defined herein shall have the meaning ascribed to it in the applicable DIP Loan Documents (as defined below), the Dip Motion, or the Supplemental Motion, as applicable.

(1) authorization for the Borrowers (as defined in the respective DIP Loan Agreements (as defined below)) to obtain postpetition financing pursuant to the DIP Facilities (as defined below) and for each of the Guarantors (as defined in the respective DIP Loan Agreements) to guarantee unconditionally on a joint and several basis, and subject in all respects to the terms and limitations set forth in the respective DIP Loan Agreements, the applicable Borrowers' obligations under the respective DIP Facilities, consisting of:

- a) a senior secured super-priority asset-based revolving credit facility (the "DIP Revolver Facility"), on the terms and conditions substantially in the form annexed hereto as **Exhibit A** (as the same may be amended, restated, amended and restated, supplemented, waived, extended or otherwise modified from time to time, the "Revolver DIP Agreement," and, together with any other related agreements, documents, security agreements, or pledge agreements, including this Interim Order and the Final Order (each as defined below), collectively, the "Revolver DIP Documents"), by and among the Borrowers (as defined in the Revolver DIP Agreement), the Guarantors (as defined in the Revolver DIP Agreement), Bank of America, N.A. ("BANA") as administrative agent, collateral agent and Australian security trustee (in such capacities, together with its successors and assigns in such capacities, the "DIP Revolver Administrative Agent") and as swingline lender and letter of credit issuer, and the lenders from time to time party thereto (collectively, with the swingline lender and letter of credit issuer, the "DIP Revolver Lenders" and, together with the DIP Revolver Administrative Agent, the "DIP Revolver Secured Parties"), in an aggregate principal amount (subject to availability) of \$90 million in revolving commitments available for borrowing by the Borrowers (as defined in the Revolver DIP Agreement) (such commitments, the "DIP Revolving Commitments"), and the loans outstanding under any of the DIP Revolving Commitments from time to time, collectively, the "DIP Revolving Loans"); \$9,614,407 of such DIP Revolving Commitments shall be available for the issuance of letters of credit; and
- b) a senior secured super-priority multi-draw term loan facility (the "DIP Term Loan Facility," and, together with the DIP Revolver Facility, collectively, the "DIP Facilities"), on the terms and conditions substantially in the form annexed hereto as **Exhibit B** (as the same may be amended, restated, amended and restated, supplemented, waived, extended, or otherwise modified from time to time, the "DIP Term Loan Agreement" and, together with the Revolver DIP Agreement, the "DIP Loan Agreements"; and the DIP Term Loan Agreement, together with any other related agreements, documents, security agreements, or pledge agreements, including this Interim Order and the Final Order, collectively, the "DIP Term

Documents"; and the DIP Term Documents, together with the Revolver DIP Documents, collectively, the "DIP Loan Documents"), by and among the Borrowers (as defined in the DIP Term Loan Agreement), the Guarantors (as defined in the DIP Term Loan Agreement), Pathlight Capital LP ("Pathlight"), as administrative agent, collateral agent and Australian security trustee (in such capacities, together with its successors and assigns in such capacities, the "DIP Term Administrative Agent" and, together with the DIP Revolver Administrative Agent, the "DIP Agents"), and the lenders party thereto from time to time (collectively, the "DIP Term Lenders" and, together with the DIP Term Administrative Agent, the "DIP Term Secured Parties"; and the DIP Term Lenders, together with the DIP Revolver Lenders, the "DIP Lenders"; and the DIP Lenders, together with the DIP Agents, collectively, the "DIP Secured Parties"), in an aggregate principal amount of \$37,333,333 inclusive of the "Roll-Up" (defined below) in term loan commitments (the "DIP Term Loan Commitments" and, together with the DIP Revolving Commitments, the "DIP Commitments"), which shall be available as term loans (the "DIP Term Loans" and, together with the DIP Revolving Loans, the "DIP Loans") to the Borrowers (as defined in the DIP Term Loan Agreement); all of which DIP Term Loan Commitments shall be available upon entry of this interim order (this "Interim Order") and satisfaction of the other conditions set forth in the DIP Term Agreement to be drawn (which amount may be borrowed in one or more draws under the DIP Term Loan Agreement.

(2) authorization for the Debtors to execute, deliver and enter into the DIP Loan Documents to which they are in each respective instance a party and to perform all of the Debtors' respective obligations (including, without limitation, any obligations in respect of indemnity claims) thereunder and such other and further acts as may be required in connection with the DIP Loan Documents;

(3) authorization for the Debtors to pay the principal, interest, fees, expenses and other amounts payable to the DIP Secured Parties pursuant to the applicable DIP Loan Documents, including, without limitation, any principal, interest, fees, commitment fees, administrative agent fees, audit fees, closing fees, servicing fees, facility fees, or other fees, costs, expenses, charges and disbursements of the respective DIP Secured Parties (including the reasonable and documented fees and expenses of each of the DIP Secured Parties' attorneys, advisors, accountants and other consultants), any obligations in respect of indemnity claims, whether contingent or

absolute, in each case, to the extent constituting Debtor, Borrower and/or Guarantor obligations of any kind under the DIP Loan Documents (such obligations as to the DIP Revolver Facility, the “DIP Revolver Obligations”; and such obligations as to the DIP Term Loan Facility, the “DIP Term Loan Obligations”; and the DIP Revolver Obligations and the DIP Term Loan Obligations, collectively, the “DIP Obligations”);

(4) authorization for the Debtors, immediately upon entry of this Interim Order and thereafter, to (1) use proceeds of the DIP Facilities (collectively the “DIP Loan Proceeds”) as provided in the DIP Loan Documents and solely in accordance with this Interim Order and the applicable Approved Budget (as defined below) (subject to permitted variances and other exclusions set forth in the DIP Loan Documents): (A) to pay costs, premiums, fees and expenses related to the above-captioned cases (collectively, the “Cases”) and in connection with the DIP Facilities; (B) as set forth in this Interim Order and the DIP Loan Documents, to repay the Prepetition ABL Obligations with, inter alia, the proceeds of the DIP Revolving Loans and the Prepetition Term Loan Obligations with the proceeds of the DIP Term Loans; (D) to make permitted adequate protection payments in respect of the Prepetition Obligations (as defined below) as provided for in this Interim Order and the Approved Budget; and (E) to provide financing for working capital and for other general corporate purposes of the Debtors; and (2) as set forth in this Interim Order and the DIP Loan Documents, use certain of the proceeds of Prepetition Collateral and DIP Collateral (including, in each instance, Cash Collateral and as each such capitalized term is defined herein), in each case, constituting ABL Priority Collateral (as defined in the Prepetition Intercreditor Agreement (as defined below)), as such proceeds are collected, to repay the Prepetition ABL Obligations (as defined below);

(5) the grant and approval of superpriority administrative expense claim status, pursuant to sections 364(c)(1), 503(b)(1) and 507(b) of the Bankruptcy Code, to the DIP Agents, for the benefit of themselves and the other DIP Secured Parties, in respect of all DIP Obligations, subject only to the Carve Out (as defined below);

(6) granting the DIP Secured Parties valid, enforceable, non-avoidable, automatically and fully perfected DIP Liens (as defined below) in all DIP Collateral (as defined below), including, without limitation, all property constituting Prepetition Collateral (as defined below), including, without limitation, any Cash Collateral (as that term is defined in section 363(a) of the Bankruptcy Code and further defined below), to secure the repayment of the DIP Obligations, which DIP Liens shall be subject to the Carve Out and Permitted Liens (as defined below) and the relative rankings and priorities set forth herein and, as between the Prepetition ABL Secured Parties and the Prepetition Term Loan Secured Parties, subject to the terms of the Prepetition Intercreditor Agreement;

(7) authorization for the Debtors to use, among other things, solely in accordance with the Approved Budget (subject to permitted variances and other exclusions set forth in the DIP Loan Documents) and the limitations provided herein and in the DIP Loan Documents, any Cash Collateral in which any of the Prepetition Secured Parties (as defined below) have an interest and the granting of adequate protection solely to the extent of any postpetition diminution in the value of their respective interests in the Prepetition Collateral, including, without limitation, the Cash Collateral, as a result of (i) the incurrence of the DIP Obligations, (ii) the Debtors' use of Cash Collateral, (iii) the subordination of the Prepetition Obligations to the Carve Out, (iv) any other diminution in value of the Prepetition Collateral arising from the Debtors' use, sale, or disposition of such Prepetition Collateral or the proceeds thereof, (v) in the case of the Prepetition Term Loan

Secured Parties, the priming of the Prepetition Term Loan Liens on the Prepetition ABL Priority Collateral (each as defined below) by the Revolver DIP Liens and the DIP Term Loan Liens, (vi) in the case of the Prepetition Term Loan Secured Parties, the priming of the Prepetition Term Loan Liens on the Prepetition Term Priority Collateral (as defined below) by the DIP Term Loan Liens, (vii) in the case of the Prepetition ABL Secured Parties, the priming of the Prepetition ABL Liens (as defined below) on the Prepetition ABL Priority Collateral by the Revolver DIP Liens, (viii) in the case of the Prepetition ABL Secured Parties, the priming of the Prepetition ABL Liens on the Prepetition Term Priority Collateral by the DIP Term Loan Liens and the Revolver DIP Liens, and (ix) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (collectively, “Diminution in Value”);

(8) the modification of the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this Interim Order and the other DIP Loan Documents to the extent hereinafter set forth;

(9) subject to entry of a final order granting the relief requested in the Motion on a final basis (the “Final Order”), a waiver of the Debtors’ ability to surcharge pursuant to section 506(c) of the Bankruptcy Code against any DIP Collateral and Prepetition Collateral and any right of the Debtors under the “equities of the case” exception in section 552(b) of the Bankruptcy Code;

(10) this Court’s waiver of any applicable stay (including under Bankruptcy Rule 6004) and providing for immediate effectiveness of this Interim Order;

(11) the scheduling of a final hearing on the Motion (the “Final Hearing”) to consider entry of the Final Order granting the relief requested in the Motion on a final basis and approving the form of notice with respect to the Final Hearing; and

(12) granting the Debtors such other and further relief as is just and proper.

The initial hearing on the Motion having been held by this Court on May 11, 2022 (the “Interim Hearing”), and upon the record made by the Debtors at the Interim Hearing, including the Motion, the Supplemental Motion, the *Declaration of Michel S. Vermette in Support of Chapter 11 Petitions and First-Day Papers* [Docket No. 16] (the “First Day Declaration”), the *Declaration of Jefferey Lewis in Support of the Motion*, and the *Declaration of Jeffrey Lewis in Support of the Supplemental Motion*, filed contemporaneously with the form hereof, (the “Lewis Declaration” and, collectively with the First Day Declaration, the “DIP Declarations”); any exhibits in connection with the foregoing, and the filings and pleadings in these Cases, the Court having found that the interim relief requested in the Motion is fair and reasonable under the facts and circumstances and is in the best interests of the Debtors, the Debtors’ bankruptcy estates (as defined under section 541 of the Bankruptcy Code, the “Estates”), their stakeholders and other parties in interest, and represents a sound exercise of the Debtors’ business judgment and is essential for the continued operation and maintenance of the Debtors’ businesses; it appearing to the Court that granting the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their Estates pending the Final Hearing; and notice of the Motion, the interim relief requested therein and the Interim Hearing (the “Notice”) having been given; and the Notice having been served by the Debtors in accordance with Bankruptcy Rules 4001 and 9014 and the Local Rules on: (a) the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”); (b) the entities listed as holding the 30 largest unsecured claims against the Debtors (on a consolidated basis) (the “30 Largest Unsecured Creditors”); (c) Greenberg Traurig LLP, as counsel to the Prepetition Term Loan Agent and the DIP Term Secured Parties; (d) McGuireWoods LLP and Richards, Layton & Finger, P.A., as primary and Delaware counsel to the Prepetition ABL Agent and the DIP Revolver Secured Parties; (e) the

United States Attorney's Office for the District of Delaware; (f) the Internal Revenue Service; (g) the United States Securities and Exchange Commission; (h) any other notice parties required under any Prepetition Loan Document; (i) all parties which, to the best of the Debtors' knowledge, information and belief, have asserted or may assert a lien in the Debtors' assets; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"); and all objections, if any, to the relief requested in the Motion having been withdrawn, resolved, or overruled by the Court; and after due deliberation sufficient cause appearing therefor;

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:³

(A) Petition Date. On May 8, 2022 (the "Petition Date"), each Debtor filed a voluntary petition for relief (each, a "Petition") under chapter 11 of the Bankruptcy Code. The Debtors continue to operate and maintain their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No chapter 11 trustee or examiner has been appointed in any of the Cases.

(B) Jurisdiction and Venue. This Court has jurisdiction over these proceedings 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. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Pursuant to Rule 9013-1(f) of the Local Rules, the Debtors consent to the entry of a final judgment or order with respect to the Motion if it is determined that this Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution. Venue is proper before this Court

³ The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief sought herein are sections 105, 361, 362, 363, 364, 503 and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004 and 9014 and Local Rules 4001-2 and 9013-1.

(C) Committee Formation. As of the date hereof, no official committee of unsecured creditors under section 1102 of the Bankruptcy Code (the “Committee”) or any other statutory committee has been appointed in the Cases.

(D) Notice. The Notice was given in the manner described in the Motion.

(E) Parties’ Acknowledgments, Agreements and Stipulations. In requesting the DIP Facilities and use of Cash Collateral, and in exchange for and as a material inducement to the DIP Secured Parties and the Prepetition Secured Parties to agree to provide and consent to, the DIP Facilities, access to the Cash Collateral and subordination of the Prepetition Liens (as defined below) to the Carve Out, as provided herein, and as a condition to providing financing under the DIP Facilities and consenting to the use of Cash Collateral as set forth herein, subject to the rights of the parties in interest (other than the Debtors) set forth in Section 4.1 of this Interim Order, the Debtors permanently and irrevocably admit, stipulate, acknowledge and agree, as follows:

(i) Prepetition ABL Facility. Armstrong Flooring, Inc., and certain of its affiliates designated therein as “Guarantors” (such parties, collectively, the “Prepetition ABL Obligors”), the financial institutions from time to time party thereto as lenders, swingline lender and/or letter of credit issuer (collectively, the “Prepetition ABL Lenders”), and BANA, as administrative agent, collateral agent and Australian security trustee (in such capacities, together with its successors and assigns in such capacities, the “Prepetition ABL Agent”), are parties to that certain Credit Agreement, dated as of December 31, 2018 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Prepetition ABL Credit”

Agreement” and, together with all other agreements, documents and instruments executed and/or delivered with, to or in favor of the Prepetition ABL Agent and the Prepetition ABL Lenders, including, without limitation, all security agreements, deposit account control agreements, control agreements, notes, guarantees, mortgages, Uniform Commercial Code financing statements, documents and instruments, including any fee letters, executed and/or delivered in connection therewith or related thereto, collectively, the “Prepetition ABL Loan Documents”). The Prepetition ABL Credit Agreement provided the Prepetition ABL Obligors with an asset-based revolving credit facility (the “Prepetition ABL Facility”) with \$90 million of maximum aggregate availability to the borrowers thereunder, subject to a borrowing base (as reduced by reserves and, effectively, certain minimum availability covenants), as set forth in the Prepetition ABL Credit Agreement. The Prepetition ABL Facility also provides for the Prepetition ABL Obligors to grant security interests in support of the obligations of the ABL Obligors owing to the Prepetition ABL Lenders or their affiliates who constitute a “Cash Management Bank” or a “Hedge Bank” (as each such capitalized term is defined in the Prepetition ABL Credit Agreement, the “Prepetition Credit Product Providers”) holding obligations under, respectively, “Secured Cash Management Agreements” or “Secured Hedge Agreements” (as each such capitalized term is defined in the Prepetition ABL Credit Agreement). As of the Petition Date, approximately \$54,484,003.67 in principal was outstanding under the Prepetition ABL Facility in the form of “Revolving Loans” (as defined under the Prepetition ABL Credit Agreement), plus outstanding letters of credit in the stated amount of \$9,614,407, plus interest accrued and accruing at the rates set forth in the Prepetition ABL Credit Agreement (together with any other amounts outstanding and obligations under the Prepetition ABL Loan Documents, the Secured Cash Management Agreements and/or the Secured Hedge Agreements, including, without, limitation in respect of fees, expenses and

indemnities, the “Prepetition ABL Obligations”⁴). The Prepetition ABL Agent, the Prepetition ABL Lenders and the Prepetition Credit Product Providers are referred to herein, collectively, as the “Prepetition ABL Secured Parties”. The Prepetition ABL Facility is secured by (a) first priority security interests in and liens (subject only to certain of the liens permitted under the Prepetition ABL Loan Documents) on certain of the Debtors’ property, including (i) all Accounts⁵ and all Payment Intangibles, (ii) all Inventory, (iii) all Deposit Accounts, Security Accounts, Security Entitlements, Securities and commodity accounts and the funds or other items on deposit therein (other than the identifiable proceeds of Term Priority Collateral), (iv) all General Intangibles and Intangibles (other than Intellectual Property) and all rights to payment in respect of intercompany Indebtedness, (v) all Investment Property (other than Equity Interests (as defined in the Prepetition ABL Credit Agreement) in Subsidiaries of Armstrong Flooring, Inc.), (vi) all Chattel Paper (other

⁴ The defined term “Obligations” in the Prepetition ABL Credit Agreement means “(a) all advances to, and debts, liabilities, obligations, covenants and duties of, any [Prepetition ABL Obligor] arising under any [Prepetition ABL] Loan Document or otherwise with respect to any Loan, or Letter of Credit and (b) all costs and expenses incurred in connection with enforcement and collection of the foregoing, including the fees, charges and disbursements of counsel, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, expenses and fees that accrue after the commencement by or against any [Prepetition ABL Obligor] or any Affiliate thereof pursuant to any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, expenses and fees are allowed claims in such proceeding; provided that Obligations of a Guarantor shall exclude any Excluded Swap Obligations with respect to such Guarantor.” In turn, the defined term “Additional Secured Obligations” in the Prepetition ABL Credit Agreement means “(a) all obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements and (b) all costs and expenses incurred in connection with enforcement and collection of the foregoing, including the fees, charges and disbursements of counsel, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, expenses and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, expenses and fees are allowed claims in such proceeding; provided that Additional Secured Obligations of a Guarantor shall exclude any Excluded Swap Obligations with respect to such Guarantor.” Finally, the defined term “Secured Obligations” in the Prepetition ABL Credit Agreement means “all Obligations and all Additional Secured Obligations.”. The defined term “Prepetition ABL Obligations” used herein has the same meaning as the defined term “Secured Obligations” under the Prepetition ABL Credit Agreement.

⁵ Capitalized terms used but not defined in this paragraph E shall have the meanings ascribed to them in that certain Amended and Restated Intercreditor Agreement, dated as of December 30, 2021, among the Prepetition ABL Agent, the Prepetition Term Loan Agent (as such term is defined herein), Armstrong Flooring, Inc., and certain of its affiliates (as amended, restated, supplemented or otherwise modified from time to time, the “Prepetition Intercreditor Agreement”).

than Chattel Paper relating to Term Priority Collateral, (vii) all cash, cash equivalents and money (other than proceeds of Term Priority Collateral), (viii) all Commercial Tort Claims (other than Commercial Tort Claims relating to Term Priority Collateral), (ix) all federal, state, provincial and other tax refunds, (x) all Documents and Instruments (including Promissory Notes) relating to items referred to in items (i) through (ix), (xi) that portion of contract rights, all Supporting Obligations and Letter-of-Credit Rights relating to items referred to in items (i) through (ix), (xii) all books, Records and information relating to items referred to in items (i) through (xi), (xiii) all Proceeds (including, without limitation, insurance proceeds) of items referred to in items (i) through (xii) (such property, whether now existing or hereafter arising or acquired, in clauses (i) through (xiii), and further including any other property of the Grantors constituting “ABL Priority Collateral” under and as defined in the Prepetition Intercreditor Agreement, collectively, the “Prepetition ABL Priority Collateral”); and (b) second priority security interests in and liens on certain of the Debtors’ property, including (i) all Property of the Grantors, whenever arising and wherever located, on which a Lien is granted as security for any Term Obligations and that does not constitute Prepetition ABL Priority Collateral, including, all Equipment and Real Estate, all Equity Interests in Subsidiaries of Armstrong Flooring, Inc., all Intellectual Property, all motor vehicles, the Term Loan Priority Accounts, all AUS Collateral and all Proceeds of Prepetition Term Priority Collateral (such property, whether now existing or hereafter arising or acquired, and further including any other property of the Grantors constituting “Term Priority Collateral” under and as defined in the Prepetition Intercreditor Agreement, collectively, the “Prepetition Term Priority Collateral” and, together with the Prepetition ABL Priority Collateral, the “Prepetition Collateral” and, such liens and security interests in clauses (a) and (b), collectively, the “Prepetition ABL Liens”).

(ii) Prepetition Term Facility. Armstrong Flooring, Inc. and Armstrong Flooring Pty Ltd, as borrowers, and certain other subsidiaries of Armstrong Flooring, Inc., designated as “Guarantors” (such parties, collectively, the “Prepetition Term Loan Obligors” and, together with the Prepetition ABL Obligors, collectively, the “Prepetition Obligors”), each “Lender” from time to time party thereto (the “Prepetition Term Loan Lenders” and, together with the Prepetition ABL Lenders, collectively, the “Prepetition Lenders”), and Pathlight, as administrative agent, collateral agent and Australian security trustee (in such capacities, together with its successors and assigns in such capacities, the “Prepetition Term Loan Agent” and, together with the Prepetition ABL Agent, collectively, the “Prepetition Agents” and, the Prepetition Term Loan Agent together with the Prepetition Term Loan Lenders, collectively, the “Prepetition Term Loan Secured Parties” and, together with the Prepetition ABL Secured Parties, collectively, the “Prepetition Secured Parties”), are parties to that certain Term Loan Agreement, dated as of June 23, 2020 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Prepetition Term Loan Agreement” and, together with all other agreements, documents and instruments executed and/or delivered with, to or in favor of the Prepetition Term Loan Secured Parties, including, without limitation, all security agreements, notes, guarantees, mortgages, Uniform Commercial Code financing statements, documents and instruments, including any fee letters, executed and/or delivered in connection therewith or related thereto, collectively, the “Prepetition Term Loan Documents” and, together with the Prepetition ABL Loan Documents, collectively, the “Prepetition Documents”). Pursuant to the Prepetition Term Loan Agreement, the Prepetition Term Loan Secured Parties are indebted to the Prepetition Term Loan Lenders in respect of senior secured term loans (the “Prepetition Term Loans”). As of the Petition Date, not less than \$98,016,882.76 in principal was outstanding under the Prepetition Term Loan

Agreement, plus interest accrued and accruing at the rates set forth in the Prepetition Term Loan Documents (together with any other amounts outstanding and obligations under the Prepetition Term Loan Documents, including, without limitation, in respect of fees, expenses, and indemnities, the “Prepetition Term Loan Obligations”⁶ and, together with the Prepetition ABL Obligations, collectively, the “Prepetition Obligations”). The Prepetition Term Loans are secured by (a) first priority security interests in and liens (subject only to certain of the liens permitted under the Prepetition Term Loan Documents) on the Prepetition Term Priority Collateral and (b) second priority security interests in and liens on the Prepetition ABL Priority Collateral (such liens and security interests in clauses (a) and (b), the “Prepetition Term Loan Liens” and, together with the Prepetition ABL Liens, the “Prepetition Liens”).

(iii) Prepetition Intercreditor Agreement. The Prepetition ABL Agent and the Prepetition Term Loan Agent acknowledge and agree that the Prepetition Intercreditor Agreement is a valid and enforceable “subordination agreement” under section 510(a) of the Bankruptcy Code and other applicable non-bankruptcy law and is, as of and after the Petition Date, binding on all parties thereto. The Prepetition ABL Agent and the Prepetition Term Agent acknowledge and agree that the Term Loan Push Down Reserve (as defined in the Prepetition Intercreditor Agreement) was \$0.00 as of the Petition Date. The Debtors, and the DIP Secured Parties have agreed in each of the Revolver DIP Documents and the DIP Term Documents that the Term Loan

⁶ The defined term “Obligations” in the Prepetition Term Loan Agreement means “(a) all advances to, and debts, liabilities, obligations, covenants and duties of, any [Prepetition Term Loan Obligor] arising under any [Prepetition Term] Loan Document or otherwise with respect to any [Prepetition] Term Loan, and (b) all costs and expenses incurred in connection with enforcement and collection of the foregoing, including the fees, charges and disbursements of counsel, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, expenses and fees that accrue after the commencement by or against any [Prepetition Term Loan Obligor] or any Affiliate thereof pursuant to any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, expenses and fees are allowed claims in such proceeding. The defined term “Prepetition Term Loan Obligations” used herein has the same meaning as the defined term “Obligations” under the Prepetition Term Loan Agreement.”

Push Down Reserve is \$0.00 for purposes of the DIP Facilities. The Prepetition Intercreditor Agreement shall apply *mutatis mutandis* to the DIP Loan Documents. Notwithstanding the foregoing, nothing in this Interim Order shall constitute any finding, ruling, or determination under the Intercreditor Agreement.

(iv) Prepetition Collateral. To secure the Prepetition Obligations, the Debtors and certain of their affiliates entered into certain guaranty and collateral agreements and certain other security documents governing the Prepetition Secured Parties' respective security interests in the Prepetition Collateral (such agreements, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, and together with any ancillary collateral documents, including, without limitation, any related mortgages and deeds of trust, the "Prepetition Collateral Documents"). Pursuant to the Prepetition Collateral Documents, and on the terms set forth therein and subject to the Prepetition Intercreditor Agreement, the Debtors granted to the Prepetition Secured Parties the Prepetition Liens on the Prepetition Collateral.

(v) Prepetition Obligations. The Prepetition Obligations owing to the Prepetition Secured Parties constitute legal, valid and binding obligations of the Debtors and their applicable affiliates, enforceable against them in accordance with their respective terms (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code), and no portion of the Prepetition Obligations owing to the Prepetition Secured Parties is subject to avoidance, recharacterization, reduction, set-off, offset, counterclaim, cross-claim, recoupment, defenses, disallowance, impairment, recovery, subordination or any other challenges pursuant to the Bankruptcy Code or applicable non-bankruptcy law or regulation by any person or entity, including in any Successor Cases (as defined below).

(vi) Prepetition Liens. The Prepetition Liens granted to the Prepetition Secured Parties constitute legal, valid, binding, enforceable (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code) and perfected security interests in and liens on the Prepetition Collateral, were granted to, or for the benefit of, the Prepetition Secured Parties for fair consideration and reasonably equivalent value, and are not subject to defense, counterclaim, recharacterization, subordination, avoidance or recovery pursuant to the Bankruptcy Code or applicable non-bankruptcy law or regulation by any person or entity.

(vii) No Challenges/Claims. No offsets, challenges, objections, defenses, claims or counterclaims of any kind or nature to any of the Prepetition Liens or Prepetition Obligations exist, and no portion of the Prepetition Liens or Prepetition Obligations is subject to any challenge or defense including, without limitation, avoidance, disallowance, disgorgement, recharacterization or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law. The Debtors and their Estates have no valid Claims (as such term is defined in section 101(5) of the Bankruptcy Code), objections, challenges, causes of action and/or choses in action against any of the Prepetition Secured Parties or any of their respective affiliates, agents, attorneys, advisors, professionals, officers, directors or employees with respect to the Prepetition Documents, the Prepetition Obligations, the Prepetition Liens or otherwise, whether arising at law or at equity, including, without limitation, any challenge, recharacterization, subordination, avoidance, recovery, disallowance, reduction or other claims arising under or pursuant to sections 105, 502, 510, 541, 542 through 553, inclusive, or 558 of the Bankruptcy Code or applicable state law equivalents. The Prepetition Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code.

(viii) Indemnity. The DIP Agents, the DIP Lenders and the Prepetition Secured Parties have acted in good faith, and without negligence or violation of public policy or law, in respect of all actions taken by them in connection with or related in any way to negotiating, implementing, documenting or obtaining the requisite approvals of the DIP Facilities and the use of Cash Collateral, including in respect of the granting of the DIP Liens and the Prepetition Secured Parties Adequate Protection Liens (as defined below), any challenges or objections to the DIP Facilities or the use of Cash Collateral, and all documents related to any and all transactions contemplated by the foregoing. Accordingly, the Prepetition Secured Parties, the DIP Agents and the DIP Lenders shall be and hereby are indemnified and held harmless by the Debtors in respect of any claim or liability incurred in respect thereof or in any way related thereto, provided that no such parties will be indemnified for any cost, expense or liability to the extent determined in a final, non-appealable judgment of a court of competent jurisdiction to have resulted primarily from such parties' gross negligence, fraud, or willful misconduct. The Debtors shall not be required to indemnify any party as a result of a successful Challenge Proceeding in accordance with Section 4.1 with respect to the Prepetition Documents, the Prepetition Obligations, the Prepetition Liens and the Prepetition Collateral. No exception or defense exists in contract, law, or equity as to any obligation set forth, as the case may be, in this paragraph E(viii), in the Prepetition Documents or in the DIP Loan Documents, to the Debtors' obligation to indemnify and/or hold harmless the Prepetition Secured Parties, the DIP Agents or the DIP Lenders, as the case may be.

(ix) [Reserved.]

(x) Release. Subject to Section 4.1 of this Interim Order, each of the Debtors, their Estates and the Prepetition Obligor, on their own behalf and on behalf of each of their past, present and future predecessors, successors, heirs, subsidiaries and assigns have agreed to provide

releases to each of the Released Parties (as defined below) as provided in Section 5.17 of this Interim Order.

(xi) Cash Collateral. The Debtors admit, stipulate, acknowledge and agree that all of the cash of the Debtors, wherever located, and all cash equivalents, including any cash in deposit accounts of the Debtors, whether as Prepetition ABL Priority Collateral or Term Loan Priority Collateral, as income, proceeds, products, rents or profits of other Prepetition ABL Priority Collateral or Term Loan Priority Collateral, or otherwise, constitutes “cash collateral” of the Prepetition Secured Parties within the meaning of section 363(a) of the Bankruptcy Code (the “Cash Collateral”).

(F) Findings Regarding the Postpetition Financing and Use of Cash Collateral.

(i) Request for Postpetition Financing. The Debtors have requested from each of the DIP Secured Parties, and each of the DIP Secured Parties is willing, subject to the terms of this Interim Order and satisfaction of the conditions set forth in the respective DIP Loan Agreements, to extend the DIP Loans on the terms and conditions set forth in this Interim Order and the DIP Loan Documents, respectively.

(ii) Need for Postpetition Financing and Use of Cash Collateral. The Debtors do not have sufficient liquidity, including Cash Collateral, to conduct these Cases as contemplated by the Debtors without the financing requested in the Motion. The Debtors’ ability to manage their relationships with their vendors, suppliers and customers, to pay their employees, pay certain fees and expenses as set forth herein, and to otherwise fund their efforts and activities is essential to the viability of these Cases as the Debtors seek to maximize the value of the assets of the Estates for the benefit of all creditors of the Debtors. The ability of the Debtors to obtain sufficient working capital and liquidity through the proposed postpetition financing arrangements with the DIP

Secured Parties and the use of Cash Collateral as set forth in this Interim Order, the DIP Loan Agreements and the other DIP Loan Documents, as applicable, is vital to the preservation and maintenance and maximization of the value of each Debtor, its Estate and assets. Accordingly, the Debtors have an immediate need to obtain the postpetition financing and to use Cash Collateral as set forth in this Interim Order to, among other things, permit the orderly conduct of their affairs and initiatives as contemplated in these Cases, minimize the disruption of their relationships with essential constituents as they undertake efforts and activities to preserve and maximize the value of the assets of the Debtors' Estates and, in turn, to maximize the recovery to all creditors of the Estates. Prior to the entry of this Interim Order and in light of the circumstances described herein, the Debtors, the Prepetition ABL Agent and the Prepetition Term Loan Agent, inter alia, requested that the Court enter, and the Court subsequently entered, that certain Preliminary Order Authorizing Consensual Use of Cash Collateral and Providing Adequate Protection under 11 U.S.C. §§ 361 and 363 [Docket No. 104] (the "First Preliminary Cash Collateral Order") and that certain Second Preliminary Order Authorizing Consensual Use of Cash Collateral and Providing Adequate Protection under 11 U.S.C. §§ 361 and 363 [Docket No. 139] (the "Second Preliminary Cash Collateral Order") and, collectively with the First Preliminary Cash Collateral Order, the "Preliminary Cash Collateral Order").

(iii) DIP Facilities Constitute the Best Financing Available. The Debtors are unable to procure financing in the form of unsecured credit allowable as an administrative expense under sections 364(a), 364(b), or 503(b)(1) of the Bankruptcy Code or in exchange for the grant of a superpriority administrative expense, or liens on property of the Estates not subject to a lien pursuant to sections 364(c)(1), 364(c)(2), or 364(c)(3) of the Bankruptcy Code. Although the Debtors were able to obtain a commitment for debtor-in-possession financing that would seek to

prime the Prepetition Secured Parties in a contested matter, the Debtors' ability to prevail in such contested matter is uncertain. Accordingly, the financing offered by each of the DIP Secured Parties pursuant to the DIP Loan Documents, which financing affords the consensual priming of the Prepetition Secured Parties, represents the best financing available to the Debtors at this time and is in the best interests of the Debtors, their Estates and all of their stakeholders.

(iv) Budget. The Debtors have prepared and delivered to the DIP Agents an initial budget (the "Initial Budget"), a copy of which is attached hereto as **Exhibit C**. The Initial Budget reflects the Debtors' anticipated cash receipts and anticipated disbursements for each calendar week during the period from the Petition Date through and including the end of the seventh (7th) calendar week following the Petition Date (the Initial Budget and each subsequent budget approved in writing by each of the DIP Agents in the manner contemplated by each of the DIP Loan Agreements, in each case, an "Approved Budget"). Without limiting the application of the foregoing sentence, the Debtors may propose a new budget to the extent that professional fees increase to an amount greater than set forth in the Approved Budget (the DIP Agents shall have no obligation to approve any new budget and/or to increase the Carve-Out (whether in connection with a new budget or otherwise)), and any new budget is subject to the approval of each DIP Agent in its reasonable discretion). The Debtors believe that the Initial Budget is reasonable under the facts and circumstances. In entering into the postpetition financing arrangements provided for herein and to consent to the Debtors' use of Cash Collateral as set forth herein, the DIP Secured Parties are relying upon the Debtors' agreement to comply with the terms set forth in the DIP Loan Agreements, the other DIP Loan Documents and this Interim Order, and to comply, subject to permitted variances in such budget(s), with the Approved Budget.

(v) Disposition of Assets. The DIP Lenders' willingness to make the DIP Loans and the Prepetition Secured Parties' willingness to consent to the use of Cash Collateral (each on the terms and subject to the conditions set forth in the DIP Loan Documents and this Interim Order) is predicated upon progress in the Debtors' process for the disposition of all or substantially all of their assets and other related (including post-closing) matters (the "Asset Disposition") as contemplated in the *Motion of Debtors for (I) Order (A) Approving Bidding Procedures in Connection with the Sale of Certain or All of the Debtors' Assets; (B) Establishing Procedures for the Debtors to Enter into Stalking Horse Agreement with Bid Protections in Connection with a Sale of Certain or All of the Debtors' Assets; (C) Establishing Procedures Relating to the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (D) Scheduling a Hearing to Consider Any Proposed Sale; and (II) (A) Approving the Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto, and (C) Granting Related Relief* [Docket No. 141] (the "Asset Disposition Motion"). Absent the transactions and other activities contemplated with respect to the Asset Disposition (including, without limitation, the establishment of bid procedures ("Bid Procedures")), the DIP Lenders and the Prepetition Secured Parties would not have agreed to make the DIP Loans or consent to the use of Cash Collateral as provided in the DIP Loan Documents and this Interim Order.

(vi) Certain Conditions to DIP Facilities. The DIP Lenders' willingness to make the DIP Loans is conditioned upon, among other things: (a) the Debtors obtaining Court approval to enter into the DIP Loan Documents and to incur all of the obligations thereunder, and to confer upon the DIP Secured Parties all applicable rights, powers and remedies thereunder in each case

as modified by this Interim Order; (b) the Debtors' obtaining Court approval of and compliance with the "Milestones" set forth on Exhibit E (including, without limitation, the date by which the Asset Disposition must be substantially completed), which are hereby approved; (c) the provision of adequate protection of the Prepetition Secured Parties' interests in the Prepetition Collateral (including Cash Collateral) pursuant to sections 361, 363 and 364 of the Bankruptcy Code; and (d) the DIP Secured Parties being granted, as security for the prompt payment of the DIP Facilities and all other obligations of the Debtors under the DIP Loan Documents, subject to the priorities described in Exhibit D annexed hereto (including with respect to the Carve Out), superpriority perfected security interests in and liens upon all property and assets of the Debtors, including, but not limited to, with respect to each DIP Agent, a valid and perfected security interest in and lien upon all of the following now existing or hereafter arising or acquired property and assets of the Debtors: (i) all property and assets comprising Prepetition Collateral and (ii) except for (x) property subject to a purchase money lien, capital lease or similar arrangement to the extent the creation of a security interest therein is prohibited thereby or creates a right of termination in favor of any other party thereto or otherwise requires third party consent thereunder, and (y) the Professional Fee Reserve, provided, that any funds remaining in the Professional Fee Reserve after payment of amounts included in the Carve Out up to the Carve Out Cap shall be returned to the DIP Term Administrative or Prepetition Term Loan Agent, as the case may be, in accordance with Section 2.3(b) of this Interim Order (the property described in the foregoing clauses (x) and (y), the "DIP Excluded Property"), all property and assets of the Debtors that, as of the Petition Date, were not otherwise subject to valid, perfected, enforceable and unavoidable (except with respect to the Roll-Up and repayment of the Prepetition ABL Obligations pursuant to Section 1.4(a)), which shall be subject to section 4.1 hereof) security interests, including any property (other than

DIP Excluded Property) or assets consisting of “Excluded Property” under (and as defined in) any of the Prepetition Documents (collectively hereinafter referred to as the “DIP Collateral” (including any proceeds thereof), which shall include, subject to the entry of the Final Order, the proceeds (the “Avoidance Proceeds”) of any claim or cause of action arising under or pursuant to chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state, federal, or foreign law (including any other avoidance actions under the Bankruptcy Code) (collectively, the “Avoidance Actions”).

(vii) Business Judgment and Good Faith Pursuant to Section 364(e). Any credit extended, loans made, and other financial accommodations extended to the Debtors by the DIP Secured Parties, including, without limitation, pursuant to this Interim Order, have been extended, issued, or made, as the case may be, in “good faith” within the meaning of section 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by Bankruptcy Code section 364(e), and the DIP Facilities, the DIP Liens and the DIP Superpriority Claims (as defined below) shall be entitled to the full protection of Bankruptcy Code section 364(e) in the event that this Interim Order or any provision hereof is vacated, reversed, or modified on appeal or otherwise.

(viii) Sections 506(c) and 552(b). As a condition to obtaining financing under the DIP Facilities and the use of Cash Collateral as set forth in this Interim Order and as a material inducement to the DIP Secured Parties’ agreement to provide the DIP Facilities and the Prepetition Secured Parties’ consent to the use of Cash Collateral as set forth in this Interim Order, and in exchange for (a) the DIP Secured Parties’ willingness to provide the respective DIP Facilities to the extent set forth herein, (b) the DIP Secured Parties’ and the Prepetition Secured Parties’ agreement to subordinate their respective liens and superpriority claims to the Carve Out, and (c) the consensual use of Cash Collateral, subject to the Approved Budget, the terms of the DIP

Loan Agreements and the terms of this Interim Order, the Debtors have agreed that, subject to entry of the Final Order, each of the DIP Secured Parties and Prepetition Secured Parties are entitled to receive (1) a waiver of any equities of the case exceptions or claims under section 552(b) of the Bankruptcy Code, and (2) a waiver of the provisions of section 506(c) of the Bankruptcy Code.

(ix) Good Cause. Good cause has been shown for the entry of this Interim Order. The relief requested in the Motion is necessary, essential and appropriate and is in the best interests of and will benefit the Debtors, their creditors and their Estates, as its implementation will, among other things, provide the Debtors with the necessary liquidity to (1) minimize disruption to the Debtors' remaining operations and business affairs and other applicable activities and efforts, (2) preserve and maximize the value of the Debtors' Estates for the benefit of all the Debtors' creditors, and (3) avoid immediate and irreparable harm to the Debtors, their creditors and other stakeholders, their businesses, their employees and their assets. The terms of the DIP Facilities and this Interim Order are fair and reasonable under the facts and circumstances, reflect each Debtor's exercise of its business judgment, and are supported by reasonably equivalent value and fair consideration. The DIP Facilities and this Interim Order are the product of reasonable, arm's length, good faith negotiations between the Debtors, the DIP Secured Parties and the Prepetition Secured Parties.

(x) Incremental Repayment of Prepetition ABL Obligations. The repayment of certain of the Prepetition ABL Obligations in accordance with this Interim Order (but subject to the provisions of Section 4.1 hereof) is necessary as the Prepetition ABL Secured Parties have not otherwise consented to the use of their Cash Collateral, the subordination of their liens to the Carve Out, the Revolver DIP Liens, the DIP Term Loan Liens and the Prepetition Term Loan Adequate

Protection Liens (as defined below), in each case as provided in this Interim Order, or the extension of credit to fund the Debtors' critical working capital needs in the form of the DIP Revolver Facility. Moreover, as set forth in the DIP Declarations, in light of approximately \$12 million of aggregate net availability to the Debtors under the DIP Revolver Facility (i.e., on account of the agreement of the DIP Revolver Secured Parties to reduce in the Revolver DIP Agreement the minimum availability covenant previously applicable under the Prepetition ABL Credit Agreement), approximately \$69 million of projected gross funding, each for the period of the duration of the Approved Budget, and a variety of agreements by the Prepetition ABL Agent, the Prepetition ABL Lenders and the DIP Revolver Secured Parties for the use of the proceeds of the ABL Priority Collateral and/or the DIP Collateral as expressly set forth in this Interim Order and in the Preliminary Cash Collateral Orders, the availability of the DIP Revolver Facility confers a material benefit to the Debtors

(xi) Roll-Up of Certain Prepetition Term Loan Obligations. The Roll-Up of the Prepetition Term Loan Obligations, subject to the provisions of Section 4.1 hereof, is necessary as the Prepetition Term Loan Secured Parties have not otherwise consented to the use of their Cash Collateral, the subordination of their liens to the Carve Out, the Revolver DIP Liens, the DIP Term Loan Liens and the Prepetition Term Loan Adequate Protection Liens, in each case as provided in this Interim Order, or the extension of credit to fund the Debtors' critical working capital needs in the form of the DIP Term Loan Facility. Moreover, as set forth in the DIP Declarations, in light of approximately \$12 million of aggregate availability to the Debtors under the DIP Term Loan Facility for the period of the duration of the Approved Budget and a variety of agreements by the Prepetition Term Loan Agent, the Prepetition Term Loan Lenders and the DIP Term Loan Secured Parties for the use of the proceeds of the Term Loan Priority Collateral and/or the DIP Collateral

as expressly set forth in this Interim Order, the availability of the DIP Term Loan Facility confers a material benefit to the Debtors.

(xii) Adequate Protection. The Prepetition Secured Parties are entitled, pursuant to sections 361, 362, 363 and 364 of the Bankruptcy Code, to receive adequate protection against any Diminution in Value of their respective interests in the Prepetition Collateral (including Cash Collateral), as set forth in this Interim Order.

(xiii) Immediate Entry. Sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(c)(2). Any objections that were made (to the extent such objections have not been withdrawn, waived, resolved, or settled) are hereby overruled on the merits.

(xiv) Interim Hearing. Notice of the Interim Hearing and the relief requested in the Motion has been provided by the Debtors, whether by facsimile, electronic mail, overnight courier or hand delivery, to the Notice Parties.

Based upon the foregoing, and upon the record made before the Court at the Interim Hearing and after due consideration and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

Section 1. Authorization and Conditions to Financing and Use of Cash Collateral.

1.1 Motion Granted. The Motion, as supplemented by the Supplemental Motion, is granted solely to the extent provided in this Interim Order. Any objections to the entry of this Interim Order that have not been withdrawn, waived, resolved, or settled, and all reservations of rights included therein, are hereby denied and overruled on the merits.

1.2 Authorization of DIP Financing and Use of Cash Collateral.

(a) The Debtors are hereby authorized to execute and deliver the DIP Loan Documents and to immediately borrow, incur and guarantee (as applicable), (i) loans under the

DIP Revolver Facility, pursuant to the terms and conditions of the Revolver DIP Documents, this Interim Order and the Approved Budget, up to an aggregate principal amount of \$90 million in DIP Revolving Commitments; and (ii) DIP Term Loans, pursuant to the terms and conditions of the DIP Term Documents, this Interim Order and the Approved Budget, in an aggregate principal amount not to exceed \$37,333,333 (inclusive of the Roll-Up), with such DIP Term Loan to be made upon entry of this Interim Order and satisfaction of other conditions set forth in the DIP Term Agreement and in accordance with the Approved Budget.

(b) The Debtors are hereby authorized to (i) borrow under the DIP Facilities and use Cash Collateral during the period (the “Interim Financing Period”) commencing on the date of this Interim Order through and including the earlier to occur of (x) the date of entry of the Final Order and (y) the occurrence of a DIP Termination Event (as defined below) solely in accordance with, and for the purposes permitted by, the DIP Loan Documents, this Interim Order and the Approved Budget, (ii) pay all interest, costs, fees and other amounts and obligations accrued or accruing under the DIP Loan Agreements and other DIP Loan Documents (including, without limitation, Cash Collateralize any or all L/C Obligations (as such terms are defined in the Revolver DIP Agreement), all pursuant to the terms and conditions of this Interim Order, the Approved Budget, the DIP Loan Agreements and the other DIP Loan Documents and (iii) repay the Prepetition ABL Obligations and Prepetition Term Loan Obligations pursuant to this Interim Order. The Initial Budget is hereby approved in all respects.

1.3 Financing Documents.

(a) Authorization. The Debtors are hereby authorized to enter into, execute, deliver and perform all obligations under the DIP Loan Documents. No obligation, payment, transfer, or grant of security hereunder or under the DIP Loan Documents shall be stayed,

restrained, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable state, federal or foreign law (including, without limitation, under chapter 5 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or foreign law) or be subject to any defense, reduction, setoff, counterclaim, recoupment, offset, recharacterization, subordination (whether equitable, contractual or otherwise), cross-claims or any other challenge under the Bankruptcy Code or any applicable law, rule or regulation by any person or entity. Provided that, for the avoidance of doubt, the Roll-Up and repayment of the Prepetition ABL Obligations pursuant to Section 1.4(a) shall, in all respects be subject to Section 4.1.

(b) Approval; Evidence of Borrowing Arrangements. The DIP Loan Documents and DIP Obligations shall be valid, binding and enforceable against the Debtors, their Estates and any successors thereto, including, without limitation, any trustee appointed in any of these Cases or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of these Cases (collectively, the “Successor Cases”) and their creditors and other parties-in-interest, in each case, in accordance with the terms of this Interim Order and the DIP Loan Documents.

(c) Payment of DIP Fees and Other Expenses. Any and all fees and expenses payable pursuant to the DIP Loan Documents (collectively, any and all such fees and expenses, the “DIP Fees”) are hereby approved and the Debtors are hereby authorized and directed to pay, in cash and on a current basis, all reasonable and documented out-of-pocket costs, disbursements and expenses of the DIP Agents and the DIP Lenders incurred at any time, as provided by the DIP Loan Documents and this Interim Order in accordance with Section 5.15 hereof. The DIP Fees shall not be subject to any offset, defense, claim, counterclaim or diminution of any type, kind or nature whatsoever.

(d) Amendments to DIP Loan Documents. Subject to the terms and conditions of the applicable DIP Loan Documents, the Debtors and the applicable DIP Secured Parties may make amendments, modifications or supplements to any DIP Loan Document, and the DIP Agents (acting at the direction of the Required Lenders (as defined in the applicable DIP Loan Documents) if so required by the applicable DIP Loan Documents) and the DIP Lenders may waive any provisions in the DIP Loan Documents without further approval of the Court; provided that, all amendments shall be filed with the Court and, with respect to any amendments, modifications or supplements to any DIP Loan Documents that operate to increase the aggregate commitments, the rate of interest payable thereunder or existing fees or add new fees thereunder (excluding any amendment, consent or waiver fee) other than as currently provided in the DIP Loan Documents or otherwise materially amend the DIP Loan Documents (collectively, the “Material DIP Amendments”) shall be filed with the Court, and the Debtors shall provide prior written notice of any Material DIP Amendment to (i) counsel to each of the DIP Agents, (ii) counsel to any Committee, or, in the event no such Committee is appointed at the time of such Material DIP Amendment, the 30 Largest Unsecured Creditors of the Debtors on a consolidated basis, and (iii) the U.S. Trustee; provided, further, that the consent of the foregoing parties will not be necessary to effectuate any such amendment, modification or supplement, except that any Material DIP Amendment that is subject to an objection filed within five (5) business days following receipt of such Material DIP Amendment must be approved by the Court. The Debtors must receive written consent as to any Material DIP Amendment prior to filing notice thereof with the Court (i) from the applicable DIP Secured Parties and (ii) from the applicable Prepetition Agents for any amendment, modification, supplement or waiver that materially adversely affects any rights of any

Prepetition Secured Parties hereunder or the treatment of the Prepetition Obligations hereunder or as otherwise required under the Prepetition Intercreditor Agreement.

1.4 Repayment of Prepetition Obligations.

(a) Repayment of Prepetition ABL Obligations. Upon the entry of this Interim Order, without any further action by the Debtors, the Court or any other party, the Debtors are authorized to repay Prepetition ABL Obligations by remitting to the Prepetition ABL Agent any and all proceeds of DIP Collateral and Prepetition Collateral constituting ABL Priority Collateral (as defined in the Prepetition Intercreditor Agreement), including, without limitation and in each event, (i) Cash Collateral; (ii) in the case of accounts receivable (including, without limitation, any and all accounts receivable arising from the disposition of inventory the proceeds of which are applied as set forth below in this Section 1.4(a)), cash proceeds and as further set forth below in this Section 1.4(a); and (iii) in the case of inventory, proceeds at the time of the Debtors' sale thereof as set forth below in this Section 1.4(a)), for application of such proceeds to the Prepetition ABL Obligations (to the extent applicable, in accordance with the Prepetition Intercreditor Agreement) consisting of the outstanding principal balance of advances under the Prepetition ABL Facility, any interest due and payable thereon (the "Subject Prepetition ABL Obligations"). Prior to the repayment in full in cash of the Subject ABL Obligations, in addition to remitting the proceeds of accounts receivable to the Prepetition ABL Agent for application to the Subject Prepetition ABL Obligations, the Debtors shall also pay to the Prepetition ABL Agent for application to the Subject Prepetition ABL Obligations concurrently with the remittance of the proceeds of accounts receivable one dollar for each dollar of proceeds so remitted. The DIP Revolver Secured Parties are authorized to make DIP Revolving Loans in amounts sufficient to satisfy the Debtors' payment obligations as to each such matched dollar of the proceeds of accounts

receivable and to disburse such DIP revolving Loans directly to the Prepetition Agent for application to the Subject Prepetition ABL Obligations. Prior to the repayment in full in cash of the Subject Prepetition ABL Obligations, the Debtors shall pay to the Prepetition ABL Agent for application to the Subject Prepetition ABL Obligations concurrently with any sale in the ordinary course of business of their inventory funds in the amount of the invoiced price of such inventory. The DIP Revolver Secured Parties are authorized to make DIP Revolving Loans in amounts sufficient to satisfy the Debtors' payment obligations as to inventory and to disburse such DIP Revolving Loans directly to the Prepetition ABL Agent for application to the Subject Prepetition ABL Obligations. The Prepetition ABL Agent shall continue to so apply such proceeds upon receipt until such time as the Subject Prepetition ABL Obligations are repaid in full in cash. From and after the repayment in full in cash of the Subject Prepetition ABL Obligations, the Debtors shall remit such proceeds to the DIP Revolver Administrative Agent for application of such proceeds to the outstanding balance of the DIP Revolving Loans and the DIP Revolver Obligations in accordance with this Interim Order and the terms and conditions of the Revolver DIP Documents. **The Debtors' repayment of the Subject Prepetition ABL Obligations and the Prepetition ABL Agent's application of funds to the Subject Prepetition ABL Obligations are subject to Section 4.1 hereof.** Upon entry of this Interim Order, all Prepetition ABL Obligations that are not Subject Prepetition ABL Obligations, including, without limitation, those Prepetition ABL Obligations as to or under Letters of Credit, Secured Cash Management Agreements and Secured Hedge Agreements (as each such capitalized term is defined in the Prepetition ABL Credit Agreement) shall continue in place, and all obligations under or in connection therewith shall be subject to the Revolver DIP Documents, shall constitute DIP Revolver Obligations and shall neither constitute nor be eligible for repayment as Subject

Prepetition ABL Obligations in accordance with this Interim Order. Without limiting the generality of the foregoing sentence, the fee described in Section 2.09(b)(v) of the Prepetition ABL Credit Agreement, shall continue in place, and all obligations under or in connection therewith shall be subject to the Revolver DIP Documents, shall constitute DIP Revolver Obligations and shall neither constitute nor be eligible for repayment as Subject Prepetition ABL Obligations in accordance with this Interim Order. Until (a) the payment in full in cash of all DIP Revolver Obligations and Prepetition ABL Obligations, (b) the termination of the DIP Revolving Commitments, (c) all objections and challenges (including, without limitation, any Challenge Proceeding (as defined in Section 4.1 hereof)) to (XX) the liens, security interests and claims of the Prepetition ABL Agent (including, without limitation, liens granted for adequate protection purposes) and/or (YY) the Prepetition ABL Obligations have been waived, denied or barred, and (d) all of the Debtors' Stipulations (as defined in Section 4.1 hereof) have become binding on their Estates and parties in interest in accordance with Section 4.1 hereof, all liens, security interests and claims of the Prepetition ABL Agent (including, without limitation, liens granted for adequate protection purposes) shall remain valid and enforceable with the same continuing priority as described herein and the Prepetition ABL Loan Documents shall remain in full force and effect; provided, however, that, subject to the results of any applicable Challenge Proceeding properly commenced prior to the expiration of the Challenge Period, to the extent that Prepetition ABL Obligations have been repaid pursuant to this Interim Order, such Prepetition ABL Obligations shall not be due or owing separately under the Prepetition ABL Loan Documents; provided, further, however, that nothing in the foregoing proviso shall alter or diminish, or be deemed to alter or diminish, the Adequate Protection (as defined herein) of the Prepetition ABL Agent and the Prepetition ABL Lenders.

(b) Roll-Up of Prepetition Term Loan Obligations.

(i) Upon the entry of this Interim Order, \$24,000,000 of the Prepetition Term Loan Obligations shall be automatically substituted and exchanged for (and repaid by) the DIP Term Loans under the DIP Term Loan Facility, constituting \$2.00 of Prepetition Term Loan Obligations for each \$1.00 of DIP Term Loans (excluding DIP Term Loans consisting of a portion thereof attributable to fees payable by the Debtors in connection with the closing of the DIP Term Loan Facility) (the “Roll-Up”), and such Roll-Up shall be deemed funded on the entry of this Interim Order without any further action by the Debtors, the Court or any other party, and shall constitute and be deemed to be DIP Term Loans under the DIP Term Loan Facility as of such date.

(ii) **The Debtors’ repayment of the Prepetition Term Loan Obligations and the Prepetition Term Loan Agent’s application of funds to the Prepetition Term Loan Obligations are subject to Section 4.1 hereof.** Until (a) the payment in full of all DIP Term Loan Obligations and Prepetition Term Loan Obligations, (b) the termination of the DIP Term Loan Commitments, (c) all objections and challenges (including, without limitation, any Challenge Proceeding (as defined in Section 4.1 hereof)) to (XX) the liens, security interests and claims of the Prepetition Term Loan Agent (including, without limitation, liens granted for adequate protection purposes) and/or (YY) the Prepetition Term Loan Obligations have been waived, denied or barred, and (d) all of the Debtors’ Stipulations (as defined in Section 4.1 hereof) have become binding on their Estates and parties in interest in accordance with Section 4.1 hereof, all liens, security interests and claims of the Prepetition Term Loan Agent (including, without limitation, liens granted for adequate protection purposes) shall remain valid and enforceable with the same continuing priority as described herein and the Prepetition Term Loan Documents shall remain in full force and effect; provided, however, that, subject to the results of any applicable Challenge

Proceeding properly commenced prior to the expiration of the Challenge Period, to the extent that Prepetition Term Loan Obligations have been repaid pursuant to this Interim Order, such Prepetition Term Loan Obligations shall not be due or owing separately under the Prepetition Term Loan Documents; provided, further, however, that nothing in the foregoing proviso shall alter or diminish, or be deemed to alter or diminish, the Adequate Protection of the Prepetition Term Loan Agent and the Prepetition Term Loan Lenders.

(c) Nothing in this Section 1.4 shall prejudice the rights of the Debtors to maintain the Minimum Cash Balance.

1.5 Continuation of Prepetition Procedures. Except to the extent expressly set forth in the Prepetition Documents, DIP Loan Documents, or in other “first day” orders, and subject to the requirements of the cash management order, all prepetition practices and procedures for the payment, collection and application of proceeds of the Prepetition Collateral, sweeping, the turnover of cash, the delivery of property to the Prepetition Agents and the Prepetition Lenders, including any and all deposit account control agreements and any other similar lockbox or blocked depository bank account arrangements, are hereby approved and shall continue without interruption; provided, however, that the Debtors shall be permitted to hold \$2,500,000 in a deposit account that is not subject to cash dominion as long as such funds are only used in accordance with the Approved Budget and this Interim Order (such amount the “Minimum Cash Balance”). Notwithstanding the foregoing, and following the opening of such account and the Debtors’, the DIP Term Loan Administrative Agent and the depository bank’s entry into a deposit account control agreement with respect to such account, the proceeds of all DIP Term Loans shall be deposited by the Debtors into a segregated deposit account (the “DIP Term Loan Proceeds Account”) to be maintained by a bank mutually agreeable to the Debtors and Prepetition Secured

Parties (the “DIP Term Loan Bank”), and subject to the terms of the DIP Term Loan Agreement, shall be transferred by the Debtors to an account at Bank of America, N.A., maintained by the Debtors under their cash management system as and when funds are required to make payments contemplated by the Approved Budget (after giving effect to the availability of DIP Revolving Loans under the Revolver DIP Agreement). The Debtors shall provide notice to the Prepetition Secured Parties and the U.S. Trustee promptly upon the opening of the DIP Term Loan Proceeds Account. The DIP Term Loan Proceeds Account (and all amounts from time to time on deposit therein) for all purposes shall constitute DIP Collateral (except that it is not collateral for the repayment of the DIP Revolving Loans) and Term Loan Priority Collateral (under and as defined in the Prepetition Intercreditor Agreement). Until such time as the DIP Term Loan Proceeds Account is opened in accordance with the terms and conditions of this Interim Order and of the DIP Term Loan Agreement, the DIP Term Loan Secured Parties shall make funds available to the Debtors in accordance with and subject to the terms and conditions of the DIP Term Loan Agreement.

1.6 Indemnification. The Debtors shall indemnify and hold harmless each DIP Agent, each DIP Lender, and, solely in their capacities as such, each of their respective successors, assigns, affiliates, parents, subsidiaries, partners, controlling persons, representatives, agents, attorneys, advisors, financial advisors, consultants, professionals, officers, directors, members, managers, shareholders and employees, past, present and future, and their respective heirs, predecessors, successors and assigns (each, an “Indemnified Party” and, collectively, the “Indemnified Parties”), in accordance with, and subject to, the DIP Loan Documents (such as indemnification obligations constituting a portion of the DIP Obligations and secured by all of the DIP Collateral). In furtherance of the performance of the DIP Obligations owing to the Indemnified

Parties, the Debtors are authorized in any payoff letter or similar agreement into which they enter upon payment in full in cash of any DIP Obligations to fund a reserve to be held by the applicable DIP Secured Parties to secure the payment of such DIP Obligations to Indemnified Parties arising prior to or after the date of such payoff letter or similar agreement.

1.7 Disposition of Assets. The Debtors, immediately upon receipt thereof, shall remit the proceeds of any transaction involving the disposition of their assets outside of the ordinary course of business (“Sale Proceeds”) to the DIP Agents and/or the Prepetition Agents for application to their outstanding obligations under the DIP Facilities and the DIP Loan Agreements and/or under the Prepetition Documents in accordance with this Interim Order and the DIP Loan Agreements. Each of the DIP Agents and the Prepetition Agents reserves any and all rights under the Prepetition Intercreditor Agreement as to any and all such remittances of proceeds. To the extent there is a dispute among the DIP Agents and Prepetition Agents with respect to the allocation of any Sale Proceeds among them, all Sale Proceeds subject to the dispute shall be held in escrow with an escrow agent acceptable to the DIP Agents and Prepetition Agents until such dispute is resolved via settlement or final order by a court of competent jurisdiction. At the conclusion of the auction contemplated in the Asset Disposition Motion (the “Auction”) and in light of the results thereof, the Debtors, the Prepetition Agents and the DIP Agents will negotiate reasonably and in good faith a carve out from Sale Proceeds (if necessary) to pay sale consummation-related and post-sale expenses of the Debtors inclusive of wind-down related costs related to the disposition of the Debtors’ North American assets. The Prepetition Secured Parties and DIP Secured Parties shall not have any obligation to provide any funds (whether from Sale Proceeds or otherwise) to pay such expenses. Absent agreement on these matters among the Debtors, the Prepetition Secured Parties, and DIP Secured Parties, the Court shall determine any

disputes between the Debtors on the one hand and the Prepetition Secured Parties and DIP Secured Parties on the other hand. The Prepetition Agents and the DIP Agents shall carve out the amount of \$1,500,000 (with \$1,000,000 of such funds to come from Sale Proceeds arising from Term Loan Priority Collateral and \$500,000 of such funds to come from Sale Proceeds arising from ABL Priority Collateral) from the Sale Proceeds for use by the Debtors solely in connection with their efforts to market and sell their interests in their Australian and Hong Kong subsidiaries and/or the assets of such subsidiaries (the “International Asset Disposition”). In addition, the Debtors, the Prepetition Agents and the DIP Agents will negotiate reasonably and in good faith a further carve out from Sale Proceeds (if necessary) to pay further costs and expenses of the International Asset Disposition in excess of the \$1,500,000 described in the immediately preceding sentence. The Prepetition Secured Parties and DIP Secured Parties shall not have any obligation to provide any funds (whether from Sale Proceeds or otherwise) to pay the costs and expenses of the International Asset Disposition in excess of \$1,500,000. Absent an agreement on funds necessary to wind-down the Debtors’ estates and/or the International Asset Disposition, the Court shall determine any disputes between the Debtors, on the one hand, and the Prepetition Secured Parties and DIP Secured Parties, on the other hand, in accordance with the terms of this Interim Order and applicable law.

1.8 Forbearance as to Armstrong Pty Ltd. The Prepetition Agents and the DIP Agents shall each forbear from exercising rights and remedies with respect to Armstrong Flooring Pty Ltd (the Debtor Armstrong Flooring, Inc.’s wholly owned Australian subsidiary, “Armstrong Australia”) until the earliest of (i) the maturity date under, as applicable, the Revolver DIP Agreement or the DIP Term Loan Agreement, (ii) the occurrence of a DIP Termination Event, (iii) any event of default caused by action or omission of Armstrong Australia under, as applicable,

the Prepetition ABL Loan Documents (but only until such time as the Subject Prepetition ABL Obligations are paid in full in cash) or the Prepetition Term Loan Documents, or (iv) any filing by Armstrong Australia of an insolvency proceeding under local law. The Prepetition Agents and the DIP Agents shall provide at least one business days' notice prior to the exercise of any rights or remedies upon termination of the forbearance set forth in this Interim Order. Upon the filing by Armstrong Australia of any insolvency proceeding under local law, the automatic stay under section 362 of the Bankruptcy Code in the Cases in connection with any foreign insolvency proceeding shall not prevent the Prepetition Agents or the DIP Agents from exercising any rights or remedies against Armstrong Australia under local law or participating in any such insolvency proceeding. The Debtors shall not seek in this Court or any other Court to stay the actions set forth in the preceding sentence by the Prepetition Agents or the DIP Agents, and the one business days' notice requirement shall not apply to such actions by the Prepetition Agents or DIP Agents if Armstrong Australia has filed for an insolvency proceeding under local law.

1.9 Extension of Maturity of DIP Facilities. The Debtors shall have the option to extend by fifteen (15) days the maturity of the DIP Term Loan Facility (and the corresponding Milestone with respect to the DIP Term Loan Facility) (the "Initial DIP Term Loan Maturity Extension") if (1) Armstrong Australia has retained a real estate broker reasonably acceptable to the DIP Term Loan Administrative Agent no later than May 17, 2022, to market the real estate owned by Armstrong Australia (the "AUS RE") pursuant to an engagement letter reasonably acceptable to the DIP Term Loan Secured Parties and Prepetition Term Loan Secured Parties with respect to the scope of, and the fees, expenses and commissions related thereto, and the DIP Term Loan Administrative Agent and Prepetition Term Loan Agent shall be permitted to have direct contact with such broker concerning the marketing of the AUS RE, and (2) the Debtors have received and

provided to the DIP Agents, a term sheet for the sale of the AUS RE for no less than AUS35MM on or prior to the commencement of the Auction (or, in case the Auction is cancelled pursuant to the Bidding Procedures, the date on which the Auction would otherwise have been held). If, prior to the expiration of the Initial DIP Term Loan Maturity Extension, the Debtors have selected a binding and irrevocable bid or bids for the AUS RE that are acceptable to the DIP Term Loan Administrative Agent and Prepetition Term Loan Agent in their reasonable discretion in an amount sufficient, when combined with other binding bids for the Debtors' assets, to pay in full in cash all Prepetition Term Loan Obligations and DIP Term Loan Obligations (after any working capital or similar adjustments contemplated in such bid or bids), the maturity date of the DIP Facilities may be further extended, as necessary, to accommodate the closing conditions set forth in such successful binding and irrevocable bid or bids. The Debtors shall also have the option to extend by fifteen (15) days the maturity of the DIP Revolver Facility (and the corresponding Milestone with respect to the DIP Revolver Facility) if, on or prior to the hearing on the substantive sale portion of the Asset Disposition Motion, one or more binding bids in form and substance reasonably satisfactory to the DIP Revolver Administrative Agent has or have been accepted by the Debtors and provide or provides for the payment in full in cash no later than such extended maturity date of the Prepetition ABL Obligations (to the extent any such obligations remain) and the DIP Revolver Obligations.

1.10 Critical Vendor Reporting. The Debtors shall report on a weekly basis to the DIP Agents and the Prepetition Agents the Debtors' use of funds under the Approved Budget to pay Critical Vendor Claims and/or Foreign Vendor Claims as defined in the *Motion of Debtors for Entry of Interim and Final Orders (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 [Docket No. 9].

Section 2. Postpetition Liens; Superpriority Administrative Claim Status.

2.1 Postpetition Liens.

(a) Granting of Postpetition DIP Liens. To secure performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of any and all DIP Obligations of the Debtors to the DIP Secured Parties of whatever kind, nature, or description, whether absolute or contingent, now existing or hereafter arising, the DIP Agents, for the benefit of themselves and the DIP Lenders, shall have and are hereby granted, effective as of the Petition Date, continuing, valid, binding, enforceable, non-avoidable (except with respect to the Roll-Up and repayment of the Prepetition ABL Obligations pursuant to Section 1.4(a), which shall be subject to section 4.1 hereof) and automatically and properly perfected security interests and liens (such security interests and liens as to the DIP Revolver Facility and the DIP Revolver Agent, the “Revolver DIP Liens” and, such security interests and liens as to the DIP Term Loan Facility and the DIP Term Loan Agent, the “DIP Term Loan Liens,” and, collectively, the “DIP Liens”) in and upon all DIP Collateral, subject to the Carve Out and Permitted Liens and the rankings and priority set forth in Section 2.1(b) below and as set forth on Exhibit D hereto.⁷ Nothing in this Interim Order shall provide that the DIP Liens have priority over any liens of Flexport International, LLC and its affiliates (collectively, “Flexport”), which provided transportation services to one or more

⁷ For the avoidance of doubt, except as expressly permitted by those certain lease agreements dated June 26, 2020 (as may have been amended from time to time, the “High Leases”), by and between High Properties or any of its affiliates (collectively, the “High Landlord”) and Armstrong Flooring, Inc. for the Debtors’ lease (the “High Leasehold”) of certain buildings located in that certain corporate center and industrial park known as the Greenfield Corporate Center, in Lancaster, Pennsylvania, each as more fully described in the High Leases (collectively, the “High Premises”), no liens or encumbrances shall be granted on or extend or attach to the High Leasehold and the DIP Collateral shall exclude the High Leasehold, provided, however, the DIP Collateral shall include and any DIP Liens or adequate protection liens shall be deemed to extend only to the economic value of proceeds from any sale or other disposition of the Debtors’ leasehold interest in the High Leases.

Debtors, with regard to cargo in the possession of Flexport, to the extent that such cargo is subject to a Permitted Lien (as defined below) or to the extent that cargo in possession of Flexport becomes subject to a lien that would constitute a Permitted Lien other than due to the fact that it arose after the Petition Date in the case of postpetition services provided by Flexport to the Debtors. Further, nothing in this Interim Order shall provide that the DIP Liens have priority over any liens of Givens, Inc. (“Givens”), which provides warehouse storage and services to one or more Debtors, with regard to goods in the possession of Givens or that become in the possession of Givens, to the extent that such goods are subject to a Permitted Lien (as defined below) or to the extent that goods are in the possession of Givens becomes subject to a lien that would constitute a Permitted Lien other than due to the fact that it arose after the Petition Date in the case of postpetition storage and services provided by Givens to the Debtors. Nothing contained in this Interim Order shall be construed as determining that Flexport or Givens have a valid lien claim, or the extent, amount, or priority of such a lien claim, and nothing in this Interim Order waives or limits the ability of any party in interest to challenge such lien claims.

(b) DIP Lien Priority.

(i) Revolver DIP Liens Rankings and Priority. The Revolver DIP Liens on the DIP Collateral securing the DIP Revolver Obligations shall be first and senior in priority to all other interests and liens of every kind, nature and description, whether created consensually, by an order of the Court or otherwise, including, without limitation, liens or security interests granted in favor of third parties in conjunction with sections 363, 364 or any other section of the Bankruptcy Code or other applicable law; provided, however, that the Revolver DIP Liens on (A) the Prepetition ABL Priority Collateral (whether in existence on the Petition Date or hereafter arising)

shall be subject to the Carve Out and Permitted Liens⁸; (B) the Prepetition Term Priority Collateral (whether in existence on the Petition Date or hereafter arising) shall be subject to the Carve Out, Permitted Liens, the DIP Term Loan Liens, the Prepetition Term Loan Liens and the Prepetition Term Loan Adequate Protection Liens; (C) assets of the Debtors (the “Non-Lender Encumbered Assets”) that were subject to validly perfected liens or security interests as of the Petition Date in favor of parties other than the Prepetition Secured Parties (if any, the “Non-Lender Existing Liens”) shall be subject to such Non-Lender Existing Liens, the Carve Out and *pari passu* with the DIP Term Loan Liens; and (D) any other assets of the Debtors (“Unencumbered Assets”) that were not subject to any validly perfected liens or security interest as of the Petition Date (including, subject to the entry of a Final Order, Avoidance Proceeds) shall be subject to the Carve Out and *pari passu* with the DIP Term Loan Liens, in each case as such priorities are set forth in Exhibit D.⁹

(ii) DIP Term Loan Liens Rankings and Priority. The DIP Term Loan Liens on the DIP Collateral securing the DIP Term Loan Obligations shall be first and senior in priority to all other interests and liens of every kind, nature and description, whether created consensually, by an order of the Court or otherwise, including, without limitation, liens or interests granted in favor of third parties in conjunction with sections 363, 364 or any other section of the Bankruptcy Code or other applicable law; provided, however, that the DIP Term Loan Liens on (A) the Prepetition ABL Priority Collateral (whether in existence on the Petition Date or hereafter arising)

⁸ For purposes of this Interim Order, “Permitted Liens” shall mean any liens that are senior by operation of law (including any such liens that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code) or that were, as of the Petition Date, valid, properly perfected, non-avoidable and senior in priority to the Prepetition Liens.

⁹ In the event of any conflict or inconsistency between the terms and provisions of this Interim Order and Exhibit D, Exhibit D shall control. In the event of any conflict or inconsistency between the terms and provisions of Exhibit D and the Prepetition Intercreditor Agreement, the Prepetition Intercreditor Agreement shall control as to the parties thereto and as to the non-Debtor parties to the DIP Documents.

shall be subject to the Carve Out, Permitted Liens, the Revolver DIP Liens, the Prepetition ABL Liens and the Prepetition ABL Adequate Protection Liens (as defined below); (B) the Prepetition Term Priority Collateral (whether in existence on the Petition Date or hereafter arising) shall be subject to the Carve Out and Permitted Liens; (C) the Non-Lender Encumbered Assets shall be subject to the Non-Lender Existing Liens, the Carve Out and *pari passu* with the Revolver DIP Liens; and (D) the Unencumbered Assets shall be subject to the Carve Out and *pari passu* with the Revolver DIP Liens, in each case as such priorities are set forth in **Exhibit D**.

(c) Postpetition Lien Perfection. This Interim Order shall be sufficient and conclusive evidence of the priority, perfection and validity of the DIP Liens, the Prepetition Secured Parties Adequate Protection Liens (as defined below) and the other security interests granted herein, effective as of the Petition Date, without any further act and without regard to any other federal, state or local requirements or law requiring notice, filing, registration, recording or possession of the DIP Collateral, or other act to validate or perfect such security interest or lien, including, without limitation, control agreements with any financial institution(s) party to a control agreement or other depository account consisting of DIP Collateral, or requirement to register liens on any certificates of title (a “Perfection Act”). Notwithstanding the foregoing, if any DIP Agent or Prepetition Agent, as applicable, shall, in its sole discretion, elect for any reason to file, record, or otherwise effectuate any Perfection Act, then such DIP Agent or Prepetition Agent, as applicable, is authorized to perform such act, and the Debtors are authorized to perform such act to the extent necessary or required by the DIP Loan Documents and this Interim Order, which act or acts shall be deemed to have been accomplished as of the date and time of entry of this Interim Order notwithstanding the date and time actually accomplished, and, in such event, the subject filing or recording office is authorized to accept, file, or record any document in regard to such act

in accordance with applicable law. The DIP Agents or Prepetition Agents, as applicable, may choose to file, record or present a certified copy of this Interim Order in the same manner as a Perfection Act, which filing, recordation or presentation shall be tantamount to a Perfection Act, and, in such event, the subject filing or recording office is authorized to accept, file or record such certified copy of this Interim Order in accordance with applicable law. Should any DIP Agent or Prepetition Agent, as applicable, so choose and attempt to file, record or perform a Perfection Act, no defect or failure in connection with such attempt shall in any way limit, waive or alter the validity, enforceability, attachment, priority or perfection of the postpetition liens and security interests granted herein by virtue of the entry of this Interim Order.

(d) To the extent that any applicable non-bankruptcy law otherwise would restrict the granting, scope, enforceability, attachment or perfection of any liens and security interests granted and created by this Interim Order (including the DIP Liens and the Prepetition Secured Parties Adequate Protection Liens) or otherwise would impose filing or registration requirements with respect to such liens and security interests, such law is hereby preempted to the maximum extent permitted by the Bankruptcy Code, applicable federal or foreign law, and the judicial power and authority of this Court; provided, however, that nothing herein shall excuse the Debtors from payment of any local fees, if any, required in connection with such liens. By virtue of the terms of this Interim Order, to the extent that any DIP Agent or Prepetition Agent, as applicable, has filed Uniform Commercial Code financing statements, mortgages, deeds of trust, or other security or perfection documents under the names of any of the Debtors (including any Guarantor), such filings shall be deemed to properly perfect its liens and security interests granted and confirmed by this Interim Order without further action by the DIP Agent or Prepetition Agent, as applicable. To the extent that the Prepetition ABL Agent or the Prepetition Term Loan Agent is

the secured party under any security agreement, mortgage, leasehold mortgage, landlord waiver, credit card processor notices or agreements, bailee letters, custom broker agreements, financing statement, deposit account control agreements, deposit account instruction agreements or any other collateral documents or relevant Prepetition Documents then automatically and without further action, (i) the DIP Revolver Administrative Agent or the DIP Term Administrative Agent, as applicable, shall be deemed to be a secured party under such documents, (ii) the DIP Revolver Facility or the DIP Term Facility, as applicable, together with any refinancings or replacements thereof, shall be deemed to be secured obligations under the applicable documents, and (iii) the applicable provisions of such documents shall apply to the DIP Revolver Facility or the DIP Term Facility; all as fully and completely as if the DIP Revolver Administrative Agent or the DIP Term Administrative Agent was an original secured party in such documents and the DIP Revolver Facility or the DIP Term Facility, as applicable, was an original secured obligation in such documents; provided, however, that the foregoing provision shall not have the effect of relating back the attachment or perfection of the DIP Liens to any date or time prior to the Petition Date. To the extent the Prepetition ABL Agent or the Prepetition Term Loan Agent is listed as loss payee or additional insured under any of the Debtors' insurance policies, the DIP Revolver Administrative Agent or the DIP Term Administrative Agent, as applicable, shall also be deemed to be the secured party under such documents or to be the loss payee or additional insured, as applicable. The Prepetition ABL Agent or the Prepetition Term Loan Agent, respectively, shall serve as agent for the DIP Revolver Administrative Agent and/or the DIP Term Administrative Agent for purposes of perfecting their respective liens on all DIP Collateral that, without giving effect to the Bankruptcy Code and this Interim Order, is of a type such that perfection of a lien therein may be accomplished only by possession or control by a secured party.

(e) Except as provided in this Interim Order, the DIP Liens, the DIP Superpriority Claims, the Prepetition Secured Parties Adequate Protection Liens and the Prepetition Secured Parties' Adequate Protection Claims (as defined below) (i) shall not be made subject to or *pari passu* with (A) any lien, security interest, or claim heretofore or hereinafter granted in any of these Cases or any Successor Cases (except in respect of the Carve Out) and shall be valid and enforceable against the Debtors, their Estates, any trustee, or any other estate representative appointed or elected in these Cases or any Successor Cases and/or upon the dismissal of any of these Cases or any Successor Cases; (B) any lien that is avoided and preserved for the benefit of the Debtors and their Estates under section 551 of the Bankruptcy Code or otherwise; and (C) any intercompany or affiliate lien or claim; and (ii) shall not be subject to sections 510, 549, 550 or 551 of the Bankruptcy Code.

2.2 Superpriority Administrative Expenses. Subject to the priorities set forth on **Exhibit D** and the Carve Out, and to the maximum extent permitted by section 364(c)(1) of the Bankruptcy Code, on account of all DIP Obligations now existing or hereafter arising pursuant to this Interim Order, the DIP Loan Documents, or otherwise, the DIP Agents, for the benefit of themselves and the DIP Lenders, are granted allowed superpriority administrative expense claims pursuant to section 364(c)(1) of the Bankruptcy Code, having priority in right of payment over any and all other obligations, liabilities and indebtedness of the Debtors, whether now in existence or hereafter incurred by the Debtors, and over any and all administrative expenses or priority claims of the kind specified in, or ordered pursuant to, inter alia, sections 105, 326, 328, 330, 331, 364(c)(1), 365, 503(b), 507(a), 507(b), 546(c), 1113 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed superpriority administrative claim shall be payable from and

have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof (including, subject to entry of the Final Order, proceeds of Avoidance Actions) (such superpriority administrative expense claim as to the DIP Revolver Facility, the “Revolver Superpriority Claim” and, as to such superpriority administrative expense claim as to the DIP Term Loan Facility, the “DIP Term Loan Superpriority Claim” and, collectively, the “DIP Superpriority Claims”).

2.3 Carve Out Provisions.

(a) Definitions; No Independent Obligation. For purposes of this Interim Order, “Carve Out” shall mean the sum of: (i) all fees required to be paid to the Clerk of the Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (collectively, the “Statutory Fees”); (ii) all reasonable fees and expenses up to \$25,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (the “Chapter 7 Trustee Carve Out”); (iii) to the extent allowed at any time, whether by final order, interim order, procedural order, or otherwise, subject to the professional fees and disbursements reflected in the Approved Budget on a line item basis for each professional’s unpaid fees (excluding any success or transaction fees), costs, disbursements and expenses (the “Allowed Professional Fees”) incurred or earned by persons or firms retained by the Debtors pursuant to sections 327, 328 or 363 of the Bankruptcy Code (the “Debtor Professionals”) and the Committee pursuant to sections 327, 328 or 1103 of the Bankruptcy Code (the “Committee Professionals” and, together with the Debtor Professionals, the “Professional Persons”) at any time before or on the first business day following delivery by any DIP Agent of a Carve Out Trigger Notice (as defined below) (the “Pre-Trigger Carve Out Cap”); (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed \$1,000,000 incurred after the first business day following delivery by any DIP Agent of the Carve Out Trigger Notice (such date, the “Trigger Date”), to the extent allowed at any time,

whether by final order, interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the “Post-Carve Out Trigger Notice Cap”); and (v) \$300,000 on account of the amounts payable to JMB Capital Partners Lending, LLC pursuant to the Preliminary Cash Collateral Orders (the “JMB Fee”); provided, however, the JMB Fee shall (a) not be included in the Post-Carve Out Trigger Notice Cap and (b) be paid solely out of the Sale Proceeds (all such amounts set forth in clauses (i) through (v), collectively, the “Carve Out Cap”); provided that nothing herein shall be construed to impair any party’s ability to object to court approval of the fees, expenses, reimbursement of expenses or compensation of any Professional Person. For the avoidance of doubt, the JMB Fee shall be paid out of the Sale Proceeds, in cash, even if the DIP Lenders Credit Bid or foreclose. For purposes of the foregoing, “Carve Out Trigger Notice” shall mean a written notice delivered by email by any DIP Agent to the Debtors, their lead restructuring counsel, counsel to the Prepetition Agents, the other DIP Agent, the U.S. Trustee and counsel to the Committee, if any (collectively, the “Carve Out Trigger Notice Parties”), which notice may be delivered following the occurrence and during the continuation of a DIP Termination Event, and shall describe in reasonable detail such DIP Termination Event that is alleged to have occurred and be continuing and stating that the Post-Carve Out Trigger Notice Cap has been invoked. None of the DIP Secured Parties or the Prepetition Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Cases or any Successor Cases under any chapter of the Bankruptcy Code, other than payment or reimbursement of any fees or disbursements from proceeds of DIP Collateral to the extent of the Carve Out. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Secured Parties or the Prepetition Secured Parties, in any way, to pay compensation to, or

to reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(b) Carve Out Reserves. On the last business day of each week, commencing with the week that the Court approves this Interim Order, the Debtors may, at their discretion, fund a professional fee reserve (the “Professional Fee Reserve”) in an amount equal to the professional fees as set forth in the Approved Budget for the week then ended. If the Debtors fund the Professional Fee Reserve in an amount less than the amount set forth in the applicable week under the Approved Budget, each of the DIP Agents shall establish a reserve in the amount of one-half of the difference between the budgeted amount and the amount drawn and funded to the Professional Fee Reserve. The Debtors shall be permitted at a later date to fund such Professional Fees in the Professional Fee Reserve and the amount of the reserve described in the immediately preceding sentence shall be decreased on a dollar-for-dollar basis for the amounts deposited into the Professional Fee Reserve. On the first business day of each week, the Debtors shall advise the DIP Agents of the amount in which they funded into the Professional Fee Reserve as to the preceding week and whether such amount was equal to or less than the amount of professional fees as set forth in the Approved Budget for the applicable week. All funds in the Professional Fee Reserve shall be used first to pay the Carve Out (whether such fees are allowed on an interim or final basis). If, after payment in full of all amounts included in the Carve Out Cap, the Professional Fee Reserve has not been reduced to zero, all remaining funds shall be returned to the DIP Term Administrative Agent or the Prepetition Term Loan Agent, as the case may be. Notwithstanding anything to the contrary in this Interim Order, the DIP Lenders’ obligation to fund the Professional Fee Reserve shall not exceed the Pre-Trigger Carve-Out Cap and the DIP Lenders shall have no obligation to fund the Professional Fee Reserve if the Debtors have

exhausted their ability to access the DIP Facilities. In addition, there shall be no obligation under this Interim Order to fund the Professional Fee Reserve in an amount greater than the amount set forth in the Initial Budget for the period commencing on the Petition Date through the Trigger Date. Subject to Section F(iv) of this Interim Order, subsequent budgets may be submitted to the extent that Professional Fees increase to an amount greater than the amount budgeted; *provided, however*, any such subsequent budgets must be in satisfactory to the DIP Agents in their respective reasonable discretion.

(c) Carve Out Priority. Notwithstanding anything to the contrary in this Interim Order, the Final Order, any DIP Loan Document, any document governing the Prepetition ABL Facility, the Prepetition Term Loan Facility, the Carve Out shall be senior to all liens and claims securing the DIP Facility, the Prepetition Secured Parties Adequate Protection Liens and the Prepetition Secured Parties Adequate Protection Superpriority Claims. As of the Interim Order, the priority set forth in **Exhibit D** shall apply with respect to the priority of the Carve Out and Permitted Prior Liens and the Carve Out shall not be senior to such Permitted Prior Liens; *provided*, that, subject to the rights of holders of Permitted Prior Liens to object, the Debtors reserve the right to seek, upon entry of the Final Order, the Carve Out shall be senior to any and all Permitted Prior Liens.

2.4 Prepetition Secured Parties' Adequate Protection.

(a) Adequate Protection Claims and Liens. The Prepetition Secured Parties are entitled, pursuant to sections 361, 363(e), 364(d)(1), 503(b), 507(a) and 507(b) of the Bankruptcy Code and effective as of the Petition Date, to adequate protection of their respective interests in the Prepetition Collateral, including any Cash Collateral, in an amount equal to the aggregate Diminution in Value of the Prepetition Secured Parties' respective interests in the Prepetition

Collateral from and after the Petition Date and, including on account of the use of Cash Collateral and other matters set forth in the Preliminary Cash Collateral Order; the adequate protection provisions set forth in this Interim Order (including to the extent that such provisions are subject to the Carve Out) shall apply to the use of Cash Collateral under the Preliminary Cash Collateral Order and/or any Diminution of Value in connection therewith as if the adequate protection provided under this Interim Order was incorporated into the Preliminary Cash Collateral Order and expressly set forth therein. On account of such adequate protection, the Prepetition Secured Parties are hereby granted the following, in each case subject to the priorities set forth on **Exhibit D** and the Carve Out (collectively, the “Adequate Protection”):

(i) Prepetition ABL Adequate Protection Liens. The Prepetition ABL Secured Parties are hereby granted (effective and perfected upon the date of this Interim Order and without the necessity of any Perfection Act) valid and perfected postpetition replacement security interests in and liens upon the DIP Collateral (the “Prepetition ABL Adequate Protection Liens”), which liens shall be, with respect to: (A) the Prepetition ABL Priority Collateral (whether in existence on the Petition Date or hereafter arising), subject and subordinate solely to the Carve Out, Permitted Liens, the Revolver DIP Liens and the Prepetition ABL Liens; (B) the Prepetition Term Priority Collateral (whether in existence on the Petition Date or hereafter arising), subject and subordinate solely to the Carve Out, Permitted Liens, the DIP Liens, the Prepetition Liens and the Prepetition Term Loan Adequate Protection Liens; (C) the Non-Lender Encumbered Assets, subject to the Non-Lender Existing Liens, the Carve Out and *pari passu* with the Prepetition Term Loan Adequate Protection Liens; and (D) Unencumbered Assets, subject to the Carve Out, the DIP Liens and *pari passu* with the Prepetition Term Loan Adequate Protection Liens, in each case as such priorities are set forth in **Exhibit D**.

(ii) Prepetition Term Loan Adequate Protection Liens. The Prepetition Term Loan Secured Parties are hereby granted (effective and perfected upon the date of this Interim Order and without the necessity of any Perfection Act) valid and perfected postpetition replacement security interests in and liens upon the DIP Collateral (the “Prepetition Term Loan Adequate Protection Liens” and, together with the Prepetition ABL Adequate Protection Liens, collectively, the “Prepetition Secured Parties Adequate Protection Liens”), which liens shall be, with respect to: (A) the Prepetition ABL Priority Collateral (whether in existence on the Petition Date or hereafter arising), subject and subordinate solely to the Carve Out, Permitted Liens, the DIP Liens, the Prepetition Liens and the Prepetition ABL Adequate Protection Liens; (B) the Prepetition Term Priority Collateral (whether in existence on the Petition Date or hereafter arising), subject and subordinate solely to the Carve Out, Permitted Liens, the DIP Term Loan Liens and the Prepetition Term Loan Liens; (C) the Non-Lender Encumbered Assets, subject to the Non-Lender Existing Liens, the Carve Out and *pari passu* with the Prepetition ABL Adequate Protection Liens; and (D) the Unencumbered Assets, subject to the Carve Out, the DIP Liens and *pari passu* with the Prepetition ABL Adequate Protection Liens, in each case as such priorities are set forth in **Exhibit D**.

(iii) Adequate Protection Payments. Subject to the Approved Budget, the Debtors are authorized to pay to the Prepetition Secured Parties on the last business day of each calendar month after the entry of this Interim Order, in each case, an amount equal to all accrued and unpaid prepetition and postpetition interest (at the non-default rate), fees and costs under the Prepetition Documents. The payment of interest pursuant to this paragraph shall be without prejudice to the rights of the Prepetition Secured Parties to assert claims for payment of interest at the default rate in accordance with the Prepetition Documents.

(iv) Adequate Protection Superpriority Claims. The Prepetition Secured Parties are hereby granted allowed superpriority administrative expense claims pursuant to and to the maximum extent permitted by sections 503(b), 507(a) and 507(b) of the Bankruptcy Code (the “Prepetition Secured Parties’ Adequate Protection Claims” (such superpriority administrative expense claim as to the Prepetition ABL Secured Parties, the “Prepetition ABL Adequate Protection Claim” and, as to such superpriority administrative expense claim as to the Prepetition Term Loan Secured Parties, and collectively, the “Prepetition Term Loan Adequate Protection Claim”), which shall be allowed claims against each of the Debtors (jointly and severally), with priority (except as otherwise provided herein) over any and all administrative expenses and all other claims against the Debtors now existing or hereafter arising, of any kind specified in sections 503(b) and 507(b) of the Bankruptcy Code and all other administrative expenses or other claims arising under any other provision of the Bankruptcy Code, including, without limitation, sections 105, 326, 327, 328, 330, 331, 365, 503(b), 507(a), 507(b) or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment. The Prepetition Secured Parties’ Adequate Protection Claims shall be payable from and have recourse to all pre- and post-petition property of the Debtors, subject to the Carve Out, Permitted Liens and the rankings and priorities set forth in Exhibit D.

(b) Reporting. The Debtors shall timely provide the Prepetition Secured Parties with (x) reasonable access during business hours to the Debtors’ facilities, management, books and records required under the Prepetition Documents and (y) copies of all financial and sale process reporting provided to the DIP Agent and DIP Lenders pursuant to the DIP Loan Documents substantially concurrently with such delivery to the DIP Lenders. The Debtors are also

directed to allow the Prepetition Secured Parties (and their representatives and advisors), reasonable access during business hours to all of the Debtors' premises, information systems, facilities, management, books and records for the purpose of enabling Prepetition Secured Parties to inspect, appraise and audit the DIP Collateral as required by the Prepetition Documents.

(c) Fees and Expenses. The Debtors are authorized and directed to pay: (i) on the date of the first advance under the DIP Facilities, all reasonable and documented fees and out-of-pocket expenses of the Prepetition Agents that are required to be paid by the Debtors under the Prepetition Documents and of the Prepetition ABL Lenders as set forth on the Approved Budget, including such fees and expenses of counsel and financial advisors to such Prepetition Agents and Prepetition ABL Lenders; and (ii) on an ongoing basis, from time to time after the Petition Date, and without duplication, all reasonable and documented fees and out-of-pocket expenses incurred by such Prepetition Agents and required to be paid by the Debtors under the Prepetition Documents and incurred by the Prepetition ABL Lenders and as set forth on the Approved Budget, including without limitation the reasonable and documented fees and out-of-pocket expenses of (A) Greenberg Traurig LLP, (B) Piper Alderman, (C) McGuireWoods LLP, (D) Otterbourg P.C., (E) Richards, Layton & Finger, P.A., (F) Berkeley Research Group, LLC, and (G) counsel in Australia, China (Hong Kong) and Canada to the DIP Revolver Administrative Agent or the DIP Term Loan Administrative Agent (such professionals referred to in the foregoing clauses (A) through (G), collectively, the "Adequate Protection Professionals") and, such fees and expenses incurred by them, collectively, the "Adequate Protection Professional Fees and Expenses"). Any limitation to the Approved Budget in this Interim Order of the Debtors' current payment obligations with respect to the Adequate Protection Professional Fees and Expenses shall not limit in any way whatsoever the Debtors' reimbursement obligations as to the Adequate Protection

Professional Fees and Expenses and/or the Prepetition Secured Parties' rights, liens or claims with respect thereto; the Prepetition Secured Parties reserve any and all such rights, liens and claims (including, without limitation, their respective right to receive payment of and reimbursement for the Adequate Protection Professional Fees and Expenses from the Collateral, the DIP Collateral and/or the Sale Proceeds).

(d) With respect to Adequate Protection Professional Fees and Expenses incurred following the Petition Date, such Adequate Protection Professionals shall deliver an invoice in summary form (which invoice shall not be required to include time entry detail, but shall include a general, brief description of the nature of the matters for which services were performed, and which invoice may be redacted for privileged or confidential information) to counsel for the Debtors, the U.S. Trustee and counsel to the Committee (if any), with a copy of such invoices delivered simultaneously to counsel to the DIP Lenders, the DIP Agents, the Prepetition Secured Parties and the Prepetition Agents. If no written objection is received by 12:00 p.m., (Noon) prevailing Eastern Time, on the date that is ten (10) calendar days after delivery of such invoice and such amounts are consistent with the Approved Budget, the Debtors shall promptly pay such fees and expenses in full in cash. If an objection to a professional's invoice is timely received, the undisputed portion of any such invoice will be deemed allowed, the Debtors shall promptly pay such undisputed amount, subject to and in accordance with the Approved Budget, and the Court shall have jurisdiction to determine the disputed portion of such invoice if the parties are unable to resolve the dispute consensually. Notwithstanding the foregoing, the Debtors are authorized and directed to pay on the Closing (as defined in the DIP Term Loan Agreement) or the Effective Date (as defined in the DIP Revolver Agreement) all Adequate Protection Professional Fees and Expenses incurred on or prior to such date (including prior to the Petition Date), subject to the

Approved Budget, without the need for any Adequate Protection Professionals to first deliver a copy of its invoice as provided for herein. The Adequate Protection Professionals shall not be required to comply with the U.S. Trustee fee guidelines or file applications or motions with, or obtain approval of, the Court for the payment of any of their fees or out-of-pocket expenses (other than with respect to disputed amounts). Subject to Section 4.1 hereof, payments of any amounts set forth in this paragraph are not subject to recharacterization, avoidance, subordination, or disgorgement.

Section 3. Default; Waivers; Rights and Remedies; Relief from Stay.

3.1 Events of Default. The occurrence of any of the following events shall each constitute a “DIP Termination Event” hereunder unless waived in writing by the applicable DIP Secured Parties and in accordance with the applicable DIP Loan Documents: (i) any “Event of Default” as that term is defined in each of the DIP Loan Agreements; (ii) any failure to meet or satisfy any Milestone in accordance with the applicable DIP Loan Documents, unless such failure is the result of an action or inaction by a DIP Secured Party or a Prepetition Secured Party or is the result of the Bankruptcy Court’s schedule; (iii) without limiting the generality of the foregoing clause (ii), the failure of the Debtors to file on or before May 18, 2022, an amendment of the proposed form of order approving the Bid Procedures, to the extent required by the Prepetition ABL Agent, the DIP Revolver Agent, the Prepetition Term Loan Agent and/or the DIP Term Loan Administrative Agent, so that the form of order approving the Bid Procedures is reasonably acceptable to each of them; (iv) the termination of the Debtors’ engagement of Riveron Consulting, LP and Dalton Edgecomb as their advisor and chief transformation officer, respectively, (unless replaced by the end of the fifth (5th) Business Day following such termination by such other firm and individual reasonably acceptable to the DIP Secured Parties on terms and conditions and with a scope of authority reasonably acceptable to the DIP Agents); (v) the “Maturity Date” as defined

in the DIP Term Loan Agreement or the “Maturity Date” as defined in the Revolver DIP Agreement (as may be extended in accordance with the terms thereof or hereof); (vi) any material violation, breach, or default by any Debtor with respect to any of its obligations under this Interim Order or the DIP Loan Documents, (vii) the termination of either of the DIP Loan Agreements, or the modification of any of the DIP Loan Documents or this Interim Order in a manner adverse to any of the DIP Secured Parties or the Prepetition Secured Parties without the prior written consent of such party; (viii) subject to any Challenge Proceeding brought in the Challenge Period, prior to full, final and indefeasible repayment in cash of all DIP Obligations and Prepetition Obligations, entry of any order authorizing any party in interest to reclaim any of the DIP Collateral, granting any party in interest relief from the automatic stay with respect to the DIP Collateral, or requiring that Debtors turnover any of the DIP Collateral, in each case having value in excess of \$250,000; (ix) conversion of any Case to a case under chapter 7 of the Bankruptcy Code; (x) a trustee is appointed or elected in any Case, or an examiner with the power to operate the Debtors’ businesses is appointed in any Case; (xi)(A) commencement of an adversary proceeding or contested matter by the Debtors objecting to the extent, validity or priority of any Prepetition Obligations and/or the Prepetition Liens and (B) subject to any Challenge Proceeding brought in the Challenge Period, with respect to any party in interest with standing (other than the Debtors), commencement of such proceeding or matter to the extent such proceeding or matter is not denied by the Court or dismissed within thirty (30) days; (xii) the date that is thirty (30) calendar days following the entry of this Interim Order if a Final Order is not entered in form and substance acceptable to the DIP Secured Parties and the Prepetition Secured Parties by such date; (xiii) if this Interim Order is modified at the Final Hearing in a manner not acceptable to the DIP Secured Parties or the Prepetition Secured Parties; (xiv) the Debtors shall withdraw the Asset Disposition Motion;

(xv) modification, amendment, vacatur or stay of this Interim Order in any manner not consented to in writing by the DIP Agents and the Prepetition Agents; (xvi) entry of an order approving the Bid Procedures not reasonably acceptable to either DIP Agent; and/or (xvii) entry of an order approving the sale of assets under the Asset Disposition Motion not reasonably acceptable to either DIP Agent.

3.2 Debtors' Waivers.

(a) Prior to the full, final and indefeasible repayment of all Prepetition Obligations and all DIP Obligations in cash, any request by the Debtors with respect to the following shall also each constitute a DIP Termination Event: (i) to obtain postpetition loans or other financial accommodations pursuant to section 364(c) or 364(d) of the Bankruptcy Code that do not provide for the repayment in full in cash of all of the DIP Obligations and the Prepetition Obligations in cash, other than as provided in this Interim Order or as may be otherwise permitted pursuant to the DIP Loan Documents; (ii) to challenge the application of any payments authorized by this Interim Order pursuant to section 506(b) of the Bankruptcy Code; (iii) to propose or support any challenge pursuant to Section 4.1 of this Interim Order or any challenge by any party in interest seeking to limit or prevent the DIP Secured Parties or the Prepetition Secured Parties from exercising their credit bid rights in connection with the sale of any assets of the Debtors; provided, that the Debtors' response to any information requests, diligence, requests for production, or subpoenas by a party in interest shall not constitute "support" of a challenge; and/or (iv) to seek relief under the Bankruptcy Code, including, without limitation, under section 105 of the Bankruptcy Code, to the extent any such relief would materially restrict or impair (A) the rights and remedies of any of the DIP Secured Parties or the Prepetition Secured Parties against the Debtors as provided in this Interim Order, any of the DIP Loan Documents or any of the Prepetition

Documents, or (B) the exercise of such rights or remedies by any of the DIP Secured Parties or the Prepetition Secured Parties against the Debtors in accordance with the DIP Loan Documents, this Interim Order or the Prepetition Documents; provided, however, that the DIP Agents and the Prepetition Agents may otherwise consent in writing, but no such consent shall be implied from any other action, inaction, or acquiescence by the DIP Secured Parties and the Prepetition Secured Parties.

(b) It shall also be a DIP Termination Event if any Debtor proposes or supports any chapter 11 plan or seeks entry of an order confirming a chapter 11 plan that is not conditioned upon the payment of the DIP Obligations, the Prepetition Obligations, and the Debtors' obligations with respect to the Adequate Protection granted hereunder, in full in cash, no later than the effective date of such chapter 11 plan, without the written consent of each of the DIP Agents and the Prepetition Agents, as applicable.

3.3 Rights and Remedies upon a DIP Termination Event. Upon the occurrence of a DIP Termination Event, and in each case without further notice, motion or application to, order of, or hearing before, this Court (other than such notice required by this Paragraph), the DIP Agents and DIP Lenders are granted leave to cease making financial accommodations to the Debtors and the Debtors shall not be permitted to use any funds on deposit in the DIP Term Loan Proceeds Account. Upon the expiration of five (5) calendar days following the delivery of a written notice by any DIP Agent or Prepetition Agent, as applicable, to the Carve Out Trigger Notice Parties, any other DIP Agent, and other Prepetition Agent of the occurrence of a DIP Termination Event (the "Remedies Notice Period"), (a) the DIP Agents shall each be entitled to independently take any act or exercise any right or remedy as provided in this Interim Order or any DIP Loan Document, as applicable, including, without limitation, to (i) declare all DIP Obligations owing under their

respective DIP Loan Documents to be immediately due and payable; (ii) subject to the terms of the Prepetition Intercreditor Agreement, to foreclose upon any or all of the DIP Collateral or otherwise enforce the DIP Obligations, the DIP Liens, and the DIP Superpriority Claims on any or all of the DIP Collateral and to exercise any other default-related remedies under the DIP Loan Documents, this Interim Order, or applicable law in seeking to recover payment of the DIP Obligations; (iii) terminate the DIP Facilities and any DIP Loan Document as to any future liability or obligation of the DIP Secured Parties, but without affecting any of the DIP Obligations or the DIP Liens securing the DIP Obligations; (iv) in the case of the DIP Term Agent and DIP Term Lenders, immediately withdraw any funds on deposit in the DIP Term Loan Proceeds Account, and to give notice to the DIP Term Loan Bank (the “Withdrawal Notice”) to wire any funds on deposit in the DIP Term Loan Proceeds Account to the DIP Term Agent; and/or (v) invoke the right to charge interest at the default rate under the DIP Loan Documents; and (b) the Prepetition Agents shall each independently (i) be entitled to terminate and/or revoke the Debtors’ right, if any, under this Interim Order and the other DIP Loan Documents to use any Cash Collateral and all such authority to use Cash Collateral shall cease and (ii) each have automatic and immediate relief from the automatic stay with respect to the Prepetition Collateral (without regard to the passage of time provided for in Fed. R. Bankr. P. 4001(a)(3)) and shall be entitled to exercise all rights and remedies available under the Prepetition Documents and applicable non-bankruptcy law (subject to the Prepetition Intercreditor Agreement). Notwithstanding the foregoing, during the Remedies Notice Period, the Debtors may use Cash Collateral solely in amounts necessary to avoid immediate and irreparable harm to the Debtors’ Estates (including funding payroll and paying other administrative expenses) all in accordance with this Interim Order and the Approved Budget, or that have otherwise been approved by the DIP Secured Parties; provided, that such

continued use of Cash Collateral shall in no event be construed to permit the withdrawal and/or use of any DIP Term Loan funds then on deposit in the DIP Term Loan Proceeds Account which have not been advanced to the Debtors. Notwithstanding the foregoing or any rights and remedies granted under this Interim Order, the Prepetition Documents or the DIP Loan Documents, with respect to any DIP Collateral that may be located in or at the High Premises, upon the occurrence and during the continuance of an Event of a Default or following the Termination Date, in connection with exercising any right, remedy or action against the DIP Collateral, the DIP Agents, DIP Lenders, the Prepetition Agents, or the Prepetition Secured Parties, as the case may be, may only enter upon, occupy, and use the High Premises in accordance with (a) any existing rights such applicable secured party may have under applicable non-bankruptcy law; (b) any written waiver, consent or other agreement entered into between the High Landlord and such applicable secured party; or (c) a further order of the Court on motion and notice appropriate under the circumstances.

3.4 Modification of Automatic Stay. The automatic stay provisions of section 362 of the Bankruptcy Code and any other restriction imposed by an order of the Court or applicable law are hereby modified without further notice, application, or order of the Court to the extent necessary to permit the DIP Agents and Prepetition Agents to perform any act authorized or permitted under or by virtue of this Interim Order, the DIP Loan Agreements, or the other DIP Loan Documents, as applicable, including, without limitation, (i) to implement the postpetition financing arrangements authorized by this Interim Order, (ii) to take any act to create, validate, evidence, attach or perfect any lien, security interest, right or claim in the DIP Collateral, (iii) to assess, charge, collect, advance, deduct and receive payments with respect to the Prepetition Obligations and DIP Obligations (or any portion thereof), including, without limitation, all

interests, fees, costs and expenses permitted under any of the DIP Loan Documents and apply such payments to the Prepetition Obligations, and (iv) subject to the Remedies Notice Period, to take any action and exercise all rights and remedies provided to it by this Interim Order, the DIP Loan Documents, or applicable law.

Section 4. Representations and Covenants.

4.1 Reservation of Third Party Challenge Rights. The stipulations, releases, agreements and admissions contained in this Interim Order, including, without limitation, paragraph E hereof and the releases contained in clause (x) thereof (collectively, the “Debtors’ Stipulations”), shall be binding on the Debtors in all circumstances. The Debtors’ Stipulations shall be binding on each other party in interest, including, without limitation, the Committee (if any), unless, and solely to the extent that (a) any such party in interest, including the Committee (if any), with standing and requisite authority has timely commenced an adversary proceeding or other appropriate contested matter (subject to the limitations contained herein, including, inter alia, in this Section 4.1) by no later than either (i) the earlier of (1) with respect to parties in interest with standing (other than a Committee), 75 calendar days after entry of this Interim Order or (2) with respect to a Committee, if any, 60 calendar days after the appointment of the Committee, or (ii) any such later date as has been agreed to, in writing, by the applicable Prepetition Agent (with the consent of the applicable Prepetition Secured Parties); or (iii) such later date as set by an order of the Court for cause shown prior to the expiry of the applicable time period established by clauses (i) and (ii) (such time period established by the foregoing clauses (i) through (iii), the “Challenge Period”) against the Prepetition Secured Parties in connection with matters related to the Prepetition Documents, the Prepetition Obligations, the Prepetition Liens and the Prepetition Collateral, and notwithstanding the repayment of the Subject Prepetition ABL Obligations and/or Prepetition Term Loan Obligations in accordance with this Interim Order, including by (A) objecting to or challenging

the amount, validity, perfection, enforceability, priority, or extent of the Prepetition Obligations or Prepetition Liens, or (B) otherwise asserting or prosecuting any action for preferences, fraudulent transfers or conveyances, other avoidance power claims or any other claims, counterclaims, or causes of action, objections, contests, or defenses with respect to the Prepetition Obligations or Prepetition Liens or otherwise seeking affirmative relief (a “Challenge Proceeding”) and (b) there is a final, non-appealable order in favor of the plaintiff sustaining any Challenge Proceeding in any such timely filed adversary proceeding or contested matter; provided that any pleadings filed in connection with any Challenge Proceeding shall set forth with specificity the basis for such Challenge Proceeding and any challenges or claims not so specified prior to the expiration of the Challenge Period shall be deemed forever waived, released and barred; provided, further, that the Challenge Period shall be extended for a chapter 7 trustee for an additional ten (10) days if the Cases are converted prior to the expiration of the Challenge Period. A party in interest’s commencement of a timely Challenge Proceeding shall preserve the Challenge Period only with respect to such party in interest commencing the Challenge Proceeding and only to the extent of the express content of such Challenge Proceeding. If no such Challenge Proceeding is timely commenced, then: (v) the Debtors’ stipulations, admissions, agreements and releases contained in this Interim Order, including, without limitation, those contained in paragraph E of this Interim Order and the releases contained in clause (ix) thereof, shall be binding on all parties in interest; (w) any and all Challenge Proceedings by any party (including, without limitation, the Committee, any chapter 11 trustee, or any examiner and/or other estate representative appointed or elected in these Cases and any chapter 7 trustee and/or examiner or other estate representative appointed or elected in any Successor Case) shall be deemed to be forever waived, released and barred; (x) to the extent not theretofore repaid, the Prepetition Obligations shall constitute allowed claims, not

subject to counterclaim, setoff, subordination, recharacterization, reduction, defense or avoidance, for all purposes in these Cases and any subsequent chapter 7 case; (y) the Prepetition Liens on the Prepetition Collateral shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, perfected and of the priority specified in paragraph E hereof, not subject to defense, counterclaim, recharacterization, subordination or avoidance; and (z) the obligations under the Prepetition Documents and the Prepetition Liens on the Prepetition Collateral shall not be subject to any other or further challenge by the Debtors, the Committee (if any) or any other party in interest, including, without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors with respect thereto). If any Challenge Proceeding is timely commenced, the stipulations, releases, agreements and admissions contained in paragraph E of this Interim Order, and the releases contained in clause (x) thereof, shall nonetheless remain binding and preclusive (as provided in this paragraph) on the Debtors, the Committee (if any) and any other person or entity, except as to any such findings and admissions that were expressly and successfully challenged in such Challenge Proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction. In the event of a successful Challenge Proceeding in accordance with this Section 4.1 with respect to the Roll-Up and repayment of the Prepetition ABL Obligations pursuant to Section 1.4(a), the Court may fashion any appropriate remedy in accordance with applicable law. Nothing in this Interim Order vests or confers on any Person (as defined in the Bankruptcy Code), including the Committee (if any), standing or authority to pursue any cause of action belonging to the Debtors or their estates, including, without limitation, claims and defenses with respect to the Prepetition Documents or the Prepetition Liens on the Prepetition Collateral. The failure of any

party, including the Committee, to obtain standing prior to the expiration of the Challenge Period shall not serve as a basis for such party to seek any extension of the Challenge Period.

Section 5. Other Rights and DIP Obligations.

5.1 No Modification or Stay of this Interim Order. The DIP Agents and the DIP Lenders have acted in good faith in connection with the DIP Facilities and with this Interim Order, and their reliance on this Interim Order is in good faith, and the DIP Agents and the DIP Lenders are entitled to the protections of Bankruptcy Code section 364(e).

5.2 Rights of Access and Information. The Debtors shall comply with the rights of access and information afforded to the DIP Secured Parties under the DIP Loan Documents and the Prepetition Secured Parties under the Prepetition Documents.

5.3 Power to Waive Rights; Duties to Third Parties.

(a) Subject to the terms of the DIP Loan Documents, the DIP Revolver Administrative Agent and the DIP Term Administrative Agent shall have the right (acting at the direction of the Required Lenders (as defined in the applicable DIP Loan Documents) if so required by the applicable DIP Loan Documents) to waive any of the terms, rights and remedies provided or acknowledged in this Interim Order that are in favor of the DIP Revolver Lenders and the DIP Term Lenders, respectively (as applicable, the “DIP Lender Rights”), and shall have no obligation or duty to any other party with respect to the exercise or enforcement, or failure to exercise or enforce, any DIP Lender Rights; provided that the DIP Agents shall obtain the prior written consent of the applicable Prepetition Agent for any waiver that affects any rights of the Prepetition Secured Parties hereunder or any treatment of the Prepetition Obligations. Any waiver by the DIP Agents of any DIP Lender Rights shall not be nor shall it constitute a continuing waiver unless otherwise expressly provided therein. Any delay in or failure to exercise or enforce any DIP Lender Right shall neither constitute a waiver of such DIP Lender Right, subject the DIP Agents or any DIP

Lender to any liability to any other party, nor cause or enable any party other than the Debtors to rely upon or in any way seek to assert as a defense to any obligation owed by the Debtors to the DIP Agents or any DIP Lender.

(b) Each of the Prepetition ABL Agent and the Prepetition Term Loan Agent shall have the right to waive any of the terms, rights and remedies provided or acknowledged in this Interim Order that are in favor of the Prepetition ABL Lenders and the Prepetition Term Loan Lenders, respectively (as applicable, the “Prepetition Lender Rights”), and shall have no obligation or duty to any other party with respect to the exercise or enforcement, or failure to exercise or enforce, any Prepetition Lender Rights; provided that the Prepetition Agents shall obtain the prior written consent of the applicable DIP Agent for any waiver that affects any rights of the DIP Secured Parties hereunder or any treatment of the DIP Obligations. Any waiver by the Prepetition Agents of any Prepetition Lender Rights shall not be nor shall it constitute a continuing waiver unless otherwise expressly provided therein. Any delay in or failure to exercise or enforce any Prepetition Lender Right shall neither constitute a waiver of such Prepetition Lender Right, subject the Prepetition Agents or any Prepetition Lender to any liability to any other party, nor cause or enable any party other than the Debtors to rely upon or in any way seek to assert as a defense to any obligation owed by the Debtors to the Prepetition Agents or any Prepetition Lender.

5.4 No Unauthorized Disposition of Collateral; Use of Cash Collateral. The Debtors shall not sell, transfer, lease, encumber, use, or otherwise dispose of any portion of the DIP Collateral (including inventory and Cash Collateral), other than (x) in the ordinary course of business and (y) pursuant to the terms of this Interim Order or otherwise as permitted by the DIP Loan Documents, and the Debtors are authorized to use Cash Collateral solely in a manner consistent with this Interim Order, the Approved Budget and the DIP Loan Documents (including

permitted variances and exclusions to the Approved Budget permitted thereunder). The Prepetition Agents and DIP Agents shall provide from the proceeds of Collateral funds in the amount of \$100,000 (with \$50,000 of such funds to come from the proceeds of ABL Priority Collateral and \$50,000 of such funds to come from the proceeds of Term Loan Priority Collateral) for use by the Committee in connection with the investigation of, but not litigation, or any objection or challenge to (including, without limitation, a Challenge Proceeding or any motion for standing to commence a Challenge Proceeding), the Prepetition Liens or Prepetition Obligations.

5.5 No Waiver. The failure of the DIP Lenders or the Prepetition Lenders, as applicable, to seek relief or otherwise exercise their rights and remedies under the DIP Loan Documents, the DIP Facilities, the Prepetition Documents or this Interim Order, as applicable, shall not constitute a waiver of any of the DIP Lenders' or Prepetition Lenders' rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair the rights of the DIP Lenders or the Prepetition Lenders under the Bankruptcy Code or under non-bankruptcy law, including, without limitation, the rights of the DIP Lenders and the Prepetition Lenders to: (a) request conversion of the Cases to cases under chapter 7, dismissal of the Cases, or the appointment of a trustee in the Cases; (b) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a plan; or (c) exercise any of the rights, claims, or privileges (whether legal, equitable, or otherwise) of the DIP Lenders or the Prepetition Lenders.

5.6 Maintenance of Collateral. Unless the DIP Agents, acting at the direction of the applicable Required Lenders (as defined in the DIP Loan Documents), otherwise consent in writing, until (i) the payment in full in cash or otherwise acceptable satisfaction of all DIP Obligations and Prepetition Obligations and (ii) the termination of the DIP Agents' and the DIP

Lenders' obligations to extend credit under the DIP Facilities, the Debtors shall comply with the covenants contained in the DIP Loan Documents regarding the maintenance and insurance of the DIP Collateral. Upon entry of this Interim Order and to the fullest extent provided by applicable law, each of the DIP Agents (on behalf of the applicable DIP Lenders) shall be, and shall be deemed to be, without any further action or notice, named as additional insureds and loss payees on each insurance policy maintained by the Debtors that in any way relates to the DIP Collateral.

5.7 Reservation of Rights. The terms, conditions and provisions of this Interim Order are in addition to and without prejudice to the rights of each DIP Secured Party and Prepetition Secured Party, as applicable, to pursue any and all rights and remedies under the Bankruptcy Code, the DIP Loan Documents, the Prepetition Documents or any other applicable agreement or law, including, without limitation, rights to seek adequate protection and/or additional or different adequate protection, to seek relief from the automatic stay, to seek an injunction, to oppose any request for use of cash collateral or granting of any interest in the DIP Collateral or the Prepetition Collateral, as applicable, or priority in favor of any other party, to object to any sale of assets and to object to applications for allowance and/or payment of compensation of professionals or other parties seeking compensation or reimbursement from the Estates.

5.8 Binding Effect.

(a) All of the provisions of this Interim Order and the DIP Loan Documents, the DIP Obligations, all liens and claims granted hereunder in favor of each of the DIP Secured Parties and the Prepetition Secured Parties, and any and all rights, remedies, privileges, immunities and benefits in favor of each DIP Agent, DIP Lender and Prepetition Secured Party set forth herein, including, without limitation, the parties' acknowledgements, stipulations and agreements in Section E of this Interim Order, subject to Section 4.1 hereof (without each of which the DIP

Secured Parties would not have entered into or provided funds under the DIP Loan Documents and the Prepetition Secured Parties would not have consented to the priming of the Prepetition Liens as set forth herein and use of Cash Collateral provided for hereunder) provided or acknowledged in this Interim Order, and any actions taken pursuant thereto, shall: be effective and enforceable effective as of the Petition Date immediately upon entry of this Interim Order and not subject to any stay of execution or effectiveness (all of which are hereby waived), notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 and 9024, or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure; continue in full force and effect; and survive entry of any other order or action, including, without limitation, any order which may be entered confirming any chapter 11 plan providing for the refinancing, repayment or replacement of the DIP Obligations, converting one or more of the Cases to any other chapter under the Bankruptcy Code, dismissing one or more of the Cases, approving any sale of any or all of the DIP Collateral or the Prepetition Collateral (other than pursuant to the Asset Disposition Motion) or vacating, terminating, reconsidering, revoking or otherwise modifying this Interim Order or any provision hereof.

(b) Nothing in these Cases may impair the DIP Superpriority Claim, the Prepetition Secured Parties' Adequate Protection Claims or the DIP Secured Parties' and the Prepetition Secured Parties' respective liens on and security interests in the DIP Collateral and the Prepetition Collateral, respectively, and all other claims, liens, adequate protections and other rights granted pursuant to the terms of this Interim Order, all of which shall continue in full force and effect notwithstanding such dismissal until the DIP Obligations and Prepetition Obligations are indefeasibly paid and satisfied in full in cash. Notwithstanding any such dismissal, this Court

shall retain jurisdiction for the purposes of enforcing all such claims, liens, protections and rights referenced in this paragraph and otherwise in this Interim Order.

(c) Except as set forth in this Interim Order, in the event this Court modifies, reverses, vacates or stays any of the provisions of this Interim Order or any of the DIP Loan Documents, such modifications, reversals, vacatur, or stays shall not affect the (i) validity, priority or enforceability of any DIP Obligations incurred prior to the actual receipt of written notice by the DIP Agents or Prepetition Agents, as applicable, of the effective date of such modification, reversal, vacatur, or stay, (ii) validity, priority or enforceability of the DIP Liens, the DIP Superpriority Claims, the Prepetition Secured Parties Adequate Protection Liens and the Prepetition Secured Parties' Adequate Protection Claims or (iii) rights or priorities of any DIP Secured Party or Prepetition Secured Party pursuant to this Interim Order with respect to the DIP Collateral or any portion of the DIP Obligations. All such liens, security interests, claims and other benefits shall be governed in all respects by the original provisions of this Interim Order, and the DIP Secured Parties and the Prepetition Secured Parties shall be entitled to all the rights, remedies, privileges and benefits granted hereto, including the liens and priorities granted herein.

(d) This Interim Order shall be binding upon the Debtors, all parties in interest in the Cases and their respective successors and assigns, including, without limitation, (i) any trustee or other fiduciary appointed in the Cases or any subsequently converted bankruptcy case(s) of any Debtor and (ii) any liquidator, receiver, administrator, or similar such person or entity appointed in any jurisdiction or under any applicable law. This Interim Order shall also inure to the benefit of the Debtors, DIP Agents, DIP Lenders, Prepetition Secured Parties and each of their respective successors and assigns.

(e) Notwithstanding the foregoing, all provisions of this Interim Order providing for the Roll-Up and repayment of the Prepetition ABL Obligations pursuant to Section 1.4(a) shall be subject to this Section 4.1.

5.9 Discharge. The DIP Obligations and the obligations of the Debtors with respect to adequate protection hereunder, including granting the Prepetition Secured Parties Adequate Protection Liens and the Prepetition Secured Parties' Adequate Protection Claims, shall not be discharged by the entry of an order confirming any plan of reorganization in any of these Cases, notwithstanding the provisions of section 1141(d) of the Bankruptcy Code, unless such obligations have been indefeasibly paid in full in cash, on or before the effective date of such confirmed plan of reorganization, or each of the DIP Secured Parties or the Prepetition Secured Parties, as applicable, has otherwise agreed in writing.

5.10 No Priming of Prepetition Obligations. Notwithstanding anything to the contrary herein, from and after the entry of this Interim Order, absent the express written consent of the applicable Prepetition Lenders, no Debtor shall seek authorization from this Court to obtain or incur any indebtedness or enter into an alternative financing facility other than the DIP Facilities (a "Competing DIP Facility") seeking to impose liens on any Prepetition Collateral ranking on a *pari passu* or priming basis with respect to the Prepetition Liens held by the Prepetition Secured Parties; provided, however, that nothing herein shall preclude the Debtors from seeking authorization to incur any indebtedness or enter into any Competing DIP Facility that provides for the payment in full in cash of the DIP Obligations and the Prepetition Obligations at the initial closing of such Competing DIP Facility.

5.11 Section 506(c) Waiver. Subject to entry of the Final Order, no costs or expenses of administration which have been or may be incurred in these Cases at any time (including, without

limitation, any costs and expenses incurred in connection with the preservation, protection, or enhancement of value by the DIP Agents or the DIP Lenders upon the DIP Collateral, or by the Prepetition Secured Parties upon the Prepetition Collateral, as applicable) shall be charged against any of the DIP Agents, DIP Lenders, or Prepetition Secured Parties, or any of the DIP Obligations or Prepetition Obligations or the DIP Collateral or the Prepetition Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise, in each case without the prior express written consent of the affected DIP Secured Parties and/or affected Prepetition Secured Parties, in their sole discretion, and no such consent shall be implied, directly or indirectly, from any other action, inaction, or acquiescence by any such agents or creditors (including, without limitation, consent to the Carve Out or the approval of any budget hereunder).

5.12 Section 552(b) Waiver. The Debtors have agreed as a condition to obtaining financing under the DIP Facilities and using Cash Collateral as provided in this Interim Order that the Prepetition Secured Parties are and shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code and that the “equities of the case” exception under section 552(b) shall not apply to the DIP Agents, the DIP Lenders, the DIP Obligations, and, subject to entry of the Final Order, the Prepetition Secured Parties or the Prepetition Obligations.

5.13 No Marshaling/Application of Proceeds.

(a) Subject to the entry of the Final Order, in no event shall the DIP Agents, the DIP Lenders, or the Prepetition Secured Parties be subject to the equitable doctrine of “marshaling” or any similar doctrine with respect to the DIP Collateral or the Prepetition Collateral, as applicable, and all proceeds shall be received and applied in accordance with the DIP Loan Documents and the Prepetition Documents (including the Prepetition Intercreditor Agreement), as applicable.

(b) Notwithstanding anything to the contrary in this Interim Order, but subject in all respects to the priorities set forth on Exhibit D hereto and the Prepetition Intercreditor Agreement, the respective DIP Obligations shall be satisfied from the proceeds of Prepetition Collateral and/or DIP Collateral.

5.14 Relief Subject to a Final Order. Nothing in this Interim Order shall be deemed to grant or approve (a) a waiver of the Debtors' ability to surcharge against any DIP Collateral or Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code; (b) any right of the Debtors under the "equities of the case" exception in section 552(b) of the Bankruptcy Code with respect to any of the Prepetition Secured Parties; (c) the application of the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral or the Prepetition Collateral; or (d) a lien on or superpriority claim against the Avoidance Proceeds.

5.15 Payment of DIP Lender Fees and Expenses. Subject to the Approved Budget, the Debtors shall pay (i) the reasonable and documented fees and expenses reimbursable under the DIP Facilities, the DIP Loan Agreements, or the other DIP Loan Documents, as applicable, whether incurred before or after the Petition Date and (ii) all reasonable and documented out-of-pocket costs and expenses of the DIP Agents and the DIP Revolver Lenders including, without limitation, reasonable and documented fees and disbursements of counsel in connection with the enforcement or preservation of any rights under the DIP Facilities, the DIP Loan Agreements, or the other DIP Loan Documents. With respect to payment of fees and expenses incurred from and after the Petition Date, the DIP Agents and the DIP Revolver Lenders shall comply with the procedures set forth in Section 2.4(d) hereof. Any limitation to the Approved Budget in this Interim Order of the Debtors' current payment obligations with respect to the fees and expenses to which this Section 5.15 applies shall not limit in any way whatsoever the Debtors' reimbursement

obligations as to such fees and expenses and/or the DIP Agents' and/or DIP Revolver Lenders' rights, liens or claims with respect thereto; the DIP Agents and the DIP Revolver Lenders reserve any and all such rights, liens and claims (including, without limitation, their respective right to receive payment of and reimbursement for such fees and expenses from the Collateral, the DIP Collateral and/or the Sale Proceeds).

5.16 Limits on Lender Liability.

(a) Solely as a result of making any loan under the DIP Loan Agreements, authorizing the use of Cash Collateral or in exercising any rights or remedies as and when permitted pursuant to this Interim Order or the DIP Loan Documents, the DIP Agents, the DIP Lenders, and, subject to entry of the Final Order, the Prepetition Secured Parties, shall not be deemed to (i) be in control of the operations of the Debtors or to be acting as a “controlling person,” “responsible person,” or “owner or operator” with respect to the operation or management of the Debtors, so long as the such party’s actions do not constitute, within the meaning of 42 U.S.C. § 9601(20)(F), actual participation in the management or operational affairs of a facility owned or operated by a Debtor, or otherwise cause liability to arise to the federal or state government or the status of responsible person or managing agent to exist under applicable law (as such terms, or any similar terms, are used in the Internal Revenue Code, WARN Act, the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq., as amended, or any similar federal or state statute) or (ii) owe any fiduciary duty to any of the Debtors. Furthermore, nothing in this Interim Order shall in any way be construed or interpreted to impose or allow the imposition upon any of the DIP Secured Parties or, subject to the entry of the Final Order, the Prepetition Secured Parties, of any liability for any claims arising

from the prepetition or postpetition activities of any of the Debtors and their respective affiliates (as defined in section 101(2) of the Bankruptcy Code).

(b) As to the United States, its agencies, departments, or agents, nothing in this Interim Order or the DIP Loan Documents shall discharge, release or otherwise preclude any valid right of setoff or recoupment that any such entity may have.

5.17 Release. Subject to Section 4.1 of this Interim Order, each of the Debtors, their Estates and the Prepetition Obligor, on their own behalf and on behalf of each of their past, present and future predecessors, successors, heirs, subsidiaries and assigns, hereby forever, unconditionally, permanently, and irrevocably release, discharge and acquit each of the DIP Secured Parties and the Prepetition Secured Parties, and (in such capacity) each of their respective successors, assigns, affiliates, parents, subsidiaries, partners, controlling persons, representatives, agents, attorneys, advisors, financial advisors, consultants, professionals, officers, directors, members, managers, shareholders and employees, past, present and future, and their respective heirs, predecessors, successors and assigns (collectively, the “Released Parties”) of and from any and all claims, controversies, disputes, liabilities, obligations, demands, damages, expenses (including, without limitation, attorneys’ fees), debts, liens, actions and causes of action of any and every nature whatsoever, whether arising in law or otherwise, and whether known or unknown, matured or contingent, arising under, in connection with, or relating to (i) the Prepetition Obligations and the DIP Facilities or (ii) the DIP Loan Documents and the Prepetition Documents, as applicable, including, without limitation, (a) any so-called “lender liability” or equitable subordination claims or defenses, (b) any and all “claims” (as defined in the Bankruptcy Code) and causes of action arising under the Bankruptcy Code, and (c) any and all offsets, defenses, claims, counterclaims, set off rights, objections, challenges, causes of action and/or choses in

action of any kind or nature whatsoever, whether arising at law or in equity, including any recharacterization, recoupment, subordination, avoidance, or other claim or cause of action arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state, federal, or foreign law, including, without limitation, any right to assert any disgorgement or recovery, in each case, with respect to the extent, amount, validity, enforceability, priority, security and perfection of any of the Prepetition Obligations and the DIP Obligations, the Prepetition Documents and the DIP Loan Documents, or the Prepetition Liens and the DIP Liens, and further waive and release any defense, right of counterclaim, right of setoff, or deduction to the payment of the Prepetition Obligations and the DIP Obligations that the Debtors now have or may claim to have against the Released Parties, arising under, in connection with, based upon, or related to any and all acts, omissions, conduct undertaken, or events occurring prior to entry of this Interim Order; provided, however, that nothing herein shall limit the ability of the Debtors to enforce the provisions of any DIP Loan Document, this Interim Order, or the Final Order. The Debtors are authorized in any payoff letter or similar agreement into which they enter upon payment in full in cash of any DIP Obligations (other than contingent DIP Obligations to Indemnified Parties) to provide a waiver and release substantially similar to the waiver and release set forth in this Section 5.17 of the applicable DIP Agent(s) and the applicable DIP Lenders and their respective related parties. Nothing in this Section 5.17 will limit Section 4.1

5.18 Survival. The provisions of this Interim Order, the validity, priority and enforceability of the DIP Liens, the DIP Superpriority Claims, the Prepetition Secured Parties Adequate Protection Liens, the Prepetition Secured Parties' Adequate Protection Claims, and any actions taken pursuant hereto shall survive, and shall not be modified, impaired or discharged by, entry of any order that may be entered (a) confirming any plan of reorganization in any of these

Cases, (b) converting any or all of these Cases to a case under chapter 7 of the Bankruptcy Code, (c) dismissing any or all of these Cases, (d) terminating the joint administration of these Cases or any other act or omission, (e) approving the sale of any DIP Collateral pursuant to section 363(b) of the Bankruptcy Code, or (f) pursuant to which the Court abstains from hearing any of these Cases. The terms and provisions of this Interim Order, including the claims, liens, security interests and other protections (as applicable) granted to the DIP Agents, the DIP Lenders and the Prepetition Secured Parties pursuant to this Interim Order, notwithstanding the entry of any such order, shall continue in any of these Cases, following dismissal of any of these Cases or any Successor Cases, and shall maintain their priority as provided by this Interim Order until (i) in respect of the DIP Facilities, all of the DIP Obligations, pursuant to the DIP Loan Documents and this Interim Order, have been indefeasibly paid in full in cash (such payment being without prejudice to any terms of provisions contained in the DIP Facilities which survive such discharge by their terms) and all commitments to extend credit under the DIP Facilities are terminated, and (ii) in respect of the Prepetition Obligations, all of the adequate protection obligations owed to the Prepetition Secured Parties provided for in this Interim Order and under the Prepetition Documents have been indefeasibly paid in full in cash.

5.19 Sale and Credit Bidding. In connection with any sale process or sale authorized by the Court, subject to the rights preserved in Section 4.1 hereof with respect to the Prepetition Obligations, each of the DIP Secured Parties and Prepetition Secured Parties, or any assignee or designee of the foregoing, shall have the right to credit bid any or all of the obligations outstanding under the DIP Revolver Facility, DIP Term Loan Facility, the Prepetition ABL Facility, and/or Prepetition Term Loan Obligations, as applicable, in connection with any disposition of property of the Estates subject to the provisions of section 363(k) of the Bankruptcy Code, and neither the

Debtors nor any Prepetition Secured Party shall oppose such right. Each of the DIP Agents and the Prepetition Agents reserves any and all rights under the Prepetition Intercreditor Agreement with respect to any credit bid by the DIP Secured Parties and Prepetition Secured Parties.

5.20 Proofs of Claim. None of the Prepetition Secured Parties shall be required to file proofs of claim in any of these Cases or subsequent cases of any of the Debtors under any chapter of the Bankruptcy Code, and the Debtors' Stipulations in this Interim Order shall be deemed to constitute a timely filed proof of claim against the applicable Debtor(s). Notwithstanding the foregoing, each Prepetition Agent (on behalf of itself and the applicable Prepetition Lenders) is hereby authorized and entitled, in its discretion, but not required, to file (and amend and/or supplement, as applicable) a master proof of claim in the Debtors' lead Case (and such master proof of claim shall be also deemed filed in each of the Debtors' individual Cases) for any claims of the applicable Prepetition Secured Parties arising from the Prepetition Documents or in respect of the Prepetition Obligations; provided, however, that nothing in this Interim Order shall waive the right of any Prepetition Lender to file its own proof of claim against any of the Debtors.

5.21 No Third Party Rights. Except as specifically provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holders, or any direct, indirect, or incidental beneficiary.

5.22 P-Card Programs. JPMorgan and Debtor Armstrong Flooring, Inc. are parties to that certain Master Commercial Card Agreement, dated as of April 1, 2016 (as amended, supplemented, restated or replaced from time to time (the "P-Card Agreement"). Pursuant to the P-Card Agreement, prior to the Petition Date, JPMorgan provided commercial card services to Debtor Armstrong Flooring, Inc., as further described in the P-Card Agreement (the "P-Card Program"). Debtor Armstrong Flooring, Inc. is authorized, but not directed, to continue to use in

the ordinary course of business the P-Card Program provided by JPMorgan and its affiliates pursuant to the terms of the P-Card Agreement, to honor all past and future obligations arising under the P-Card Program (the “P-Card Obligations”), and to make timely payments to JPMorgan in respect of the P-Card Obligations, including making payments on account of charges that were made under the P-Card Program prior to the Petition Date. In the event the Debtors fail to make any timely payment to JPMorgan in respect of the P-Card Obligations, JPMorgan is authorized, in its discretion, to terminate the P-Card Program; *provided, however*, that any such termination (a) must be consistent with the terms and provisions of the agreement between Debtor Armstrong Flooring, Inc. and JPMorgan governing the P-Card Program, and (b) must not be effectuated on less than five (5) days advanced written notice to the Debtors. The P-Card Obligations are Secured Obligations as defined in the Prepetition ABL Credit Agreement and the Revolver DIP Documents.

5.23 No Avoidance. No obligations incurred or payments or other transfers made by or on behalf of the Debtors on account of the DIP Facilities shall be avoidable or recoverable from the DIP Agents or the DIP Lenders under any section of the Bankruptcy Code, or any other federal, state, or other applicable law, *provided* that nothing within this paragraph is intended to limit or curtail the provisions of Section 4.1 hereof, with respect to the Prepetition Obligations.

5.24 Reliance on Order. All postpetition advances under the DIP Loan Documents are made in reliance on this Interim Order.

5.25 Payments Free and Clear. Subject to Section 4.1, except solely for payments made using assets that are subject to Permitted Prior Liens, any and all payments or proceeds remitted to the DIP Agents on behalf of the applicable DIP Secured Parties or the Prepetition Agents on behalf of the applicable Prepetition Secured Parties, pursuant to the provisions of this Interim

Order, any subsequent order of this Court or the DIP Loan Documents, shall, subject to the terms of this Section 5.23, be irrevocable, received free and clear of any claims, charge, assessment or other liability, including, without limitation, any such claim or charge arising out of or based on, directly or indirectly, section 506(c) of the Bankruptcy Code or section 552(b) of the Bankruptcy Code, whether asserted or assessed by, through or on behalf of the Debtors, and in the case of payments made or proceeds remitted after the delivery of a Trigger Notice, subject to the Carve Out in all respects.

5.26 Limited Effect. In the event of a conflict between the terms and provisions of any of the DIP Loan Documents and this Interim Order, the terms and provisions of this Interim Order shall govern.

5.27 Headings. Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order.

5.28 Bankruptcy Rules. The requirements of Bankruptcy Rules 4001, 6003 and 6004, in each case to the extent applicable, are satisfied by the contents of the Motion.

5.29 General Authorization. The Debtors, the DIP Secured Parties and the Prepetition Secured Parties are authorized to take any and all actions necessary to effectuate the relief granted in this Interim Order.

5.30 Retention of Exclusive Jurisdiction. This Court shall retain exclusive jurisdiction and power with respect to all matters arising from or related to the implementation or interpretation of this Interim Order, the DIP Loan Agreements and the other DIP Loan Documents.

5.31 Final Hearing and Response Dates. The Final Hearing on the Motion pursuant to Bankruptcy Rule 4001(c)(2) will be held on June 3, 2022, at 10:30 a.m., prevailing Eastern Time. The Debtors shall promptly mail copies of this Interim Order to the Notice Parties, and to any other

party that has filed a request for notices with this Court and to any Committee after same has been appointed, or the Committee's counsel if same shall have filed a request for notice. The Debtors may serve the Motion and this Interim Order without the exhibits attached thereto as such exhibits are voluminous and available, free of charge, at the Debtors' claims and noting agent's website: www.epiq11.com/case/armstrongflooring/info, and such notice is deemed good and sufficient and no further notice need be given. Any party in interest objecting to the relief sought at the Final Hearing shall serve and file written objections, which objections shall be served upon the Notice Parties and shall be filed with the Clerk of the Court, in each case, to allow actual receipt of the foregoing no later than 4:00 p.m. (prevailing Eastern Time), on May 31, 2022.

Dated: May 17th, 2022
Wilmington, Delaware

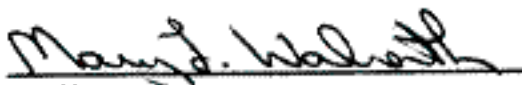

MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Revolver DIP Agreement

**SENIOR SECURED, SUPER-PRIORITY
DEBTOR-IN-POSSESSION CREDIT AGREEMENT**

Dated as of May 17, 2022

among

ARMSTRONG FLOORING, INC.,
as the Borrower,

THE SUBSIDIARIES OF THE BORROWER PARTY HERETO,
as the Guarantors,

BANK OF AMERICA, N.A.,
as Administrative Agent, Collateral Agent,
Swingline Lender and L/C Issuer,

BOFA SECURITIES, INC.,
and
JPMORGAN CHASE BANK, N.A.,
as Joint Lead Arrangers and Joint Bookrunners,

BANK OF AMERICA, N.A.,
and
JPMORGAN CHASE BANK, N.A.,
as Co-Syndication Agents,

and

THE LENDERS PARTY HERETO

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**SENIOR SECURED, SUPER-PRIORITY
DEBTOR-IN-POSSESSION CREDIT AGREEMENT**

This **SENIOR SECURED, SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT** is entered into as of May 17, 2022, among Armstrong Flooring, Inc., a Delaware corporation (the “Borrower”), the Guarantors (defined herein), the Lenders (defined herein), and BANK OF AMERICA, N.A., as Administrative Agent, Collateral Agent, Swingline Lender and L/C Issuer (each, as defined herein).

PRELIMINARY STATEMENTS:

A. On May 8, 2022 (the “Petition Date”), the Borrower and certain of the Guarantors (collectively, the “Debtors” and each individually, a “Debtor”), commenced chapter 11 Case Nos. 22-10426 through 22-10429, as administratively consolidated as chapter 11 Case No. 22-10426 (collectively, the “Chapter 11 Cases” and each individually, a “Chapter 11 Case”), with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. Prior to the Petition Date, the Lenders provided financing to the Borrower pursuant to that certain Credit Agreement, dated as of December 31, 2018 (as amended, restated, modified, waived or supplemented through the Petition Date, the “Prepetition ABL Credit Agreement”) by and among the Borrower, the Guarantors, Bank of America, N.A., as administrative agent (in such capacity, the “Prepetition ABL Agent”), and the lenders from time to time party thereto (collectively, the “Prepetition ABL Lenders”).

C. As of the Petition Date, the Prepetition ABL Lenders under the Prepetition ABL Credit Agreement were owed: approximately \$54,484,003.67 in outstanding principal with respect to Loans (as such term is defined in the Prepetition ABL Credit Agreement), plus outstanding Letters of Credit (as such term is defined in the Prepetition ABL Credit Agreement) in the stated amount of \$9,614,407, plus interest, fees, costs and expenses and all other Prepetition ABL Obligations (as defined below) under the Prepetition ABL Credit Agreement; such total Prepetition ABL Obligations being in an aggregate amount of \$64,616,498.73.

D. The Prepetition ABL Obligations are secured by a security interest in certain existing and after-acquired assets of the Loan Parties as more fully set forth in the Prepetition ABL Loan Documents (as defined below) and such security interest is perfected and has, with certain exceptions as described in the Prepetition ABL Loan Documents, priority over other security interests;

E. The Borrower has requested, and, upon the terms and conditions set forth in this Agreement, the Lenders have agreed to make available to the Borrower, a senior secured, super-priority revolving credit facility of up to \$90,000,000 in the aggregate to fund the working capital requirements of the Loan Parties and other transactions as more fully set forth in Section 6.11 during the pendency of the Chapter 11 Cases;

F. Each Loan Party has agreed to secure all of the Obligations under the Loan Documents by granting to the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties, a security interest in and lien upon substantially all of their existing and after-acquired personal and real property (subject to the limitations and priorities contained in the Loan Documents and the Orders);

G. Each Loan Party's business is a mutual and collective enterprise and the Loan Parties believe that the loans and other financial accommodations to the Borrower under this Agreement will enhance the borrowing power of the Borrower and facilitate the administration of the Chapter 11 Cases and their loan relationship with the Administrative Agent and the Lenders, all to the mutual advantage of the Loan Parties;

H. Each Loan Party acknowledges that it will receive substantial direct and indirect benefits by reason of the making of loans and other financial accommodations to the Borrower as provided in this Agreement; and

I. The Administrative Agent's and the Lenders' willingness to extend financial accommodations to the Borrower, as more fully set forth in this Agreement and the other Loan Documents, is done solely as an accommodation to the Loan Parties and at the Loan Parties' request and in furtherance of the Loan Parties' mutual and collective enterprise.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

“Actual Cash Disbursements” means the sum of all cash expenditures made by the Loan Parties during the relevant period of determination which corresponds to the budgeted cash expenditures described in the line item contained in the Approved Budget across from the heading “Memo: Total Disbursements”, as determined in a manner consistent with the Approved Budget.

“Actual Cash Receipts” means the sum of all cash receipts received by the Loan Parties (excluding any borrowings under this Agreement or the DIP Term Loan Agreement) during the relevant period of determination which corresponds to the budgeted cash receipts described in the line item contained in the Approved Budget across from the heading “Total Receipts”, as determined in a manner consistent with the Approved Budget.

“Actual Net Cash Flow” shall mean the actual net cash flow of the Loan Parties during the relevant period of determination which corresponds to the budgeted net cash flow described in the line item contained in the Approved Budget across from the heading “Net Cash Flow”, as determined in a manner consistent with the Approved Budget.

“Additional Secured Obligations” means (a) all obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements and (b) all costs and expenses incurred in connection with enforcement and collection of the foregoing, including the fees, charges and disbursements of counsel, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, expenses and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, expenses and fees are allowed claims in such proceeding; provided that Additional

Secured Obligations of a Guarantor shall exclude any Excluded Swap Obligations with respect to such Guarantor.

“Adequate Protection Liens” has the meaning assigned to the term “Prepetition Secured Parties Adequate Protection Liens” in the Interim Order (or the Final Order, when applicable).

“Adequate Protection Superpriority Claims” has the meaning assigned to the term “Prepetition Secured Parties Adequate Protection Claims” in the Interim Order (or the Final Order, when applicable).

“Administrative Agent” means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Advisors” has the meaning specified in Section 6.29.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 1.01(a), or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; provided that in no event shall the Chief Transformation Officer be an Affiliate of any Loan Party or Subsidiary thereof for purposes of the Loan Documents.

“AFI Australia” means Armstrong Flooring Pty Ltd ACN 004 747 942.

“AFI Australia Intercompany Note” has the meaning specified therefore in the Prepetition ABL Credit Agreement.

“AFI Australia Reaffirmation and Confirmation Agreement” means that certain Reaffirmation and Confirmation Agreement dated as of the Effective Date between, among others, AFI Australia and the Australian Security Trustee pursuant to which, among other things, AFI Australia ratifies and reaffirms all of its guarantee, pledge, payment and performance obligations under the Prepetition ABL Credit Agreement, including, without limitation, any grant of security interests and subordination arrangements contained in the Prepetition ABL Loan Documents, provided that the guaranteed amount of secured obligations with respect to the foregoing shall equal, but not exceed, \$30,000,000.

“AFI Australia Subordination Agreement” means that certain Subordination Agreement, dated as of December 30, 2021, among AFI Australia, the Administrative Agent and the DIP Term Loan Agent, as reaffirmed and confirmed by the AFI Australia Reaffirmation and Confirmation Agreement.

“Agents” means the collective reference to the Administrative Agent, the Collateral Agent, the Lead Arrangers and the Syndication Agents, or any of them, as the context may require.

“Aggregate Commitments” means the Commitments of all the Lenders.

“Agreement” means this Credit Agreement.

“Applicable Percentage” means, with respect to any Revolving Lender at any time, the percentage (carried out to the ninth decimal place) of the Revolving Facility represented by such Revolving Lender’s Revolving Commitment at such time, subject to adjustment as provided in Section 2.15. If the Commitment of all of the Revolving Lenders to make Revolving Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02, or if the Revolving Commitments have expired, then the Applicable Percentage of each Revolving Lender in respect of the Revolving Facility shall be determined based on the Applicable Percentage of such Revolving Lender in respect of Revolving Facility most recently in effect, giving effect to any subsequent assignments. The Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 1.01(b) or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“Applicable Revolving Percentage” means with respect to any Revolving Lender at any time, such Revolving Lender’s Applicable Percentage in respect of the Revolving Facility at such time.

“Appropriate Lender” means, at any time, (a) with respect to the Revolving Facility, a Revolving Lender that has a Commitment with respect to the Revolving Facility or holds a Loan under the Revolving Facility at such time, (b) with respect to the Letter of Credit Sublimit, (i) the L/C Issuer and (ii) if any Letters of Credit have been issued pursuant to Section 2.03, the Revolving Lenders and (c) with respect to the Swingline Sublimit, (i) the Swingline Lender and (ii) if any Swingline Loans are outstanding pursuant to Section 2.04(a), the Revolving Lenders.

“Appraised Value” has the meaning ascribed to such term in the DIP Term Loan Agreement as in effect on the Effective Date.

“Approved Bid Procedures” means bid procedures in effect after giving effect to any Approved Bid Procedures Order.

“Approved Bid Procedures Order” means a bid procedures order reasonably acceptable to the Administrative Agent with respect to the relief sought in the Asset Sale Motion.

“Approved Budget” means the budget prepared by the Borrower in the form of Annex A, as the same may be updated, modified or supplemented from time to time as provided in Section 6.27, in each case to the extent approved by the Administrative Agent and the Required Lenders as set forth in Section 6.27.

“Approved Budget Variance Report” means a weekly report provided by the Borrower to the Administrative Agent (i) showing, in each case, by line item the Actual Cash Receipts, the Actual Cash Disbursements, the Actual Net Cash Flow, Availability and Liquidity for the last day of the Prior Week, the Cumulative Two-Week Period (only for such weekly report delivered the third calendar week following the Petition Date), the Cumulative Three-Week Period, noting therein all variances required by Section 6.27, on a line-item and cumulative basis, from the amounts set forth for such period in the Approved Budget, and shall include narrative explanations for all variances of +/- 10% or more, and (ii) certified by a Responsible Officer of the Borrower Agent. The Approved Budget Variance Report shall be in a form, and shall contain supporting information, reasonably satisfactory to the Administrative Agent in its sole discretion.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arranger” means BofA Securities, Inc., in its capacity as a Lead Arranger.

“Asset Sale Motion” has the meaning ascribed to such term in the Interim Order.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit B or any other form (including an electronic documentation form generated by use of an electronic platform) approved by the Administrative Agent.

“Assignment of Claims Act” means, collectively, 31 U.S.C. § 3727 (Assignment of Claims) and 41 U.S.C. § 15 (Transfers of Contracts/Assignment of Claims; Assignment Not Subject to Reduction or Setoff).

“Attributable Indebtedness” means, on any date, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease or similar payments under the relevant lease or other applicable agreement or instrument that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease or other agreement or instrument were accounted for as a Capitalized Lease.

“Automatic Stay” shall mean the automatic stay provided under Section 362 of the Bankruptcy Code.

“Availability” means the sum of (a) the Borrowing Base minus (b) the Total Revolving Outstandings minus (c) the aggregate outstanding principal amount of the Subject Prepetition ABL Obligations.

“Availability Period” means the period from and including the Effective Date to the Maturity Date.

“Availability Reserve” means the sum (without duplication) of (a) the Inventory Reserve; (b) the Rent and Charges Reserve; (c) the Warranty Reserve; (d) the Dilution Reserve; (e) the Bank Product Reserve; (f) the CV Reserve; (g) liabilities secured by Liens upon Collateral that are or may be senior to the Administrative Agent’s Liens (but imposition of any such reserve shall not waive an Event of Default arising therefrom); (h) the Carve Out Reserve, reserves for reclamation or similar claims and such matters as may relate to or arise during the Chapter 11 Cases; (i) the Back-End Carve Out Reserve; and (j) additional reserves, in such amounts and with respect to such matters, as Agent in its Permitted Discretion may elect to impose from time to time.

“Avoidance Action” means any and all claims and causes of action of any Borrower’s estate arising under sections 542, 544, 545, 547, 548, 549, 550, 551, 553(b) or 724(a) of the Bankruptcy Code, together with any proceeds therefrom.

“Avoided Payment” has the meaning assigned to such term in Section 2.17(b).

“Back-End Carve Out Reserve” means a reserve in the amount of \$500,000 for excess professional fees and expenses, as further described on Schedule 1.01(e).

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bank of America” means Bank of America, N.A. and its successors.

“Bank Product Reserve” means a reserve equal to the Secured Obligations then owing under Secured Hedge Agreements and Secured Cash Management Agreements.

“Bankruptcy Code” means Title 11 of the United States Code.

“Bankruptcy Court” has the meaning assigned to such term in the Recitals.

“Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure, as the same may from time to time be in effect and applicable to the Chapter 11 Cases.

“Base Rate” means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate,” and (c) Term SOFR for a one month interest period as of such day; provided that if the Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

“Base Rate Loan” means a Revolving Loan that bears interest based on the Base Rate.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Borrower” means Armstrong Flooring, Inc., a Delaware corporation.

“Borrower Materials” has the meaning specified in Section 6.02.

“Borrowing” means a Revolving Borrowing or a Swingline Borrowing, as the context may require.

“Borrowing Base” means, on any date of determination, an amount equal to the lesser of:

- (a) the aggregate Revolving Commitments; or
- (b) the sum of, without duplication:
 - (i) the Value of Eligible Accounts of Account Debtors with a Corporate Rating of at least BBB- by S&P and Baa3 by Moody’s multiplied by the advance rate of 90%, plus
 - (ii) the Value of Eligible Accounts of Account Debtors not covered by clause (a) above multiplied by the advance rate of 85%, plus
 - (iii) the lesser of (i) 70% of the Value of Eligible Inventory and (ii) 85% of the NOLV Percentage of the Value of Eligible Inventory, minus
 - (iv) all Availability Reserves, any change therein to become effective immediately upon notification thereof to the Borrower by the Administrative Agent.

The Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Report theretofore delivered to the Administrative Agent with such adjustments as the Administrative Agent deems appropriate in its Permitted Discretion to assure that the Borrowing Base is calculated in accordance with the terms of this Agreement.

“Borrowing Base Report” means a report of the Borrowing Base, in form and substance satisfactory to the Administrative Agent.

“Budget Compliance Certificate” means a certificate substantially in the form of Exhibit C.

“Budget Modification” has the meaning specified in Section 6.27(a).

“Budgeted Net Cash Flow” means the line item contained in the Approved Budget across from the heading “Net Cash Flow” during the relevant period of determination.

“Budgeted Total Disbursements” means the line item contained in the Approved Budget across from the heading “Memo: Total Disbursements” during the relevant period of determination.

“Budgeted Total Receipts” means the line item contained in the Approved Budget across from the heading “Total Receipts” during the relevant period of determination.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located.

“Businesses” means, at any time, a collective reference to the businesses operated by Borrower and its Subsidiaries at such time.

“Capital Stock” means (i) in the case of a corporation, capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (iii) in the case of a partnership, partnership interests (whether general or limited), (iv) in the case of a limited liability company, membership interests and (v) any other interest or

participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Capital Stock Equivalents” means warrants, options or other rights for the purchase, acquisition or exchange of any items of Capital Stock (including through convertible securities).

“Capitalized Leases” means, subject to Section 1.03(b), all leases that have been or should be, in accordance with GAAP (as in effect prior to the adoption and/or effectiveness of Accounting Standards Codification 842 (Leases) or any replacement, successor or similar account pronouncement), recorded as capitalized leases.

“Carve Out” has the meaning assigned to the term “Carve Out” in the Interim Order (or Final Order, when applicable).

“Carve Out Reserve” means a reserve to be established by the Administrative Agent and calculated on a weekly basis in an amount equal to (but not in excess of) the difference between the amount of professional fees budgeted to be deposited into the Professional Fee Reserve (as defined in the Orders) during such week in accordance with the Approved Budget minus the amount professional fees actually deposited into the Professional Fee Reserve for such week; provided, that (a) in no event shall any weekly increase in the Carve Out Reserve exceed the amount of professional fees budgeted under the Approved Budget for such week and (b) if during any week an amount equal to at least the budgeted amount under the Approved Budget is deposited into the Professional Fee Reserve, then there shall be no increase in the Carve Out Reserve for such week.

“Cash Collateralize” means the delivery of cash to the Administrative Agent, as security for the payment of Secured Obligations, in an amount equal to (a) with respect to L/C Obligations, one hundred and five percent (105%) of the aggregate L/C Obligations, and (b) with respect to any inchoate, contingent or other Secured Obligations, the Administrative Agent’s good faith estimate of the amount due or to become due, including fees, expenses and indemnification hereunder. “Cash Collateral” has a correlative meaning.

“Cash Equivalents” means (a) marketable obligations issued or unconditionally guaranteed by, and backed by the full faith and credit of, the U.S. government, maturing within twelve (12) months of the date of acquisition; (b) certificates of deposit, time deposits and bankers’ acceptances maturing within twelve (12) months of the date of acquisition, and overnight bank deposits, in each case which are issued by Bank of America or a commercial bank organized under the laws of the United States or any state or district thereof, rated A-1 (or better) by S&P or P-1 (or better) by Moody’s at the time of acquisition, and (unless issued by a Lender) not subject to offset rights; (c) repurchase obligations with a term of not more than thirty (30) days for underlying investments of the types described in clauses (a) and (b) entered into with any bank described in clause (b); (d) commercial paper issued by Bank of America or rated A-1 (or better) by S&P or P-1 (or better) by Moody’s, and maturing within nine (9) months of the date of acquisition; and (e) shares of any money market fund that has substantially all of its assets invested continuously in the types of investments referred to above, has net assets of at least \$500,000,000 and has the highest rating obtainable from either Moody’s or S&P.

“Cash Management Agreement” means any agreement that is not prohibited by the terms hereof to provide treasury or cash management services, including deposit accounts, overnight draft, credit cards, debit cards, commercial credit and merchant card services (including purchasing cards and e-payables), funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

“Cash Management Bank” means any Person in its capacity as a party to a Cash Management Agreement that, (a) at the time it enters into a Cash Management Agreement with a Loan Party or any Subsidiary, is a Lender or an Affiliate of a Lender, or (b) at the time it (or its Affiliate) becomes a Lender, is a party to a Cash Management Agreement with a Loan Party or any Subsidiary, in each case in its capacity as a party to such Cash Management Agreement (even if such Person ceases to be a Lender or such Person’s Affiliate ceased to be a Lender); provided, however, that for any of the foregoing to be included as a “Secured Cash Management Agreement” on any date of determination by the Administrative Agent, the applicable Cash Management Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

“Cash Management Order” means the order of the Bankruptcy Court entered in the Chapter 11 Cases after the “first day” hearing, together with all extensions, modifications and amendments thereto, in form and substance reasonably satisfactory to the Administrative Agent, which among other matters authorizes the Debtors to maintain their existing cash management and treasury arrangements (as set forth in the Prepetition ABL Credit Agreement and the Orders) or such other arrangements as shall be reasonably acceptable to the Administrative Agent in all material respects.

“CFC” means a Person that is a controlled foreign corporation under Section 957 of the Code.

“Change in Law” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means an event or series of events by which:

- (a) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, of fifty percent (50%) or more of the Equity Interests of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such securities that such “person” or “group” has the right to acquire pursuant to any option right); or
- (b) a “change of control” or similar event, as defined in the DIP Term Loan Agreement or any other DIP Term Loan Document shall have occurred.

“China Facility” means (a) that certain RMB 10 million line of credit extended by the Bank of China, Wujiang Branch to the Borrower, which, as of the Effective Date, expires on or about March 27, 2023, and (b) that certain RMB 60 million line of credit extended by Mingshen Bank, which, as of the Effective Date, will expire on or about August 31, 2022.

“Chapter 11 Case” and “Chapter 11 Cases” each have the meaning specified in the Recitals.

“Chief Transformation Officer” means Dalton Edgecomb of Riveron Management Services, LLC, in his capacity as chief transformation officer of the Borrower (or any successor reasonably acceptable to the Administrative Agent).

“CME” means CME Group Benchmark Administration Limited.

“Code” means the Internal Revenue Code of 1986.

“Collateral” means all of the “Collateral” referred to in the Collateral Documents and all of the other property that is or is intended under the terms of the Collateral Documents to be subject to Liens in favor of the Collateral Agent for the benefit of the Secured Parties, including, without limitation, the “DIP Collateral” as referred to in the Orders, it being understood that “Collateral” hereunder shall include all such “DIP Collateral” irrespective of whether any such property was excluded from “Collateral” (as defined in the Prepetition ABL Credit Agreement) pursuant to the Prepetition ABL Loan Documents. The Collateral shall exclude all Excluded Property.

“Collateral Documents” means, collectively, the Orders, each Joinder Agreement, each IP Security Agreement, each of the mortgages, each of the collateral assignments, security agreements, pledge agreements, mortgages or other similar agreements delivered to the Administrative Agent pursuant to Section 6.14 and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

“Collateral Agent” means Bank of America in its capacity as collateral agent for the holders of the secured obligations identified in the Collateral Documents, and its successors and assigns in such capacity.

“Committee” means the official committee of unsecured creditors appointed in the Chapter 11 Cases by the U.S. Trustee, if any.

“Commitment” means a Revolving Commitment.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*), as amended from time to time, and any successor statute.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated” means, when used with reference to financial statements or financial statement items of the Borrower and its Subsidiaries or any other Person, such statements or items on a consolidated basis in accordance with the consolidation principles of GAAP.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Control Agreement” means an agreement, in form and substance satisfactory to the Administrative Agent, among the applicable Loan Party, the Administrative Agent and a financial institution or securities intermediary, with respect to a Deposit Account or Securities Account maintained by such Loan Party with such financial institution or securities intermediary.

“Controlled Account” means, as the context may require, a Deposit Account and/or Securities Account that is subject to a first-priority security interest and Lien in favor of the Administrative Agent.

“Copyright License” means any written agreement, naming any Grantor as licensor, granting any right under any Copyright.

“Copyrights” means (a) all registered United States copyrights in all Works, now existing or hereafter created or acquired, all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Copyright Office and (b) all renewals thereof.

“Corporate Rating” means, as of any date of determination, the rating as determined by either S&P or Moody’s (collectively, the “Corporate Ratings”) of the corporate credit rating or corporate family rating of any Person.

“Credit Extension” means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

“Cumulative Three-Week Period” means the three-week period up to and through the Saturday of the most recent week then ended.

“Cumulative Two-Week Period” means the two-week period up to and through the Saturday of the most recent week then ended.

“CV Reserve” means a reserve to be established by the Administrative Agent on the Effective Date in the amount of (a) from the Effective Date through until the commencement of the CV Reserve Reduction Period, \$4,000,000, (b) during the CV Reserve Reduction Period, an amount equal to (i) \$4,000,000 minus (ii) the CV Reserve Reduction Amount through the end of the immediately preceding week (as determined by the Administrative Agent based upon the “CV Payment” line item in the Approved Budget and critical vendor payment reporting provided by the Borrower in accordance with the Final Order), and (c) at any time on or after the CV Reserve Termination Date, \$0.

“CV Reserve Reduction Amount” means, as of any date of calculation, an amount equal to the greater of (a) 50% of an amount equal to the sum of (i) the cumulative amount of critical vendor payments reported to the Administrative Agent by the Borrower from the Petition Date through the end of the immediately preceding week and for which the CV Reserve Reduction Conditions have been met, minus (ii) \$6,000,000 and (b) zero.

“CV Reserve Reduction Conditions” means (a) with respect to any applicable critical vendor payment, such payment is permitted under the Approved Budget, and (b) during the CV Reserve Reduction Period, (i) the Administrative Agent has given express written consent (which may be by electronic mail and which consent shall not be unreasonably withheld, conditioned or delayed) for a critical vendor payment after consultation with the Company or (ii) the Administrative Agent has not given express written

consent to a critical vendor payment after consultation with the Company, the CV Reserve Termination Date has not occurred and the Company files a motion with the Bankruptcy Court for authority to make such critical vendor payment (subject to any objection by the Administrative Agent) and the Bankruptcy Court authorizes such critical vendor payment.

“CV Reserve Reduction Period” means the period (a) commencing on the date that the cumulative amount of all critical vendor payments made by the Loan Parties and reported to the Administrative Agent by the Borrower since the Petition Date is equal to at least \$6,000,000 (which date is anticipated to occur during the week ending May 29, 2022) and (b) ending on the CV Reserve Termination Date.

“CV Reserve Termination Date” means the first to occur of (a) the date that the CV Reserve Reduction Amount is equal to at least \$4,000,000 and (b) the date that the Administrative Agent and the DIP Term Loan Agent are reasonably satisfied that the Company has received one or more binding bids that will provide an aggregate available amount of proceeds (net of any working capital or similar adjustments contemplated by such bids) sufficient to result in the payment in full in cash of all the Secured Obligations and all the DIP Term Loan Obligations.

“Debt Issuance” means the issuance by any Loan Party or any Subsidiary of any Indebtedness other than Indebtedness permitted under Section 7.03.

“Debtor Relief Laws” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means a rate per annum equal to two percent (2%) in excess of the rate otherwise applicable thereto, to the fullest extent permitted by applicable Law.

“Defaulting Lender” means, subject to Section 2.15(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the L/C Issuer, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two (2) Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, the L/C Issuer or the Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of

creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuer, the Swingline Lender and each other Lender promptly following such determination.

“Designated Disbursement Account” means a segregated, special account established by the Borrower at Bank of America or another bank acceptable to the Administrative Agent, that the Borrower has designated in writing to the Administrative Agent on or before the Effective Date and as being the account into which Loan proceeds will be deposited thereafter and from which Borrower will cause to be paid the Ordinary Course of Business amounts then due and owing by the Borrower or any of its Subsidiaries; provided, that (i) no funds or amount of funds other than proceeds of Loans shall be deposited therein and (ii) in no event shall any proceeds of, or funds constituting, Collateral or DIP Term Loan Priority Collateral be deposited into such account.

“Designated Jurisdiction” means any country, region or territory to the extent that such country, region or territory is the subject of any comprehensive Sanction.

“Dilution Percent” means the percent, determined for the Borrower for the most recent fiscal quarter, equal to (a) bad debt write-downs or writeoffs, discounts, returns, promotions, credits, credit memos and other dilutive items with respect to the Borrower’s Accounts, *divided by* (b) gross sales of the Borrower.

“Dilution Reserve” means the aggregate amount of reserves, as established by the Administrative Agent from time to time, in an amount equal to the sum of (a) with respect to Eligible Accounts of Account Debtors with a Corporate Rating of Ba1 or BB+ or below or without a Corporate Rating, the Value of such Eligible Accounts *multiplied by* the Borrower’s Dilution Percent (or such other calculation procedure as may be agreed by the Administrative Agent and the Borrower), plus (b) with respect to all other Eligible Accounts, the Value of such Eligible Accounts *multiplied by* the sum of (i) the Dilution Percent used in clause (a) plus (ii) 2.5%.

“DIP ABL Priority Collateral” means the “Prepetition ABL Priority Collateral” (as such term is defined in the Orders) that is also DIP Collateral (as such term is defined in the Order).

“DIP Term Loan Agent” means, initially, Pathlight Capital LP, in its capacity as administrative agent and collateral agent for the DIP Term Loan Lenders and any successor, joint or replacement “Agent” (or such similar defined term used therein) as such term is defined in the DIP Term Loan Agreement.

“DIP Term Loan Agreement” means that certain Senior Secured, Super Priority Debtor-In-Possession Term Loan Agreement dated as of the Effective Date, by and among Company, the other Loan Parties defined therein, the DIP Term Loan Agent, and the DIP Term Loan Lenders party thereto, as in

effect on the Effective Date and as may be amended from time to time in accordance with the Prepetition Intercreditor Agreement.

“DIP Term Loan Documents” means the “Loan Documents” as defined in the DIP Term Loan Agreement, each as in effect on the Effective Date and as each may be amended from time to time in accordance with the Prepetition Intercreditor Agreement.

“DIP Term Loan Facility” means the term loan facility provided by the DIP Term Loan Lenders under the DIP Term Loan Agreement in an aggregate principal amount not less than \$37,333,333.

“DIP Term Loan Lenders” means the “Lenders” under and as defined in the DIP Term Loan Agreement.

“DIP Term Loan Obligations” means the “Obligations” as defined in the DIP Term Loan Agreement.

“DIP Term Loan Proceeds Account” means the deposit account of the Borrower, which shall not be a Controlled Account, to be established with JPMorgan Chase Bank, N.A. or another bank reasonably acceptable to the Administrative Agent in accordance with the DIP Term Loan Agreement; all amounts held therein being acknowledged as constituting DIP Term Loan Priority Collateral.

“DIP Term Loan Required Lenders” means the “Required Lenders” under and as defined in the DIP Term Loan Agreement.

“DIP Term Loan Priority Collateral” means the “Prepetition Term Priority Collateral” (as such term is defined in the Orders) that is also DIP Collateral (as such term is defined in the Orders).

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (including any Sale and Leaseback Transaction) of any Property by Borrower or any of its Subsidiaries (including the Capital Stock of any Subsidiary), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, including any disposition of property to a Delaware Divided LLC pursuant to a Delaware LLC Division, but excluding: (a) the Permitted Transfers; (b) any sale, lease, license, transfer or other disposition of Property to any Loan Party; (c) any Disposition to the extent constituting a Permitted Investment; and (d) any sale, lease, license, transfer or other disposition of Property by any Foreign Subsidiary to Borrower or any of its Subsidiaries.

“Division” means the creation of one or more new limited liability companies by means of any statutory division of a limited liability company pursuant to any applicable limited liability company act or similar statute of any jurisdiction. “Divide” shall have a meaning correlative to the foregoing.

“Dollar” and “\$” mean lawful money of the United States.

“Domestic Subsidiary” means any Subsidiary that is organized under the laws of any political subdivision of the United States.

“Dominion Account” means one or more special accounts established by the Borrower at Bank of America or another bank reasonably acceptable to the Administrative Agent, over which the Administrative Agent has exclusive control for withdrawal purposes.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity

established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the first date, which shall be no later than five (5) days after the Petition Date, upon which all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 11.01.

“Eligible Account” means an Account owing to the Borrower that arises in the Ordinary Course of Business from the sale of goods or rendition of services, is payable in Dollars and is deemed by the Administrative Agent, in its Permitted Discretion, to be an Eligible Account. Without limiting the foregoing, no Account shall be an Eligible Account if (a) it is unpaid for more than sixty (60) days after the original due date; (b) 50% or more of the Accounts owing by the Account Debtor are not Eligible Accounts under the foregoing clause; (c) (i) except with respect to Accounts of Home Depot, Lowes Home Improvement and The Belknap White Group, Inc., when aggregated with other Accounts owing by the Account Debtor, it exceeds 10% of the aggregate Eligible Accounts (or such higher percentage as the Administrative Agent may establish for the Account Debtor from time to time), (ii) with respect to Accounts of Home Depot or Lowes Home Improvement, when the Accounts owing by such Account Debtors are aggregated with all other Accounts owing by such Account Debtor and its Affiliates, it exceeds 35% of the aggregate Eligible Accounts and (iii) with respect to Accounts of The Belknap White Group, Inc., when the Accounts owing by The Belknap White Group, Inc. are aggregated with all other Accounts owing by The Belknap White Group, Inc. and its Affiliates, it exceeds 25% of the aggregate Eligible Accounts; (d) it does not conform with a covenant or representation herein; (e) it is owing by a creditor or supplier, or is otherwise subject to a potential offset, counterclaim, dispute, deduction, discount, recoupment, reserve, defense, chargeback, credit or allowance (but ineligibility shall be limited to the amount thereof); (f) a proceeding under any Debtor Relief Law has been commenced by or against the Account Debtor; or the Account Debtor has failed, has suspended or ceased doing business, is liquidating, dissolving or winding up its affairs, is not Solvent, or is the target of any Sanction or on any specially designated nationals list maintained by OFAC; or the Borrower is not able to bring suit or enforce remedies against the Account Debtor through judicial process; (g) the Account Debtor is organized or has its principal offices or assets outside of the United States, unless the Account is supported by a letter of credit (delivered to and directly drawable by the Administrative Agent) or credit insurance satisfactory in all respects to the Administrative Agent; (h) it is owing by a Governmental Authority, unless (i) the Account Debtor is the U.S. or any department, agency or instrumentality thereof and the Account has been assigned to the Administrative Agent in compliance with the federal Assignment of Claims Act or (ii) such Account is backed by a letter of credit reasonably acceptable to the Administrative Agent and which is in the possession of the Administrative Agent; (i) it is not subject to a duly perfected, first priority Lien in favor of the Administrative Agent, or is subject to any other Lien; (j) the goods giving rise to it have not been delivered to the Account Debtor, the services giving rise to it have not been accepted by the Account Debtor, or it otherwise does not represent a final sale; (k) it is evidenced by Chattel Paper or an Instrument of any kind, or has been reduced to judgment; (l) its payment has been extended or the Account Debtor has made a partial payment; (m) it arises from a sale to an Affiliate, from a sale on a cash-on-delivery, bill-and-hold, sale-or-return, sale-on-approval, consignment, or other repurchase or return basis, or from a sale for

personal, family or household purposes; (n) it represents a progress billing or retainage, or relates to services for which a performance, surety or completion bond or similar assurance has been issued; (o) it has not been billed to the applicable Account Debtor; (p) it includes a billing for interest, fees or late charges, but ineligibility shall be limited to the extent thereof; or (q) it constitutes a “memo billing” or similar arrangement for Inventory or other goods shipped to a distributor (regardless of whether such distributor, Home Depot or Lowes Home Improvement or other Person is listed as the Account Debtor) resulting in an offset against receivables on the balance sheet of the Borrower for all or any portion of the Inventory or goods so shipped.

In calculating delinquent portions of Accounts under clauses (a) and (b), (i) credit balances of Home Depot and Lowes Home Improvement of more than ninety (90) days after the original due date shall be excluded and (ii) with respect to any other Account Debtors, credit balances of more than sixty (60) days after the original due date shall be excluded.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 11.06 (subject to such consents, if any, as may be required under Section 11.06(b)(iii)); provided that in no event shall a Defaulting Lender or an Affiliate of a Defaulting Lender be an Eligible Assignee.

“Eligible Inventory” means Inventory (other than work in process) owned by the Borrower that the Administrative Agent, in its Permitted Discretion, deems to be Eligible Inventory. Without limiting the foregoing, no Inventory shall be Eligible Inventory unless it (a) is a finished good or raw material, and not packaging or shipping materials, labels, samples, display items or bags; (b) is not held on consignment, nor subject to any deposit or down payment; (c) is in new and saleable condition and is not damaged, defective, shopworn or otherwise unfit for sale; (d) is not slow-moving, perishable, obsolete or unmerchantable, and does not constitute returned or repossessed goods; (e) meets all standards imposed by any Governmental Authority, has not been acquired from a Person that is the target of any Sanction or on any specially designated nationals list maintained by OFAC, and does not constitute hazardous materials under any Environmental Law; (f) conforms with the covenants and representations herein and in the other Loan Documents; (g) is subject to the Administrative Agent’s duly perfected, first priority Lien, and no other Lien; (h) is at a Permitted Inventory Location within the United States (including any state or commonwealth thereof), is not in transit except between locations of the Borrower and is not consigned to any Person; (i) is not subject to any warehouse receipt or negotiable Document; (j) is not subject to any License or other arrangement that restricts the Borrower’s or the Administrative Agent’s right to dispose of such Inventory, unless the Administrative Agent has received an appropriate Lien Waiver; (k) is not located on leased premises or in the possession of a warehouseman, processor, repairman, mechanic, shipper, freight forwarder or other Person, unless the lessor or such Person has delivered a Lien Waiver or an appropriate Rent and Charges Reserve has been established; and (l) it does not consist of any purchase price variance.

“Environmental Agreement” means each agreement of the Loan Parties with respect to any Mortgaged Property, pursuant to which the Loan Parties agree to indemnify and hold harmless the Administrative Agent and other Secured Parties from liability under any Environmental Laws, each in form and substance reasonably acceptable to the Administrative Agent.

“Environmental Laws” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“Equipment” means all “equipment” as defined in the UCC and includes all machinery, apparatus, equipment, fittings, furniture, fixtures, motor vehicles and other fixed assets owned by the Borrower and used or held for sale by the Borrower in the Ordinary Course of Business, whether now owned or hereafter acquired by the Borrower and wherever located, and all parts, accessories and special tools and all increases and accessions thereto and substitutions and replacements therefor.

“Equity Interests” means, with respect to any Person, any Capital Stock or Capital Stock Equivalents of such Person.

“Equity Issuance” means, any issuance by any Loan Party or any Subsidiary to any Person of its Equity Interests, other than (a) any issuance of its Equity Interests pursuant to the exercise of options or warrants, (b) any issuance of its Equity Interests pursuant to the conversion of any debt securities to equity or the conversion of any class of equity securities to any other class of equity securities, and (c) any issuance of options or warrants relating to its Equity Interests. The term “Equity Issuance” shall not be deemed to include any Disposition.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate or (i) a failure by the Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules in respect of a Pension Plan, whether or not waived, or the failure by the Borrower or any ERISA Affiliate to make any required contribution to a Multiemployer Plan.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning specified in Section 8.01.

“Excluded Property” means (a) the DIP Term Loan Proceeds Account, (b) any United States intent-to-use trademark applications to the extent that, and solely during the period in which the grant of a security interest therein would impair the validity or enforceability of or render void or result in the cancellation of, any registration issued as a result of such intent-to-use trademark applications under applicable Law; provided that upon submission and acceptance by the USPTO of an amendment to allege pursuant to 15 U.S.C. Section 1060(a) or any successor provision), such intent-to-use trademark application shall be considered Collateral, and (c) any other property expressly excluded from DIP Collateral (as such term is defined in the Orders) pursuant to the terms of the Interim Order (or the Final Order, when applicable).

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Guarantor of, or the grant by such Guarantor of a Lien to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation thereof) by virtue of such Guarantor failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act (determined after giving effect to Section 10.11 and any other “keepwell, support or other agreement for the benefit of such Guarantor and any and all guarantees of such Guarantor’s Swap Obligations by other Loan Parties) at the time the Guaranty of such Guarantor, or grant by such Guarantor of a Lien, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one Swap Contract, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swap Contracts for which such Guaranty or Lien is or becomes excluded in accordance with the first sentence of this definition.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 11.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii), (a)(iii) or (c), amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient’s failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

“Existing Letters of Credit” means those certain letters of credit set forth on Schedule 1.01(d).

“Extraordinary Receipt” means any cash received by or paid to or for the account of any Person not in the Ordinary Course of Business, including tax refunds, pension plan reversions, proceeds of insurance (other than proceeds of business interruption insurance to the extent such proceeds constitute compensation for lost earnings and proceeds of Involuntary Dispositions), indemnity payments and any purchase price adjustments; provided, however, that an Extraordinary Receipt shall not include cash receipts from proceeds of insurance or indemnity payments to the extent that such proceeds, awards or

payments are received by any Person in respect of any third party claim against such Person and applied to pay (or to reimburse such Person for its prior payment of) such claim and the costs and expenses of such Person with respect thereto.

“Facility Termination Date” means the date as of which all of the following shall have occurred: (a) the Aggregate Commitments have terminated, (b) all Obligations (other than contingent indemnification obligations that are not then identifiable or due and payable and that by their terms survive payment in full of the Obligations and termination of the Aggregate Commitments and Letters of Credit) have been indefeasibly paid in full in cash, including any interest, fees and other charges accruing during a proceeding under any Debtor Relief Law (whether or not allowed in the proceeding) or Cash Collateralized, and (c) all Letters of Credit have terminated or expired (other than Letters of Credit which have been Cash Collateralized or as to which other arrangements with respect thereto satisfactory to the Administrative Agent and the L/C Issuer shall have been made).

“FASB ASC” means the Accounting Standards Codification of the Financial Accounting Standards Board.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“Federal Funds Rate” means (a) the weighted average per annum interest rate on overnight federal funds transactions with members of the Federal Reserve System on the applicable day (or the preceding Business Day, if the applicable day is not a Business Day), as published by the Federal Reserve Bank of New York on the next Business Day; or (b) if the rate is not so published, the average per annum rate (rounded up to a whole multiple of 1/100 of 1%) charged to Bank of America on the applicable day on such transactions, as determined by the Administrative Agent; provided, that, in no event shall the Federal Funds Rate be less than zero.

“Final Order” means, collectively, the order of the Bankruptcy Court entered in the Chapter 11 Cases after a final hearing under Bankruptcy Rule 4001(c)(2) or such other procedures as approved by the Bankruptcy Court, which order shall be reasonably satisfactory in form and substance to the Administrative Agent, and from which no appeal or motion to reconsider has been timely filed, or if timely filed, such appeal or motion to reconsider has been dismissed or denied with no further appeal and the time for filing such appeal has passed (unless Administrative Agent waives such requirement), together with all extensions, modifications, and amendments thereto, in form and substance satisfactory to the Administrative Agent, which, among other matters but not by way of limitation, authorizes the Loan Parties to obtain credit, incur (or guaranty) Indebtedness, and grant Liens under this Agreement and the other Loan Documents, as the case may be, and provides for the super-priority status of the Administrative Agent’s and the Lenders’ claims.

“Flood Hazard Property” means any Mortgaged Property that is in an area designated by the Federal Emergency Management Agency as having special flood or mudslide hazards.

“Flood Laws” means the National Flood Insurance Act of 1968, Flood Disaster Protection Act of 1973, and related laws, rules and regulations, including any amendments or successor provisions.

“FLSA” means the Fair Labor Standards Act of 1938.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Plan” means any employee benefit plan or arrangement (a) maintained or contributed to by any Loan Party or Subsidiary that is not subject to the laws of the United States; or (b) mandated by a government other than the United States for employees of any Loan Party or Subsidiary.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“Formula Availability Amount” means, as of any date of determination, an amount equal to the sum determined in accordance with subclauses (i) – (iii) of clause (b) of the definition of “Borrowing Base”.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“Fronting Exposure” means, at any time there is a Defaulting Lender that is a Revolving Lender, (a) with respect to the L/C Issuer, such Defaulting Lender’s Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Revolving Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender’s Applicable Percentage of Swingline Loans other than Swingline Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Revolving Lenders or Cash Collateralized in accordance with the terms hereof.

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“Funded Indebtedness” means, as to any Person at a particular time, without duplication, the principal amount of all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations for borrowed money, whether current or long-term (including the Obligations) and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all purchase money Indebtedness;
- (c) the principal portion of all obligations under conditional sale or other title retention agreements relating to Property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the Ordinary Course of Business);
- (d) all obligations arising under standby letters of credit and similar obligations that back obligations that would constitute Indebtedness (but specifically excluding those that support performance obligations);

- (e) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the Ordinary Course of Business and other than obligations with respect to compensation in each case that are not past due for more than ninety (90) days);
- (f) all Attributable Indebtedness;
- (g) all preferred stock or other equity interests providing for mandatory redemptions, sinking fund or like payments;
- (h) all Funded Indebtedness of others secured by (or for which the holder of such Funded Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, Property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed;
- (i) all Guarantees with respect to Funded Indebtedness of the types specified in clauses (a) through (h) above of another Person; and
- (j) all Funded Indebtedness of the types referred to in clauses (a) through (h) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer and has liability for such obligations, but only to the extent there is recourse to such Person for payment thereof.

For purposes hereof, except as provided in clause (d) above, obligations arising under letters of credit and similar instruments shall not constitute Funded Indebtedness.

“GAAP” means generally accepted accounting principles in the United States set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession) including, without limitation, the FASB Accounting Standards Codification, that are applicable to the circumstances as of the date of determination, consistently applied and subject to the terms of this Agreement.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, any supra-national bodies such as the European Union or the European Central Bank).

“Gross Accounts Receivable and Inventory” means, as of any date of determination, an amount equal to the sum of (a) Value of the Borrower’s Accounts plus (b) the Value of the Borrower’s Inventory.

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness of the kind described in clauses (a) through (d) of the definition thereof or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or

performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness of the kind described in clauses (a) through (d) of the definition thereof or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed or expressly undertaken by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guaranteed Obligations” has the meaning specified in Section 10.01.

“Guarantors” means, collectively, (a) the Subsidiaries of the Borrower as are or may from time to time become parties to this Agreement pursuant to Section 6.13, and (b) with respect to Additional Secured Obligations owing by any Loan Party or any of its Subsidiaries and any Swap Obligation of a Specified Loan Party (determined before giving effect to Sections 10.01 and 10.11) under the Guaranty, the Borrower.

“Guaranty” means, collectively, the Guarantee made by the Guarantors under Article X in favor of the Secured Parties, together with each other guaranty delivered pursuant to Section 6.13.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, natural gas, natural gas liquids, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, toxic mold, infectious or medical wastes and all other substances, wastes, chemicals, pollutants, contaminants or compounds of any nature in any form regulated pursuant to any Environmental Law.

“Hedge Bank” means any Person in its capacity as a party to a Swap Contract that, (a) at the time it enters into a Swap Contract not prohibited under Article VI or VII, is a Lender or an Affiliate of a Lender, or (b) at the time it (or its Affiliate) becomes a Lender, is a party to a Swap Contract not prohibited under Article VI or VII, in each case, in its capacity as a party to such Swap Contract (even if such Person ceases to be a Lender or such Person’s Affiliate ceased to be a Lender); provided, in the case of a Secured Hedge Agreement with a Person who is no longer a Lender (or Affiliate of a Lender), such Person shall be considered a Hedge Bank only through the stated termination date (without extension or renewal) of such Secured Hedge Agreement and provided further that for any of the foregoing to be included as a “Secured Hedge Agreement” on any date of determination by the Administrative Agent, the applicable Hedge Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

“Honor Date” has the meaning specified in Section 2.03(c).

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all Funded Indebtedness;
- (b) the Swap Termination Value of any Swap Contract;

- (c) all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) and (b) above of any other Person; and
- (d) all Indebtedness of the types referred to in clauses (a) through (c) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, and has liability for such obligations, but only to the extent there is recourse to such Person for payment thereof.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitees” has the meaning specified in Section 11.04(b).

“Information” has the meaning specified in Section 11.07.

“Insurance Subsidiary” means a Subsidiary established by Borrower or any of its Subsidiaries for the purpose of, and to be engaged solely in the business of, insuring the businesses or facilities owned or operated by Borrower or any of its Subsidiaries or joint ventures or to insure unrelated businesses, provided that such unrelated business premiums do not exceed 35% of the annual premiums collected by such Subsidiary.

“Intellectual Property” means Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks and Trademark Licenses.

“Intercompany Debt” means intercompany indebtedness among any of the Borrower and its Subsidiaries, and specifically including Indebtedness under the AFI Australia Intercompany Note.

“Intercreditor Agreement” or “Prepetition Intercreditor Agreement” means that certain Amended and Restated Intercreditor Agreement, dated as of December 30, 2021, by and between the Prepetition ABL Agent and the Prepetition Term Loan Agent, and acknowledged by the Loan Parties, as amended by that certain Intercreditor Letter Agreement dated as of the Effective Date and as further amended, restated, supplemented or modified from time to time in accordance with its terms.

“Interest Payment Date” means (a) the first Business Day of each month and (b) the Maturity Date.

“Interim Order” means, collectively, the order of the Bankruptcy Court entered in the Chapter 11 Cases after an interim hearing (assuming satisfaction of the standard prescribed in Section 364 of the Bankruptcy Code and Bankruptcy Rule 4001 and other applicable Law), together with all extensions, modifications, and amendments thereto, in form and substance reasonably satisfactory to the Administrative Agent, which, among other matters but not by way of limitation, authorizes, on an interim basis, the Loan Parties to execute and perform under the terms of this Agreement and the other Loan Documents.

“Inventory” has the meaning specified in the UCC or any other applicable Law, as applicable, including all goods intended for sale, lease, display or demonstration; all goods provided under a contract for services; all work in process; and all raw materials, and other materials and supplies of any kind that are or could be used in connection with the manufacture, transformation, printing, packing, shipping, advertising, sale, lease or furnishing of such goods, or otherwise used or consumed in a Loan Party’s business (but excluding Equipment).

“Inventory Appraisal” means (a) on the Effective Date, Hilco Valuation Services’ report dated April 7, 2022 (as of January 31, 2022), and (b) thereafter, the most recent Inventory appraisal conducted by an independent appraisal firm reasonably acceptable to the Administrative Agent and delivered pursuant to Section 6.10 hereof.

“Inventory Reserve” means reserves established by the Administrative Agent in its Permitted Discretion to reflect factors that may negatively impact the Value of Inventory, including, without duplication of eligibility criteria, change in salability, slow moving, obsolescence, seasonality, theft, shrinkage, imbalance, change in composition or mix, markdowns and vendor chargebacks.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or interest in, another Person (including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor guarantees Indebtedness of such other Person), or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person which constitute all or substantially all of the assets of such Person or of a division, line of business or other business unit of such Person. For purposes of covenant compliance, the amount of any Investment at any time shall be the amount actually invested, as determined at the time of each such Investment, without adjustment for subsequent increases or decreases in the value of such Investment, net of (i) any return representing a return of capital with respect to such Investment and (ii) any dividend, distribution or other return on capital with respect to such Investment.

“Investment Bank” means Houlihan Lokey, Inc., together with its successors and assigns consented to by the Required Lenders.

“Investment Bank Engagement Letter” has the meaning specified in Section 6.25.

“Involuntary Disposition” means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of any Loan Party or any Subsidiary.

“IP Security Agreement” means a security agreement pursuant to which a Loan Party grants a Lien on its Intellectual Property to Collateral Agent, as security for its Obligations, in form and substance reasonably acceptable to Collateral Agent.

“IRS” means the United States Internal Revenue Service.

“ISP” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

“Issuer Documents” means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to such Letter of Credit.

“Joinder Agreement” means a joinder agreement substantially in the form of Exhibit D executed and delivered in accordance with the provisions of Section 6.13.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the

enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“L/C Advance” means, with respect to each Revolving Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Revolving Percentage.

“L/C Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Borrowing.

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Issuer” means Bank of America in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

“L/C Obligations” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts (including all L/C Borrowings). For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“Lead Arrangers” means (a) the Arranger and (b) JPMorgan Chase Bank, N.A., in their respective capacities as joint lead arrangers and joint bookrunners.

“Lender” means each of the Persons identified as a “Lender” on the signature pages hereto, each other Person that becomes a “Lender” in accordance with this Agreement and, their successors and assigns and, unless the context requires otherwise, includes the Swingline Lender.

“Lender Party” and “Lender Recipient Party” means collectively, the Lenders, the Swingline Lender and the L/C Issuer.

“Lending Office” means, as to the Administrative Agent, the L/C Issuer or any Lender, the office or offices of such Person described as such in such Person’s Administrative Questionnaire, or such other office or offices as such Person may from time to time notify the Borrower and the Administrative Agent; which office may include any Affiliate of such Person or any domestic or foreign branch of such Person or such Affiliate.

“Letter of Credit” means any standby or documentary letter of credit, foreign guarantee, bankers’ acceptance, or similar instrument issued hereunder and shall include the Existing Letters of Credit. A Letter of Credit may be a commercial letter of credit or a standby letter of credit.

“Letter of Credit Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

“Letter of Credit Expiration Date” means the day that is seven (7) days prior to the Maturity Date then in effect for the Revolving Facility (or, if such day is not a Business Day, the next preceding Business Day).

“Letter of Credit Fee” has the meaning specified in Section 2.03(h).

“Letter of Credit Sublimit” means an amount equal to the lesser of (a) \$20,000,000 and (b) the Revolving Facility. The Letter of Credit Sublimit is part of, and not in addition to, the Revolving Facility.

“License” means any license or agreement under which any Loan Party is authorized to use Intellectual Property in connection with any manufacture, marketing, distribution or disposition of Collateral, any use of Property or any other conduct of its business.

“Licensor” means any Person from whom any Loan Party obtains the right to use any Intellectual Property under a License.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property and any financing lease having substantially the same economic effect as any of the foregoing).

“Lien Waiver” means an agreement, in form and substance satisfactory to the Administrative Agent, by which (a) for any material Collateral located on leased premises, the lessor waives or subordinates any Lien it may have on the Collateral, and allows the Administrative Agent to enter the premises and remove, store and dispose of Collateral; (b) for any Collateral held by a warehouseman, processor, shipper, customs broker or freight forwarder, such Person waives or subordinates any Lien it may have on the Collateral, agrees to hold any Documents in its possession relating to the Collateral as agent for the Administrative Agent, and agrees to deliver Collateral to the Administrative Agent upon request; (c) for any Collateral held by a repairman, mechanic or bailee, such Person acknowledges the Administrative Agent's Lien, waives or subordinates any Lien it may have on the Collateral, and agrees to deliver Collateral to the Administrative Agent upon request; and (d) for any Collateral subject to a Licensor's Intellectual Property rights, the Licensor grants to the Administrative Agent the right, vis-à-vis such Licensor, to enforce the Administrative Agent's Liens with respect to the Collateral, including the right to dispose of it with the benefit of the Intellectual Property, whether or not a default exists under any applicable License.

“Line Cap” means the sum of (a) the lesser of (i) the Borrowing Base or (ii) the Revolving Facility, minus (b) the Subject Prepetition ABL Obligations.

“Liquidity” means, as of any date of determination, the sum of (a) Availability, plus (b) the sum of (without duplication) (i) the amount of the total Term Loan Commitment available to be borrowed under the DIP Term Loan Facility plus (ii) the amounts on deposit in the Term Loan Proceeds Account, minus (iii) the “CV Reserve” (as defined in the DIP Term Loan Agreement) minus (iv) the “Back-End Carve Out Reserve” (as defined in the DIP Term Loan Agreement); provided however that (i) the amount under clause (a) above shall be deemed to be zero at any time (A) the Revolving Commitments have terminated or (B) the conditions precedent in Section 4.02 hereof cannot be satisfied (and no written waiver by the Administrative Agent and Required Lenders has been issued), and (ii) the amount under clause (b) above shall be deemed to be zero at any time the conditions precedent in Section 4.02 of the DIP Term Loan Agreement cannot be satisfied (and no written waiver by the DIP Term Loan Agent and DIP Term Loan Required Lenders has been issued).

“Loan” means an extension of credit by a Lender to the Borrower under Article II in the form of a Revolving Loan or a Swingline Loan.

“Loan Documents” means, collectively, (a) this Agreement, (b) the Notes, (c) the Guaranty, (d) the Collateral Documents, (e) the AFI Australia Reaffirmation and Confirmation Agreement, (f) each Issuer Document, (g) each Joinder Agreement, (h) any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14, (i) the Intercreditor Agreement, and (j) all other certificates, agreements, documents and instruments executed and delivered, in each case, by or on behalf of any Loan Party pursuant to the foregoing (but specifically excluding any Secured Hedge Agreement or any Secured Cash Management Agreement); provided, however, that for purposes of Section 11.01, “Loan Documents” shall mean this Agreement, the Guaranty and the Collateral Documents.

“Loan Notice” means a notice of a Borrowing which shall be substantially in the form of Exhibit E or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Loan Parties” means, collectively, the Borrower and each Guarantor.

“MAE Exceptions” means the filing, commencement, announcement, prosecution and continuation of the Chapter 11 Cases, the events and conditions related and/or leading up thereto and the effects thereof and any action required to be taken under the Loan Documents or under the Orders and the COVID-19 pandemic.

“Master Agreement” has the meaning specified in the definition of “Swap Contract.”

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business or financial condition of the Borrower and its Subsidiaries, taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document (other than in accordance with the terms thereof or as a result of the action or inaction of the Administrative Agent or any Lender), or of the ability of the Borrower, individually, or of the Loan Parties, taken as a whole, to perform its or their payment obligations under any Loan Document to which it is or they are a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party (other than in accordance with the terms thereof or as a result of the action or inaction of the Administrative Agent or any Lender), in each case, other than arising out of the MAE Exceptions.

“Material Contract” means (a) the Prepetition Term Loan Agreement, the Prepetition ABL Credit Agreement and the DIP Term Loan Agreement, and (b) with respect to any Person, each contract or agreement (i) to which such Person is a party involving aggregate consideration payable to or by such Person of \$3,500,000 or more in any year, (ii) otherwise material to the business, condition (financial or otherwise), operations, performance or properties of such Person or (iii) any other contract, agreement, permit or license, written or oral, of the Borrower and its Subsidiaries as to which the breach, nonperformance, cancellation or failure to renew by any party thereto, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

“Material Domestic Subsidiary” means any Domestic Subsidiary of Borrower that individually, or together with its Subsidiaries on a consolidated basis, has assets of more than \$1,000,000; provided, that in no event shall any Insurance Subsidiary constitute a Material Domestic Subsidiary.

“Maturity Date” means the earliest of (a) June 22, 2022, provided that such date may be extended to July 7, 2022 at the request of Borrower if, on or prior to the sale hearing for the U.S. assets, the Borrower has obtained one or more binding bids that in the aggregate provide for the payment in full in cash of all remaining Prepetition ABL Obligations (to the extent any such obligations remain) and all the DIP ABL

Obligations and that is otherwise in form and substance reasonably satisfactory to the Administrative Agent, (b) the date which is 30 days after the date of entry of the Interim Order if the Final Order has not been entered by the Bankruptcy Court on or prior to such date, (c) the maturity date of the DIP Term Loan Facility (including any acceleration of the maturity date thereunder by the DIP Term Loan Agent or the DIP Term Loan Required Lenders pursuant to Section 8.02 thereof), (d) the date of the substantial consummation (as defined in section 1101(2) of the Bankruptcy Code) of a plan of reorganization that has been confirmed by an order of the Bankruptcy Court, (e) the date of termination of all of the Revolving Commitments pursuant to Section 2.03, (f) the date on which the Obligations become due and payable pursuant to this Agreement, whether by acceleration or otherwise, (g) the date of consummation of a sale of all or substantially all of the Debtors' assets under section 363 of the Bankruptcy Code, (h) the date the Loan Parties' file a motion seeking to convert any or all of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (i) (i) the date of conversion of any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code or (ii) the appointment or election of a trustee under Chapter 11 of the Bankruptcy Code or a responsible officer or examiner with enlarged powers relating to the operation of the Loan Parties' business (powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code) under section 1106 of the Bankruptcy Code, (j) the date the Loan Parties' file a motion seeking a dismissal of any or all of the Chapter 11 Cases, or (k) the date of dismissal of any of the Chapter 11 Cases.

"Measurement Period" means, at any date of determination, the most recently completed four (4) fiscal quarters of the Borrower.

"Minimum Collateral Amount" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during any period when a Lender constitutes a Defaulting Lender, an amount equal to 105% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (b) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.14(a)(i), (a)(ii) or (a)(iii), an amount equal to 105% of the Outstanding Amount of all L/C Obligations, and (c) otherwise, an amount determined by the Administrative Agent and the L/C Issuer in their sole discretion.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Mortgaged Property" means all Real Property owned by a Loan Party with respect to which such Loan Party has delivered a Mortgage (as defined in the Prepetition ABL Credit Agreement) and all Mortgaged Property Support Documents.

"Mortgaged Property Support Documents" means, with respect to any Real Property to be encumbered by a Lien in favor of the Collateral Agent (or a trustee for the benefit of the Collateral Agent), for the benefit of the Secured Parties, in accordance with the terms of this Agreement:

(a) the Orders;

(b) such assignments of leases, estoppel letters, attornment agreements, consents, waivers and releases as Collateral Agent may reasonably require with respect to other Persons having an interest in the Real Property;

(c) with respect to any Real Property, except as otherwise expressly agreed by Agent in writing, the Collateral Agent shall have received a survey complying with certain requirements of the American Land Title Association in form consistent with those delivered at the Closing, for which all necessary fees (where applicable) have been paid, certified to the Collateral Agent and the issuer of the Mortgage policies by a land surveyor duly registered and licensed in

the state in which the property described in such survey is located and otherwise of a similar scope as those provided at the Closing;

(d) the applicable Loan Party shall have delivered to the Collateral Agent evidence of flood insurance naming the Collateral Agent as mortgagee as required by the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as amended and in effect (or, in the case of the Australian Real Property, any comparable statute under the laws of Australia), which shall be reasonably satisfactory in form and substance to the Collateral Agent;

(e) without limiting clause (d), as to (i) whether such Real Property is a Flood Hazard Property, and (ii) if such Real Property is a Flood Hazard Property, (A) whether the community in which such Real Property is located is participating in the National Flood Insurance Program, (B) the applicable Loan Party's written acknowledgment of receipt of written notification from the Collateral Agent (1) as to the fact that such Real Property is a Flood Hazard Property, and (2) as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program, and (C) copies of insurance policies or certificates of insurance of the Loan Parties and each Subsidiary evidencing flood insurance sufficient for compliance with Flood Laws and otherwise satisfactory to the Collateral Agent and Lenders and naming the Collateral Agent and its successors and/or assigns as sole loss payee on behalf of the Secured Parties;

(f) [Reserved];

(g) the Collateral Agent shall have received a Phase I Environmental Site Assessment in accordance with ASTM Standard E1527-05, in form and substance satisfactory to the Collateral Agent, from an environmental consulting firm reasonably acceptable to the Collateral Agent, which report shall identify recognized environmental conditions and the Collateral Agent shall be satisfied with the nature of any such matters and Collateral Agent may, upon the receipt of a Phase I Environmental Site Assessment, require the delivery of further environmental assessments or reports to the extent such further assessments or reports are recommended in the Phase I Environmental Site Assessment or Collateral Agent determines that such further environmental assessments or reports are required, it being agreed that the Loan Parties shall be responsible for all costs and expenses associated with such assessments and reports;

(h) an Environmental Agreement and such other documents, instruments or agreements as the Collateral Agent may reasonably require with respect to any environmental risks regarding such Real Property; and

(i) the applicable Loan Party shall have delivered such other information and documents as may be reasonably requested by the Collateral Agent.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five (5) plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" means the aggregate cash or Cash Equivalents proceeds received by any Loan Party or any Subsidiary in respect of any Disposition, Equity Issuance, Debt Issuance, or Involuntary

Disposition, net of (a) direct costs incurred in connection therewith (including, without limitation, legal, accounting and investment banking fees and sales commissions), (b) taxes paid or payable as a result thereof and (c) in the case of any Disposition or any Involuntary Disposition, the amount necessary to retire any Indebtedness secured by a Permitted Lien (ranking senior to any Lien of the Administrative Agent) on the related property; it being understood that “Net Cash Proceeds” shall include, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received by any Loan Party or any Subsidiary in any Disposition, Equity Issuance, Debt Issuance, or Involuntary Disposition.

“NOLV Percentage” means the net orderly liquidation value of Inventory, expressed as a percentage of Value, expected to be realized at an orderly, negotiated sale held within a reasonable period of time, net of all liquidation expenses, as determined from the most recent Inventory Appraisal approved by the Administrative Agent.

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 11.01 and (b) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Notice of Loan Prepayment” means a notice of prepayment with respect to a Loan, which shall be substantially in the form of Exhibit K or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer.

“Obligations” means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, or Letter of Credit and (b) all costs and expenses incurred in connection with enforcement and collection of the foregoing, including the fees, charges and disbursements of counsel, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, expenses and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof pursuant to any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, expenses and fees are allowed claims in such proceeding; provided that Obligations of a Guarantor shall exclude any Excluded Swap Obligations with respect to such Guarantor.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Officer’s Certificate” means a certificate substantially the form of Exhibit I or any other form approved by the Administrative Agent.

“Operating Facilities” means, at any time, a collective reference to the facilities and Real Properties owned, leased or operated by Borrower or any of its Subsidiaries.

“Order” means (i) until entry of the Final Order, the Interim Order and (ii) after the entry of the Final Order, the Final Order, or the Interim Order and the Final Order as the “Orders”.

“Ordinary Course of Business” means the ordinary course of business of the Borrower, any other Loan Party or, with respect to the Designated Disbursement Account, any Subsidiary of the Borrower, undertaken in good faith and consistent with applicable Law and past practices.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws, the certificate of registration or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction; (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement or limited liability company agreement (or equivalent or comparable documents with respect to any non-U.S. jurisdiction); (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization (or equivalent or comparable documents with respect to any non-U.S. jurisdiction) and (d) with respect to all entities, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization (or equivalent or comparable documents with respect to any non-U.S. jurisdiction).

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.07).

“Outstanding Amount” means (a) with respect to Revolving Loans and Swingline Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Loans and Swingline Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

“Overadvance” means the amount by which the Total Revolving Outstandings exceeds the Borrowing Base at any time.

“Participant” has the meaning specified in Section 11.06(d).

“Participant Register” has the meaning specified in Section 11.06(d).

“Patent License” means any written agreement providing for the grant by or to a Grantor of any right to manufacture, use or sell any invention covered by a Patent.

“Patents” means (a) all letters patent of the United States and all reissues and extensions thereof, and (b) all applications for letters patent of the United States and all divisions, continuations and continuations-in-part thereof.

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Act” means the Pension Protection Act of 2006.

“Pension Funding Rules” means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

“Permitted Discretion” means a determination made in good faith in the exercise of reasonable (from the perspective of an asset-based secured lender) business judgment.

“Permitted Investments” means, at any time, Investments by the Borrower or any of its Subsidiaries permitted to exist at such time pursuant to the terms of Section 7.02.

“Permitted Liens” has the meaning specified in Section 7.01.

“Permitted Transfers” means (a) Dispositions of Inventory in the Ordinary Course of Business; (b) Dispositions of property to the Borrower or any Subsidiary; provided, that if the transferor of such property is a Loan Party then the transferee thereof must be a Loan Party; (c) Dispositions of accounts receivable in connection with the collection or compromise thereof; (d) non-exclusive licenses and sublicenses of Intellectual Property entered into in the Ordinary Course of Business; and (e) the sale or disposition of Cash Equivalents for fair market value.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Petition Date” has the meaning assigned to such term in the Recitals.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Borrower or any ERISA Affiliate or any such Plan to which the Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

“Platform” has the meaning specified in Section 6.02.

“Pledge Agreement” has the meaning specified for such term in the Prepetition ABL Credit Agreement.

“Pledged Collateral” has the meaning specified for such term in the Pledge Agreement.

“Postpetition” means the time period commencing immediately upon the filing of the applicable Chapter 11 Case.

“Prepetition” means the time period ending immediately prior to the filing of the applicable Chapter 11 Case.

“Prepetition ABL Agent” has the meaning assigned to such term in the Recitals.

“Prepetition ABL Credit Agreement” has the meaning assigned to such term in the Recitals.

“Prepetition ABL Lenders” has the meaning assigned to such term in the Recitals.

“Prepetition ABL Loan Documents” means the “Loan Documents” as defined in the Prepetition ABL Credit Agreement.

“Prepetition ABL Obligations” means “Obligations” (as defined in the Prepetition ABL Credit Agreement), including all fees set forth in the Prepetition ABL Credit Agreement and any fee letters executed in connection therewith and specifically including the fee set forth in Section 2.09(b)(v) of the Prepetition ABL Credit Agreement.

“Prepetition ABL Priority Collateral” means the “ABL Priority Collateral” as such term is defined in the Prepetition Intercreditor Agreement.

“Prepetition Intercreditor Agreement” means that certain Amended and Restated Intercreditor Agreement among the Prepetition ABL Agent and the Prepetition Term Loan Agent, and acknowledged by the Loan Parties, dated as of December 30, 2021.

“Prepetition Term Loan Agent” means Pathlight Capital LP, in its capacity as administrative agent under any of the Prepetition Term Loan Documents.

“Prepetition Term Loan Agreement” means that certain Term Loan Agreement, dated as of June 23, 2020, among the Borrower, the guarantors signatory thereto, the Prepetition Term Loan Agent, and certain financial institutions party thereto as lenders, as amended, restated, supplemented or otherwise modified through the date hereof.

“Prepetition Term Loan Documents” means the “Loan Documents” as defined in the Prepetition Term Loan Agreement, as amended, supplemented, restated, refinanced, replaced or otherwise modified from time to time in accordance with Section 5.2(b) of the Prepetition Intercreditor Agreement.

“Prepetition Term Loan Lenders” means the “Lenders” as defined in the Prepetition Term Loan Agreement.

“Prepetition Term Loan Obligations” means “Obligations” as defined in the Prepetition Term Loan Agreement.

“Prepetition Term Loan Priority Collateral” has the meaning assigned to the term “Term Loan Priority Collateral” in the Prepetition Intercreditor Agreement.

“Prior Week” means, as of any date of determination, the immediately preceding week ended on a Saturday and commencing on the prior Sunday.

“Professional Fee Reserve” has the meaning assigned to such term in the Interim Order (or the Final Order, when applicable).

“Property” means any interest of any kind in any property or asset, whether real, personal or mixed, or tangible or intangible.

“Protective Advance” has the meaning specified in Section 2.02(h).

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Lender” has the meaning specified in Section 6.02.

“Purchase Money Liens” has the meaning specified in Section 7.01(i).

“Qualified ECP Guarantor” means, at any time, each Loan Party with total assets exceeding \$10,000,000 or that qualifies at such time as an “eligible contract participant” under the Commodity Exchange Act and can cause another Person to qualify as an “eligible contract participant” at such time under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Qualifying Control Agreement” means an agreement, among a Loan Party, a depository institution or securities intermediary, the Prepetition ABL Agent and the Prepetition Term Loan Agent, which agreement is in form and substance acceptable to the Administrative Agent and which provides the Administrative Agent with “control” (as such term is used in Article 9 of the UCC) over the deposit account(s) or securities account(s) described therein.

“Real Property” shall mean any estates or interests in real property now owned or hereafter acquired by Borrower or its Subsidiaries and the improvements thereto.

“Real Property Contracts” shall mean all contracts necessary for the use, maintenance, construction, and operation of the Mortgaged Property.

“Recipient” means the Administrative Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

“Reduction Amount” has the meaning specified in Section 2.05(b)(vii).

“Register” has the meaning specified in Section 11.06(c).

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Remedies Notice Period” has the meaning assigned to such term in the Interim Order (or Final Order, when applicable).

“Rent and Charges Reserve” means the aggregate of (a) all past due rent and other amounts owing by a Loan Party to any landlord, warehouseman, processor, repairman, mechanic, shipper, freight forwarder, broker or other Person who possesses any Collateral or could assert a Lien on any Collateral; and (b) a reserve at least equal to three months’ rent and other charges that could be payable to any such Person, unless it has executed a Lien Waiver.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

“Request for Credit Extension” means (a) with respect to a Borrowing, conversion or continuation of Revolving Loans, a Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swingline Loan, a Swingline Loan Notice.

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders; provided that, if there are only two (2) Lenders, Required Lenders shall mean all Lenders that are not Defaulting Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that, the amount of any participation in any Swingline Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swingline Lender or L/C Issuer, as the case may be, in making such determination.

“Required Milestones” means the covenants set forth on Schedule 6.28.

“Rescindable Amount” has the meaning as defined in Section 2.12(b)(ii).

“Resignation Effective Date” has the meaning specified in Section 9.06.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means the chief executive officer, president, chief financial officer, Chief Transformation Officer, treasurer, assistant treasurer or controller of a Loan Party, solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, the secretary or any assistant secretary of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer or employee]of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. To the extent requested by the Administrative Agent, each Responsible Officer will provide an incumbency certificate and to the extent requested by the Administrative Agent, appropriate authorization documentation, in form and substance satisfactory to the Administrative Agent.

“Restricted Payment” means (a) any dividend or other distribution, direct or indirect, on account of any shares (or equivalent) of any class of Equity Interests of the Borrower or any of its Subsidiaries, now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares (or equivalent) of any class of Equity Interests of the Borrower or any of its Subsidiaries, now or hereafter outstanding, and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Equity Interests of any Loan Party or any of its Subsidiaries, now or hereafter outstanding.

“Revolving Borrowing” means a borrowing consisting of simultaneous Revolving Loans made by each of the Revolving Lenders pursuant to Section 2.01(b).

“Revolving Commitment” means, as to each Revolving Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01(b), (b) purchase participations in L/C Obligations, and (c) purchase participations in Swingline Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 1.01(b)

under the caption “Revolving Commitment” or opposite such caption in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The Revolving Commitment of all of the Revolving Lenders as of the Effective Date shall be \$90,000,000.

“Revolving Exposure” means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Lender’s participation in L/C Obligations and Swingline Loans at such time.

“Revolving Facility” means, at any time, the aggregate amount of the Revolving Lenders’ Revolving Commitments at such time.

“Revolving Lender” means, at any time, (a) so long as any Revolving Commitment is in effect, any Lender that has a Revolving Commitment at such time or (b) if the Revolving Commitments have terminated or expired, any Lender that has a Revolving Loan or a participation in L/C Obligations or Swingline Loans at such time.

“Revolving Loan” has the meaning specified in Section 2.01(b).

“Revolving Note” means a promissory note made by the Borrower in favor of a Revolving Lender evidencing Revolving Loans or Swingline Loans, as the case may be, made by such Revolving Lender, substantially in the form of Exhibit F.

“S&P” means Standard & Poor’s Financial Services LLC and any successor thereto.

“Sale and Leaseback Transaction” means, with respect to any Loan Party or any Subsidiary, any arrangement, directly or indirectly, with any Person whereby such Loan Party or such Subsidiary shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred, provided that the rent payable pursuant to any such lease is on market terms.

“Sanction(s)” means any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury (“HMT”) or other relevant sanctions authority.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“Secured Cash Management Agreement” means any Cash Management Agreement between the any Loan Party or any Subsidiary of any Loan Party and any Cash Management Bank.

“Secured Hedge Agreement” means any interest rate, currency, foreign exchange, or commodity Swap Contract required by or not prohibited under Article VI or VII between any Loan Party or any Subsidiary of any Loan Party and any Hedge Bank.

“Secured Obligations” means all Obligations and all Additional Secured Obligations.

“Secured Parties” means, collectively, the Administrative Agent, the Collateral Agent, the Lenders, the L/C Issuer, the Hedge Banks, the Cash Management Banks, the Indemnities and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05.

“Secured Party Designation Notice” means a notice from any Lender or an Affiliate of a Lender substantially in the form of Exhibit G.

“Security Agreement” has the meaning specified for such term in the Prepetition ABL Credit Agreement.

“SOFR” means the secured overnight financing rate as administered by FRBNY (or a successor administrator).

“Solvent” and “Solvency” mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital, and (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the Ordinary Course of Business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Specified Loan Party” means any Loan Party that is not then an “eligible contract participant” under the Commodity Exchange Act (determined prior to giving effect to Section 10.11).

“Subject Prepetition ABL Obligations” means Prepetition ABL Obligations consisting, at the applicable time, of the unpaid, outstanding principal balance of Revolving Loans and any interest due and payable thereon.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is at the time beneficially owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Successor Cases” means, with respect to the Chapter 11 Cases, any subsequent proceedings under chapter 7 of the Bankruptcy Code.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Obligations” means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“Swingline Borrowing” means a borrowing of a Swingline Loan pursuant to Section 2.04.

“Swingline Lender” means Bank of America in its capacity as provider of Swingline Loans, or any successor swingline lender hereunder.

“Swingline Loan” has the meaning specified in Section 2.04(a).

“Swingline Loan Notice” means a notice of a Swingline Borrowing pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit H or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Swingline Sublimit” means an amount equal to the lesser of (a) \$0.00 and (b) the Revolving Facility. The Swingline Sublimit is part of, and not in addition to, the Revolving Facility.

“Syndication Agents” means Bank of America, N.A. and JPMorgan Chase Bank, N.A., in their respective capacities as co-syndication agents.

“Synthetic Debt” means, with respect to any Person as of any date of determination thereof, all obligations of such Person in respect of transactions entered into by such Person that are intended to function primarily as a borrowing of funds but are not otherwise included in the definition of “Indebtedness” or as a liability on the Consolidated balance sheet of such Person and its Subsidiaries in accordance with GAAP.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property (including Sale and Leaseback Transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the application of any Debtor Relief Laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term SOFR” for any interest period relating to a Base Rate Loan on any day, a per annum rate equal to the Term SOFR Screen Rate with a term of one month commencing that day; provided, that in no event shall Term SOFR be less than zero.

“Term SOFR Screen Rate” the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to Agent) and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by Agent from time to time).

“Threshold Amount” means \$5,000,000; provided that, for purposes of Section 8.01(e) with respect to the China Facility, the Threshold Amount shall be \$15,000,000.

“Total Credit Exposure” means, as to any Lender at any time, the unused Commitments and Revolving Exposure of such Lender at such time.

“Total Revolving Outstandings” means the aggregate Outstanding Amount of all Revolving Loans, Swingline Loans and L/C Obligations.

“Trademark License” means any written agreement providing for the grant by or to a Grantor of any right to use any Trademark.

“Trademarks” means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States or any state thereof and (b) all renewals thereof.

“UCC” means the Uniform Commercial Code as in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, “UCC” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“United States” and “U.S.” mean the United States of America.

“Unreimbursed Amount” has the meaning specified in Section 2.03(c)(i).

“U.S. Loan Party” means any Loan Party that is organized under the laws of one of the states of the United States and that is not a CFC.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(e)(ii)(B)(3).

“U.S. Trustee” means the United States Trustee responsible for overseeing the administration of the Chapter 11 Cases.

“Value” means, on any date of determination: (a) for Inventory, its value determined on the basis of the lower of cost or market, calculated on a first-in, first-out basis, and excluding any portion of cost attributable to intercompany profit among the Borrower and its Affiliates (provided that it is understood and agreed that the information contained therein with respect to Inventory may be calculated on a roll-forward basis and, other than in the case of numbers reported as of the most recent month-end, shall be subject to assumptions and estimates); and (b) for an Account, its face amount, net of any returns, rebates, discounts (calculated on the shortest terms), credits, allowances or Taxes (including sales, excise or other taxes) that have been or could be claimed by the Account Debtor or any other Person.

“Voting Stock” means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right to so vote has been suspended by the happening of such contingency.

“Warranty Reserve” means a reserve equal to one quarter of the Borrower’s annual warranty expense as set forth on its general ledger.

“Work” means any work that is subject to copyright protection pursuant to Title 17 of the United States Code.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.02 Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including the Loan Documents and any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, modified, extended, restated, replaced or supplemented from time to time (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document and, to the extent applicable, the Intercreditor Agreement), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words

“hereto,” “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Preliminary Statements, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Preliminary Statements, Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified, extended, restated, replaced or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references to Value, Borrowing Base components, Loans, Letters of Credit, Obligations, Secured Obligations and other amounts herein shall be denominated in Dollars, unless expressly provided otherwise, and all determinations (including calculations of Borrowing Base and financial covenants) made from time to time under the Loan Documents shall be made in light of the circumstances existing at such time. Borrowing Base calculations shall be consistent with historical methods of valuation and calculation, and otherwise satisfactory to the Administrative Agent in its Permitted Discretion (and not necessarily calculated in accordance with GAAP).

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a Division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any Division of a limited liability company shall constitute a separate Person hereunder (and each Division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements under the Prepetition ABL Credit Agreement, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If at any time any change in GAAP, any change in the Loan Parties’ accounting policies, or any change in the application of GAAP by the Loan Parties, in any case, would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower

shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with the definition of “Capital Leases”, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

(c) Pro Forma Treatment. Each Disposition of all or substantially all of a line of business, each acquisition, and each Restricted Payment, by the Borrower and its Subsidiaries that is consummated during any Measurement Period shall, for purposes of determining compliance with the financial covenants set forth in Section 7.11, be given pro forma effect as of the first day of such Measurement Period.

1.04 Rounding.

Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day; Rates.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

The Administrative Agent and the Lenders do not warrant, nor accept responsibility, nor shall the Administrative Agent or any of the Lenders have any liability with respect to the administration, submission or any other matter related to the rates referenced herein or with respect to any rate that is an alternative or replacement for or successor to any of such rate or the effect of any of the foregoing. The Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

1.06 Letter of Credit Amounts.

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be

deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.07 UCC Terms.

Terms defined in the UCC in effect on the Effective Date and not otherwise defined herein shall, unless the context otherwise indicates, have the meanings provided by those definitions. Subject to the foregoing, the term “UCC” refers, as of any date of determination, to the UCC then in effect.

ARTICLE II

COMMITMENTS AND CREDIT EXTENSIONS

2.01 Loans.

(a) Reserved.

(b) Revolving Borrowings. Subject to the terms and conditions set forth herein and the terms of the Orders, as in effect from time to time, each Revolving Lender severally agrees to make loans (each such loan, a “Revolving Loan”) to the Borrower, in Dollars, from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender’s Revolving Commitment; provided, however, that after giving effect to any Revolving Borrowing, (i) the Total Revolving Outstandings shall not exceed the Revolving Facility, and (ii) the Revolving Exposure of any Lender shall not exceed such Revolving Lender’s Revolving Commitment, subject to the Administrative Agent’s authority, in its sole discretion, to make Overadvances pursuant to the terms of Section 2.03(g). In no event shall Lenders have any obligation to honor a request for a Revolving Loan if Total Revolving Outstandings at such time plus the requested Revolving Loan would exceed the Line Cap. Within the limits of each Revolving Lender’s Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow Revolving Loans, prepay under Section 2.05, and reborrow under this Section 2.01(b). Revolving Loans shall be Base Rate Loans.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Notice of Borrowing. Except as provided in the last sentence of this clause (a), each Borrowing shall be made upon the Borrower’s irrevocable notice to the Administrative Agent, which may be given by delivery to the Administrative Agent of a Loan Notice. Each such Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. on the requested date of any Borrowing of Base Rate Loans. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing shall be in a principal amount of at least \$100,000 (or such other amount as may be required in accordance with the Approved Budget or the last sentence of this clause (a)). Each Loan Notice shall specify (A) the Borrower is requesting a Borrowing, (B) the requested date of the Borrowing (which shall be a Business Day), and (C) the principal amount of Loans to be borrowed. Notwithstanding the foregoing, (x) at the beginning of each Business Day, upon the remittance to the Prepetition ABL Agent for application to the Subject Prepetition ABL Obligations of the available balance in the Dominion Account(s) as of the end of the prior Business Day in accordance with Section 6.18(f), the Borrower shall be deemed to have delivered a Loan Notice requesting a Borrowing in the amount of funds remitted on such date to be made on such date and funded directly to the Prepetition ABL Agent for application to the Subject Prepetition ABL Obligations and (y) upon consummation of any sale by the Borrower of Inventory in the ordinary course of business, the Borrower shall be deemed to have delivered a Loan Notice requesting a Borrowing in the amount of the invoiced

price of such Inventory to be made on such date and funded directly to the Prepetition ABL Agent for application to the Subject Prepetition ABL Obligations.

(b) Advances. Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each Appropriate Lender of the amount of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Appropriate Lender of the details of any automatic conversion to Base Rate Loans described in Section 2.02(a). In the case of a Borrowing, each Appropriate Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower; provided, however, that if, on the date a Loan Notice with respect to a Revolving Borrowing is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Revolving Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrower as provided above.

(c) Reserved.

(d) Interest Rates. Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error.

(e) Reserved.

(f) Cashless Settlement Mechanism. Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all or the portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Administrative Agent and such Lender.

(g) Overadvances. The Administrative Agent may require the Lenders to fund Base Rate Loans that cause or constitute an Overadvance and to forbear from requiring the Borrower to cure an Overadvance, as long as the total Overadvance, together with any outstanding Protective Advances, does not exceed 10% of the Borrowing Base at any time and does not continue for more than 30 consecutive days without the consent of Required Lenders; provided, however, in no event shall Loans be required that would cause the sum of the Total Revolving Outstandings (including, without duplication, all Overadvances and Protective Advances) plus the Subject Prepetition ABL Obligations to exceed the aggregate Revolving Commitments. No funding or sufferance of an Overadvance shall constitute a waiver by the Administrative Agent or Lenders of the Event of Default caused thereby. No Loan Party shall be a beneficiary of this Section nor authorized to enforce any of its terms. Each Overadvance shall be deemed to be a Revolving Loan hereunder. Required Lenders may at any time revoke the Administrative Agent's authority to make further Overadvances by written notice to the Administrative Agent.

(h) Protective Advances. The Administrative Agent shall be authorized, in its discretion, at any time that any condition in Article IV is not satisfied, to make Base Rate Loans ("Protective Advances") (a) up to an aggregate amount not to exceed, together with any outstanding Overadvance, 10% of the Borrowing Base at any time, if the Administrative Agent deems such Loans necessary or desirable to

preserve or protect Collateral, or to enhance the collectability or repayment of the Secured Obligations, as long as such Loans do not cause the sum of the Total Revolving Outstandings (including, without duplication, all Overadvances and Protective Advances) plus the Subject Prepetition ABL Obligations to exceed the aggregate Revolving Commitments; or (b) to pay any other amounts chargeable to the Loan Parties under any Loan Documents, including interest, costs, fees and expenses. Each Protective Advance shall be deemed to be a Revolving Loan hereunder. Lenders shall participate on a pro rata basis in Protective Advances outstanding from time to time. Required Lenders may at any time revoke the Administrative Agent's authority to make further Protective Advances under clause (a) by written notice to the Administrative Agent. Absent such revocation, the Administrative Agent's determination that funding of a Protective Advance is appropriate shall be conclusive. No funding of a Protective Advance shall constitute a waiver by Agent or Lenders of any Event of Default relating thereto. No Loan Party shall be a beneficiary of this Section nor authorized to enforce any of its terms.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Revolving Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Effective Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Borrower or any of its domestic Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with Section 2.03(b), and (2) to honor drawings under the Letters of Credit; and (B) the Revolving Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Outstandings shall not exceed the Line Cap, (y) the Revolving Exposure of any Revolving Lender shall not exceed such Lender's Revolving Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto and deemed L/C Obligations, and from and after the Effective Date shall be subject to and governed by the terms and conditions hereof.

(ii) The L/C Issuer shall not issue any Letter of Credit if:

- (A)** subject to Section 2.03(b)(iii), the expiry date of the requested Letter of Credit would occur more than twelve (12) months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or
- (B)** the expiry date of the requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Revolving Lenders have approved such expiry date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

- (A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing the Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon the L/C Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which the L/C Issuer in good faith deems material to it;
 - (B) the issuance of the Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;
 - (C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, the Letter of Credit is in an initial stated amount less than \$100,000, in the case of a commercial Letter of Credit, or \$250,000, in the case of a standby Letter of Credit (other than Existing Letters of Credit that are standby Letters of Credit);
 - (D) the Letter of Credit is to be denominated in a currency other than Dollars;
 - (E) any Revolving Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the Borrower or such Revolving Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.15(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion; or
 - (F) the Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.
- (iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.
- (v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to the Letter of Credit.
- (vi) The L/C Issuer shall act on behalf of the Revolving Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters

of Credit as fully as if the term “Administrative Agent” as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by fax transmission, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least five (5) Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the L/C Issuer may require. Additionally, the Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Revolving Lender, the Administrative Agent or any Loan Party, at least one (1) Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower (or the applicable Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Revolving Lender's Applicable Revolving Percentage times the amount of such Letter of Credit.

(iii) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will

also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(iv) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a standby Letter of Credit that has automatic extension provisions (each, an “Auto-Extension Letter of Credit”); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve (12) month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the “Non-Extension Notice Date”) in each such twelve (12) month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Revolving Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven (7) Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Revolving Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an “Honor Date”), the Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Revolving Lender of the Honor Date, the amount of the unreimbursed drawing (the “Unreimbursed Amount”), and the amount of such Revolving Lender’s Applicable Revolving Percentage thereof. In such event, the Borrower shall be deemed to have requested a Revolving Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Revolving Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Revolving Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of the L/C Issuer at the Administrative Agent’s Office in an amount equal to its Applicable Revolving Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Revolving Lender that so makes funds available shall be

deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Revolving Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section.

(iv) Until each Revolving Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Revolving Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Revolving Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower, any Subsidiary or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default; or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Lender's obligation to make Revolving Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Revolving Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Revolving Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Revolving Lender (through the Administrative Agent) with respect to any amounts owing under this Section 2.03(c)(vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Lender such Lender's L/C Advance in respect of such

payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Revolving Percentage thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Revolving Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Revolving Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the Facility Termination Date and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement or by such Letter of Credit, the transactions contemplated hereby or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, endorsement, certificate or other document presented under or in connection with such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under, such Letter of Credit if presentation after such date is authorized by the UCC or the ISP;

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any of its Subsidiaries.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight or time draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves, as determined by a final nonappealable judgment of a court of competent jurisdiction, were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight or time draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring, endorsing or assigning or purporting to transfer, endorse or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP; Limitation of Liability. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued (including any such agreement applicable to

an Existing Letter of Credit), the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrower for, and the L/C Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(h) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Revolving Lender in accordance, subject to Section 2.15, with its Applicable Revolving Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to eight percent (8.0%) times the average daily stated amount of such Letter of Credit. Letter of Credit Fees shall be (1) due and payable on the first calendar day of each April, July, October and January, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (2) computed on a quarterly basis in arrears.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to the L/C Issuer for its own account a fronting fee with respect to each Letter of Credit, at the rate per annum equal to 0.125%, computed on the average daily stated amount of such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the first day of each April, July, October, and January, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the average daily stated amount of any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to the L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

2.04 Swingline Loans.

(a) The Swingline. Subject to the terms and conditions set forth herein, the Swingline Lender, in reliance upon the agreements of the other Lenders set forth in this Section, may in its sole discretion make loans to the Borrower (each such loan, a "Swingline Loan"). Each such Swingline Loan may be made, subject to the terms and conditions set forth herein, to the Borrower, in Dollars, from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swingline Sublimit, notwithstanding the fact that such Swingline Loans, when aggregated with the Applicable Revolving Percentage of the Outstanding Amount of Revolving Loans and L/C Obligations of the Lender acting as Swingline Lender, may exceed the amount of such Lender's Revolving Commitment; provided, however, that (i) after giving effect to any Swingline Loan,

(A) the Total Revolving Outstandings shall not exceed the Revolving Facility at such time, and (B) the Revolving Exposure of any Revolving Lender (other than the Swingline Lender in its capacity as such) at such time shall not exceed such Lender's Revolving Commitment, (ii) the Borrower shall not use the proceeds of any Swingline Loan to refinance any outstanding Swingline Loan, and (iii) the Swingline Lender shall not be under any obligation to make any Swingline Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section, prepay under Section 2.05, and reborrow under this Section. Each Swingline Loan shall bear interest only at a rate based on the Base Rate plus seven percent (7.0%). Immediately upon the making of a Swingline Loan, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swingline Lender a risk participation in such Swingline Loan in an amount equal to the product of such Revolving Lender's Applicable Revolving Percentage times the amount of such Swingline Loan.

(b) Borrowing Procedures.

(i) Each Swingline Borrowing shall be made upon the Borrower's irrevocable notice to the Swingline Lender and the Administrative Agent, which may be given by delivery to the Swingline Lender and the Administrative Agent of a Swingline Loan Notice. Each such Swingline Loan Notice must be received by the Swingline Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of \$100,000, and (ii) the requested date of the Borrowing (which shall be a Business Day). Promptly after receipt by the Swingline Lender of any Swingline Loan Notice, the Swingline Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swingline Loan Notice and, if not, the Swingline Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swingline Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Lender) prior to 2:00 p.m. on the date of the proposed Swingline Borrowing (A) directing the Swingline Lender not to make such Swingline Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swingline Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swingline Loan Notice, make the amount of its Swingline Loan available to the Borrower at its office by crediting the account of the Borrower on the books of the Swingline Lender in immediately available funds.

(c) Refinancing of Swingline Loans.

(i) The Swingline Lender at any time in its sole discretion may request (and in any event, at least weekly, unless the settlement amount is *de minimis*), on behalf of the Borrower (which hereby irrevocably authorizes the Swingline Lender to so request on its behalf), that each Revolving Lender make a Revolving Loan that is a Base Rate Loan in an amount equal to such Lender's Applicable Revolving Percentage of the amount of Swingline Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Revolving Facility and the conditions set forth in Section 4.02. The Swingline Lender shall furnish the Borrower with a copy of the applicable Loan Notice promptly after delivering such notice to the Administrative Agent. Each Revolving Lender shall make an amount equal to its Applicable Revolving Percentage of the amount specified in such Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative

Agent may apply Cash Collateral available with respect to the applicable Swingline Loan) for the account of the Swingline Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Revolving Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swingline Lender.

(ii) If for any reason any Swingline Loan cannot be refinanced by such a Revolving Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swingline Lender as set forth herein shall be deemed to be a request by the Swingline Lender that each of the Revolving Lenders fund its risk participation in the relevant Swingline Loan and each Revolving Lender's payment to the Administrative Agent for the account of the Swingline Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Revolving Lender fails to make available to the Administrative Agent for the account of the Swingline Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swingline Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swingline Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swingline Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swingline Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Revolving Borrowing or funded participation in the relevant Swingline Loan, as the case may be. A certificate of the Swingline Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Revolving Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swingline Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided however, that each Revolving Lender's obligation to make Revolving Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Loan Notice). No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swingline Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Revolving Lender has purchased and funded a risk participation in a Swingline Loan, if the Swingline Lender receives any payment on account of such Swingline Loan, the Swingline Lender will distribute to such Revolving

Lender its Applicable Revolving Percentage thereof in the same funds as those received by the Swingline Lender.

(ii) If any payment received by the Swingline Lender in respect of principal or interest on any Swingline Loan is required to be returned by the Swingline Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swingline Lender in its discretion), each Revolving Lender shall pay to the Swingline Lender its Applicable Revolving Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swingline Lender. The obligations of the Lenders under this clause shall survive the Facility Termination Date and the termination of this Agreement.

(e) Interest for Account of Swingline Lender. The Swingline Lender shall be responsible for invoicing the Borrower for interest on the Swingline Loans. Until each Revolving Lender funds its Base Rate Loan or risk participation pursuant to this Section to refinance such Revolving Lender's Applicable Revolving Percentage of any Swingline Loan, interest in respect of such Applicable Revolving Percentage shall be solely for the account of the Swingline Lender.

(f) Payments Directly to Swingline Lender. The Borrower shall make all payments of principal and interest in respect of the Swingline Loans directly to the Swingline Lender.

2.05 Prepayments.

(a) Optional.

(i) The Borrower may, upon notice to the Administrative Agent pursuant to delivery to the Administrative Agent of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay Revolving Loans in whole or in part without premium or penalty subject to Section 3.06; provided that, unless otherwise agreed by the Administrative Agent, (A) such notice must be received by the Administrative Agent not later than 11:00 a.m. (on the date of prepayment of Base Rate Loans; and (B) any prepayment of Base Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's ratable portion of such prepayment (based on such Lender's Applicable Percentage in respect of the Revolving Facility). If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Subject to Section 2.15, such prepayments shall be paid to the Lenders in accordance with their respective Applicable Percentages.

(ii) The Borrower may, upon notice to the Swingline Lender pursuant to delivery to the Swingline Lender of a Notice of Loan Prepayment (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swingline Loans in whole or in part without premium or penalty; provided that, unless otherwise agreed by the Swingline Lender, (A) such notice must be received by the Swingline Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of \$100,000 or a whole multiple of \$100,000 in excess hereof (or, if less, the entire principal amount thereof then outstanding). Each such notice shall specify the date and amount of such prepayment.

If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of principal shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

(b) Mandatory Prepayments.

(i) Dispositions and Involuntary Dispositions. Subject to the terms of the Prepetition Intercreditor Agreement and the Orders (including the Carve Out), immediately upon the receipt by any Loan Party or any Subsidiary of the Net Cash Proceeds from any Disposition (other than a Permitted Transfer) or Involuntary Disposition, the Borrower shall first prepay the Prepetition ABL Obligations as provided in the Prepetition ABL Credit Agreement in an aggregate amount equal to 100% of such Net Cash Proceeds and second prepay the Loans and/or Cash Collateralize the L/C Obligations as hereinafter provided in an aggregate amount equal to 100% of such Net Cash Proceeds, until paid in full and third apply any remaining proceeds to the prepayment of other Obligations.

(ii) Equity Issuance. Subject to the terms of the Prepetition Intercreditor Agreement and the Orders (including the Carve Out), immediately upon the receipt by any Loan Party or any Subsidiary of the Net Cash Proceeds of any Equity Issuance by (A) the Borrower or (B) any Subsidiary of the Borrower to any Person that is not the Borrower or another Subsidiary of the Borrower, and excluding any Equity Issuance to any Loan Party's officers, directors or employees that is permitted under Section 7.06, the Borrower shall first prepay the Prepetition ABL Obligations as provided in the Prepetition ABL Credit Agreement in an aggregate amount equal to 100% of such Net Cash Proceeds and second prepay the Loans and/or Cash Collateralize the L/C Obligations as hereinafter provided in an aggregate amount equal to 100% of such Net Cash Proceeds.

(iii) Debt Issuance. Subject to the terms of the Prepetition Intercreditor Agreement and the Orders (including the Carve Out), immediately upon the receipt by any Loan Party or any Subsidiary of the Net Cash Proceeds of any Debt Issuance, the Borrower shall first prepay the Prepetition ABL Obligations as provided in the Prepetition ABL Credit Agreement in an aggregate amount equal to 100% of such Net Cash Proceeds and second prepay the Loans and/or Cash Collateralize the L/C Obligations as hereinafter provided in an aggregate amount equal to 100% of such Net Cash Proceeds.

(iv) Extraordinary Receipts. Subject to the terms of the Prepetition Intercreditor Agreement and the Orders (including the Carve Out), immediately upon receipt by any Loan Party or any Subsidiary of any Extraordinary Receipt received by or paid to or for the account of any Loan Party or any of its Subsidiaries, and not otherwise included in clause (i), (ii) or (iii) of this Section, the Borrower shall first prepay the Prepetition ABL Obligations as provided in the Prepetition ABL Credit Agreement in an aggregate amount equal to 100% of such Net Cash Proceeds and second prepay the Loans and/or Cash Collateralize the L/C Obligations as hereinafter provided in an aggregate principal amount equal to 100% of all Net Cash Proceeds received therefrom.

(v) Reserved.

(vi) Revolving Outstandings. If for any reason an Overadvance exists, the Borrower shall immediately prepay Revolving Loans, Swingline Loans and L/C Borrowings (together with all accrued but unpaid interest thereon) and/or Cash Collateralize the L/C Obligations in an

aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(vi) unless, after the prepayment of the Revolving Loans and Swingline Loans, the Overadvance continues to exist at such time. Any Overadvance shall be secured by the Collateral, entitled to all benefits of the Loan Documents.

(vii) Application of Other Payments. Except as otherwise provided in Section 2.15, prepayments of the Revolving Facility made pursuant to this Section 2.05(b), first, shall be applied to the Prepetition ABL Obligations as provided in the Prepetition ABL Credit Agreement, second, shall be applied ratably to the L/C Borrowings and the Swingline Loans, third, shall be applied to the outstanding Revolving Loans, and, fourth, shall be used to Cash Collateralize the remaining L/C Obligations; and, in the case of prepayments of the Revolving Facility required pursuant to clause (i), (ii), (iii), or (iv) of this Section 2.05(b), the amount remaining, if any, after the prepayment in full of all Prepetition ABL Obligations, L/C Borrowings, Swingline Loans and Revolving Loans outstanding at such time and the Cash Collateralization of the remaining L/C Obligations in full (the sum of such prepayment amounts, cash collateralization amounts and remaining amount being, collectively, the “Reduction Amount”) may be retained by the Borrower for use in the ordinary course of its business, and, in the case of prepayments of the Revolving Facility required pursuant to clause (i), (iii) or (iv) of this Section 2.05(b) the Revolving Facility shall be automatically and permanently reduced by the Reduction Amount as set forth in Section 2.06(b)(ii). Upon the drawing of any Letter of Credit that has been Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from the Borrower or any other Loan Party or any Defaulting Lender that has provided Cash Collateral) to reimburse the L/C Issuer or the Revolving Lenders, as applicable.

All prepayments under this Section 2.05(b) shall be subject to Section 3.06, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06 Termination or Reduction of Commitments.

(a) Optional. The Borrower may, upon notice to the Administrative Agent, terminate the Revolving Facility, the Letter of Credit Sublimit or the Swingline Sublimit, or from time to time permanently reduce the Revolving Facility, the Letter of Credit Sublimit or the Swingline Sublimit; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five (5) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof and (iii) the Borrower shall not terminate or reduce (A) the Revolving Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Revolving Facility, (B) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, or (C) the Swingline Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of Swingline Loans would exceed the Letter of Credit Sublimit.

(b) Mandatory.

(i) [Intentionally Omitted.]

(ii) The Revolving Commitment of each Revolving Lender (other than any Revolving Lender that elects in its sole discretion to reject such a reduction of its Revolving Commitments) on any date on which the prepayment of Revolving Loans outstanding thereunder is required to be

made pursuant to Section 2.05(b)(i), (iii) or (iv) shall be automatically and permanently reduced by the ratable amount of the applicable Reduction Amount applied to prepay such Revolving Lender's Revolving Loans.

(iii) If after giving effect to any reduction or termination of Revolving Commitments under this Section 2.06, the Letter of Credit Sublimit or the Swingline Sublimit exceeds the Revolving Facility at such time, the Letter of Credit Sublimit or the Swingline Sublimit, as the case may be, shall be automatically reduced by the amount of such excess.

(c) Application of Commitment Reductions; Payment of Fees.

The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Letter of Credit Sublimit, Swingline Sublimit or the Revolving Commitment under this Section 2.06. Except as provided in clause (b)(ii) above, upon any reduction of the Revolving Commitments, the Revolving Commitment of each Revolving Lender shall be reduced by such Lender's Applicable Revolving Percentage of such reduction amount. All fees in respect of the Revolving Facility accrued until the effective date of any termination of the Revolving Facility shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) Revolving Loans. The Borrower shall repay to the Revolving Lenders on the Maturity Date for the Revolving Facility the aggregate principal amount of all Revolving Loans outstanding on such date.

(b) Swingline Loans. The Borrower shall repay each Swingline Loan on the earlier to occur of (i) the date ten (10) Business Days after such Loan is made and (ii) the Maturity Date for the Revolving Facility.

2.08 Interest and Default Rate.

(a) Interest. Subject to the provisions of Section 2.08(b), (i) each Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus seven percent (7.0%); and (ii) each Swingline Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus seven percent (7.0%). To the extent that any calculation of interest or any fee required to be paid under this Agreement shall be based on (or result in) a calculation that is less than zero, such calculation shall be deemed zero for purposes of this Agreement.

(b) Default Rate.

(i) While any Event of Default exists (including a payment default), all outstanding Obligations (including Letter of Credit Fees) shall accrue at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest Payments. Interest on each Loan shall be due and payable in arrears in cash (i) on each Interest Payment Date, (ii) on any date of prepayment, with respect to the principal amount of Loans being prepaid, and (iii) at such other times as may be specified herein. Interest hereunder shall be due and

payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees.

In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) Commitment Fee. The Borrower shall pay to the Administrative Agent for the account of each Revolving Lender in accordance with its Applicable Revolving Percentage, a commitment fee equal to 0.50% times the average daily amount by which the Revolving Facility exceeds an amount equal to the sum of (i) the Outstanding Amount of Revolving Loans, plus (ii) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.15. The Outstanding Amount of Swingline Loans shall not be counted towards or considered usage of the Revolving Facility for purposes of determining the commitment fee. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the first calendar day of each January, April, July and October, commencing with the first such date to occur after the Effective Date, and on the last day of the Availability Period for the Revolving Facility.

(b) Other Fees.

(i) The Borrower shall pay to the Administrative Agent, for the ratable benefit of the Lenders, a closing fee (the “**Closing Fee**”) in an amount equal to \$1,140,000, which Closing Fee will be fully earned on the Effective Date and due and payable on the Maturity Date.

(ii) The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees.

All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to Term SOFR) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365 day year. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one (1) day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

(a) Maintenance of Accounts. The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the Ordinary Course of Business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such

matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Revolving Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Revolving Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

(b) Maintenance of Records. In addition to the accounts and records referred to in Section 2.11(a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swingline Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage in respect of the Revolving Facility (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to 12:00 noon on the date of such Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Appropriate Lenders or the L/C Issuer, as the case may be, the amount due. With respect to any payment that the Administrative Agent makes for the account of the Lenders or any L/C Issuer hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the “Rescindable Amount”): (1) the Borrower has not in fact made such payment; (2) the Administrative Agent has made a payment in excess of the amount so paid by the Borrower (whether or not then owed); or (3) the Administrative Agent has for any reason otherwise erroneously made such payment: then each of the Lenders or the applicable L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender or such L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Revolving Loans, to fund participations in Letters of Credit and Swingline Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(f) Pro Rata Treatment. Except to the extent otherwise provided herein: (i) each Borrowing (other than Swingline Borrowings) shall be made from the Appropriate Lenders, each payment of fees under Section 2.09 and 2.03(h) and (i) shall be made for account of the Appropriate Lenders, and each termination or reduction of the amount of the Commitments shall be applied to the respective Commitments of the Lenders, pro rata according to the amounts of their respective Commitments; (ii) each Borrowing shall be allocated pro rata among the Lenders according to the amounts of their respective Commitments (in the case of the making of Revolving Loans) or their respective Loans that are to be included in such Borrowing (in the case of conversions and continuations of Loans); (iii) each payment or prepayment of principal of Loans by the Borrower shall be made for account of the Appropriate Lenders pro rata in

accordance with the respective unpaid principal amounts of the Loans held by them; and (iv) each payment of interest on Loans by the Borrower shall be made for account of the Appropriate Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Appropriate Lenders.

(g) Insufficient Funds. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, L/C Borrowings, interest and fees then due hereunder, such funds shall be applied (i) first, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, toward payment of principal and L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and L/C Borrowings then due to such parties.

2.13 Sharing of Payments by Lenders.

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of (a) Obligations in respect of the Revolving Facility due and payable to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations in respect of the Revolving Facility due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations in respect of the Revolving Facility due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (b) Obligations in respect of any of the Revolving Facility owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing (but not due and payable) to such Lender at such time to (ii) the aggregate amount of the Obligations in respect of the Revolving Facility owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations in respect of the Revolving Facility owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time obtained by all of the Lenders at such time, then, in each case under clauses (a) and (b) above, the Lender receiving such greater proportion shall (A) notify the Administrative Agent of such fact, and (B) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swingline Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of Obligations in respect of the Revolving Facility then due and payable to the Lenders or owing (but not due and payable) to the Lenders, as the case may be, provided that:

(1) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(2) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in Section 2.14, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swingline Loans to any assignee or participant, other than an assignment to any Loan Party or any Affiliate thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Cash Collateral.

(a) Certain Credit Support Events. If (i) the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) the Borrower shall be required to provide Cash Collateral pursuant to Section 2.05 or 8.02(c), or (iv) there shall exist a Defaulting Lender, the Borrower shall immediately (in the case of clause (iii) above) or within one (1) Business Day (in all other cases) following any request by the Administrative Agent or the L/C Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.15(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the L/C Issuer as herein provided, other than Permitted Liens, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in one or more blocked, non-interest bearing deposit accounts at Bank of America. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14 or Sections 2.03, 2.05, 2.15 or 8.02 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Revolving Lender that is a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Revolving Lender (or, as appropriate, its assignee following compliance with Section 11.06(b)(vi))) or (ii) the determination by the Administrative Agent and the L/C Issuer that there exists excess Cash Collateral; provided, however, (A) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (B) the Person providing Cash Collateral and the L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.15 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 11.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 11.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the L/C Issuer or Swingline Lender hereunder; third, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.14; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (A) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (B) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.14; sixth, to the payment of any amounts owing to the Lenders, the L/C Issuer or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise as may be required under the Loan Documents in connection with any Lien conferred thereunder or directed by a court of competent jurisdiction; provided that if (1) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (2) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swingline Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.15(a)(v). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.15(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) Fees. No Defaulting Lender shall be entitled to receive any fee payable under Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Letter of Credit Fees. Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Revolving Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.

(C) Defaulting Lender Fees. With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (1) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swingline Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (2) pay to the L/C Issuer and Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or Swingline Lender's Fronting Exposure to such Defaulting Lender, and (3) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Revolving Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swingline Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Revolving Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. Subject to Section 11.20, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (A) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure and (B) second, Cash Collateralize the L/C Issuer's Fronting Exposure in accordance with the procedures set forth in Section 2.14.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, Swingline Lender and the L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise

expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.16 Effect of Termination.

On the effective date of the termination of all Commitments, the Obligations shall be immediately due and payable, and each Cash Management Bank may terminate its Secured Cash Management Agreements. Until the Facility Termination Date and payment in full of any Additional Secured Obligations, all undertakings of the Loan Parties contained in the Loan Documents shall continue, and the Administrative Agent shall retain its Liens in the Collateral and all of its rights and remedies under the Loan Documents. The Administrative Agent shall not be required to terminate its Liens unless the Facility Termination Date has occurred and the Administrative Agent receives Cash Collateral or a written agreement, in each case satisfactory to it, protecting the Administrative Agent and Lenders from dishonor or return of any payment item previously applied to the Secured Obligations. Sections 2.03, 3.01, 3.05, 3.06, 11.04, and 11.05, this Section, Article IX and each indemnity or waiver given by a Loan Party or Lender in any Loan Document, shall survive any assignment by the Administrative Agent, any L/C Issuer or any Lender of rights or obligations hereunder, termination of any or all Commitments, and any repayment, satisfaction, discharge or payment of full of any or all of the Secured Obligations.

2.17 Prepetition ABL Obligations.

(a) Continuation of Liens. Subject to the terms of the Interim Order or the Final Order, as applicable, until (i) the indefeasible payment in full in cash of the Guaranteed Obligations (including Prepetition ABL Obligations), (ii) all objections and challenges (including, without limitation, any Challenge Proceeding (as defined in the Order)) to (A) the liens, security interests and claims of the Prepetition ABL Agent (including, without limitation, liens granted for adequate protection purposes) and/or (B) the Prepetition ABL Obligations have been waived, denied or barred, and (iii) all of the Debtors' Stipulations (as defined in the Order) have become binding on their estates and parties in interest in accordance with the Order, all liens, security interests and claims of the Prepetition ABL Agent (including, without limitation, liens granted for adequate protection purposes) shall remain valid and enforceable with the same continuing priority as described herein and the Prepetition ABL Loan Documents shall remain in full force and effect; provided, however, that, subject to the results of any applicable Challenge Proceeding (as defined in the Order), to the extent that Prepetition ABL Obligations have been paid pursuant to this Agreement and have become and are Obligations, such Prepetition ABL Obligations shall not be due or owing separately under the Prepetition ABL Loan Documents; provided, further, however, that nothing in the foregoing proviso shall alter or diminish, or be deemed to alter or diminish, the Adequate Protection (as defined in the Order) of the Prepetition ABL Agent and the Prepetition ABL Lenders.

(b) Avoided Payments. In the event that Prepetition ABL Agent or any of the Prepetition ABL Lenders are required to repay or disgorge to any Loan Party or any representatives of the Loan Parties' estate (as agents, with derivative standing or otherwise) all or any portion of the Prepetition ABL Obligations authorized and directed to be repaid pursuant to the Interim Order or the Final Order, or any payment on account of the Prepetition ABL Obligations made to Prepetition ABL Agent or any Prepetition ABL Lender is rescinded for any reason whatsoever, including, but not limited to, as a result of any Avoidance Action, or any other action, suit, proceeding or claim brought under any other provision of any applicable Bankruptcy Code or other applicable debtor relief law or any applicable state law, or any other similar provisions under any other state or federal statutory or common law (all such amounts being hereafter referred to as the "Avoided Payments"), then, in such event, unless otherwise expressly ordered by the Bankruptcy Court, the Loan Parties shall prepay the Revolving Loans, in an amount equal to 100%

of such Avoided Payments immediately upon receipt of the Avoided Payments by any Loan Party or any representative of the Loan Parties' estate.

2.18 Super-Priority Nature of Obligations and Administrative Agent's Liens; Payment of Obligations.

(a) The priority of Administrative Agent's Liens on the Collateral, claims and other interests shall be as set forth in the Interim Order and Final Order, when applicable.

(b) Upon the maturity (whether by acceleration or otherwise) of any of the Obligations, the Administrative Agent and Lenders shall be entitled to immediate payment of such Obligations without further application to or order of the Court.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Loan Party, then the Administrative Agent or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party or the Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Loan Party or the Administrative Agent shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the

making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error. Each of the Loan Parties shall also, and does hereby, jointly and severally indemnify the Administrative Agent, and shall make payment in respect thereof within ten (10) days after demand therefor, for any amount which a Lender or the L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender and the L/C Issuer shall, and does hereby, severally indemnify and shall make payment in respect thereof within ten (10) days after demand therefor, (A) the Administrative Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (B) the Administrative Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (C) the Administrative Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender or the L/C Issuer, in each case, that are payable or paid by the Administrative Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority, as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit J-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the

Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit J-2 or Exhibit J-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit J-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies (or originals, as required) of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid

additional amounts pursuant to this Section 3.01, it shall pay to such Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that each Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to such Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 Reserved.

3.03 Reserved.

3.04 Reserved

3.05 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or the L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the L/C Issuer or the interbank market any other condition, cost or expense affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrower will pay to such Lender or the L/C Issuer, as the case

may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section 3.05 shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) General Policy. Notwithstanding any other provision of this Section, no Lender or L/C Issuer shall demand compensation for any increased cost or reduction pursuant to this Section if it shall not at the time be the general policy and practice of such Lender or L/C Issuer to demand such compensation in similar circumstances under comparable provisions of other credit agreements

3.06 [Reserved].

3.07 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender, the L/C Issuer, or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to Section 3.01, then at the request of the Borrower, such Lender or the L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01, in the future, and (ii) in each case, would not subject such Lender or the L/C Issuer, as the case may be, to any unreimbursed

cost or expense and would not otherwise be disadvantageous to such Lender or the L/C Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may replace such Lender in accordance with Section 11.13.

3.08 Survival.

All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, resignation of the Administrative Agent and the Facility Termination Date.

ARTICLE IV

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Credit Extension.

Except to the extent specifically included as a post-closing obligation under Section 6.17 hereof, the obligation of the L/C Issuer and each Lender to make its initial Credit Extension hereunder on the Effective Date is subject to satisfaction or waiver of the following conditions precedent:

(a) Execution of Credit Agreement; Loan Documents. The Administrative Agent shall have received originals or electronic copies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of each signing Loan Party, dated the Effective Date (or, in the case of certificates of governmental officials, a recent date before the Effective Date) and in form and substance satisfactory to the Administrative Agent and each of the Lenders:

(i) counterparts of this Agreement, executed by a Responsible Officer of each Loan Party and a duly authorized officer of each Lender,

(ii) for the account of each Lender requesting a Revolving Note, a Revolving Note executed by a Responsible Officer of the Borrower, and

(iii) counterparts of any other Loan Document, executed by a Responsible Officer of the applicable Loan Party and a duly authorized officer of each other Person party thereto.

(b) Officer's Certificate. The Administrative Agent shall have received an Officer's Certificate dated the Effective Date, certifying as to (i) the Organization Documents of each Loan Party (which, to the extent filed with a Governmental Authority, shall be certified as of a recent date by such Governmental Authority), (ii) the resolutions of the governing body of each Loan Party authorizing execution and delivery of, and performance of the obligations under, the Loan Documents is true and complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to the Facility, (iii) a certificate of good standing, existence or its equivalent of each Loan Party issued by the Secretary of State or other appropriate official of such Loan Party's jurisdiction of organization, and (iv) the incumbency (including

specimen signatures) of the Responsible Officers of each Loan Party. Any Agent may conclusively rely on this certificate until it is otherwise notified by the applicable Loan Party in writing.

(c) Approved Budget. The Administrative Agent and the Lenders shall have received the Approved Budget.

(d) Liability, Casualty, Property, Terrorism and Business Interruption Insurance. The Administrative Agent shall have received satisfactory evidence that all liability, casualty, property, terrorism and business interruption insurance meeting the requirements set forth herein or in the Collateral Documents or as required by the Administrative Agent continues in full force and effect as of the Effective Date and through the Maturity Date.

(e) Closing Condition Certificate. The Administrative Agent shall have received a certificate from the Borrower, signed by a Responsible Officer of the Borrower, certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied, (B) since the Petition Date, other than those events or circumstances arising from the MAE Exceptions, there has been no event or circumstance, either individually or in the aggregate, that has or would reasonably be expected to have a Material Adverse Effect, (C) as to the absence of any action, suit, investigation or proceeding pending or, to the knowledge of the Loan Parties after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any Subsidiary or against any of their properties or revenues that (1) purport to affect or pertain to this Agreement or any other Loan Document or any of the transactions contemplated thereby, or (2) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, and (D) that upon giving pro forma effect to the initial funding of Loans and issuance (or deemed issuance) of Letters of Credit on the Effective Date, and the payment by the Borrower of all fees and expenses incurred in connection herewith and due on the Effective Date, the Borrower is in compliance with the financial covenants set forth in Section 7.11.

(f) Loan Notice. The Administrative Agent shall have received a Loan Notice with respect to the Loans to be made on the Effective Date.

(g) Borrowing Base Certificate. The Administrative Agent shall have received a Borrowing Base Report as of the close of business on May 6, 2022 (provided that it is understood and agreed that the information contained therein with respect to Inventory may be calculated as of April 30, 2022), together with such supporting information and backup documentation as the Administrative Agent may reasonably request.

(h) [Reserved].

(i) Fees and Expenses. The Administrative Agent and the Lenders shall have received all fees and expenses, if any, owing pursuant to Section 2.09.

(j) Representations and Warranties. The representations and warranties of the Borrower and each other Loan Party contained herein and in any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date the funding of any Term Loan, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date (other than if such representations and warranties are subject to “materiality” or “Material Adverse Effect” or similar language, in which case they shall be true and correct in all respects).

(k) Security Interest. The Administrative Agent and each Lender shall be satisfied that the Loan Documents and the Interim Order shall be effective to create in favor of the Administrative Agent for the benefit of the Secured Parties a legal, valid, perfected and enforceable security interest and Lien upon the Collateral, with the priority set forth in the Interim Order and the terms thereof.

(l) First Day Orders. The Administrative Agent and the Required Lenders shall have received in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders that the Bankruptcy Court has approved and entered all “first day” orders, including the Cash Management Order and the Interim Order, each of which shall be in form and substance satisfactory to the Administrative Agent and the Required Lenders in their sole discretion.

(m) DIP Term Loan Facility. After entry of the Interim Order, the Administrative Agent and each Lender shall have received fully executed copies of the DIP Term Loan Agreement and the other material DIP Term Loan Documents, in form and substance reasonably satisfactory to Administrative Agent.

(n) No Material Adverse Effect.

(i) Since the Petition Date, other than those events or circumstances arising from the MAE Exceptions, there has been no event or circumstance, either individually or in the aggregate, that has or would reasonably be expected to have a Material Adverse Effect.

(ii) Except for actions, suits, investigations, proceedings, claims or disputes stayed by section 362 of the Bankruptcy Code, no orders, injunctions or pending litigation exists which would reasonably be expected to have a Material Adverse Effect or which challenges this Agreement, the Loan Documents or the credit facilities contemplated hereunder.

(iii) Since the Petition Date, there has been no material increase in the liabilities, liquidated or contingent, of the Borrower and the Guarantors taken as a whole, or material decrease in the assets of the Borrower and the Guarantors taken as a whole (other than the incurrence of the Indebtedness pursuant to the DIP Term Loan Agreement).

(iv) Except for any defaults or events of default arising from the MAE Exceptions, any defaults or events of default under the Prepetition ABL Credit Agreement to the extent the Prepetition ABL Obligations have not been fully converted to Obligations in accordance with this Agreement or any defaults or events of default under any lease or subleases contemplated by Section 5.08(c), no Default or Event of Default shall have occurred and be continuing or shall arise hereunder immediately after giving effect to this Agreement and the transactions contemplated hereby to occur on or before the Effective Date.

(v) Other than those resulting from the MAE Exceptions, since the Petition Date, there shall have been no adverse change in the ability of the Administrative Agent and the Lenders to enforce the Loan Documents and the Obligations of the Borrower and the Guarantors hereunder.

(o) Insolvency Matters – Chapter 11 Cases. The Bankruptcy Court shall have entered an Interim Order by no later than five (5) days after the Petition Date; and the Bankruptcy Court shall have approved and entered all “first day” orders, including, without limitation, the Cash Management Order.

For purposes of determining whether the Effective Date has occurred, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory

to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions.

The obligation of each Lender and the L/C Issuer to honor any Request for Credit Extension is subject to the following conditions precedent:

(a) Representations and Warranties. The representations and warranties of the Borrower and each other Loan Party contained in Article II, Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Credit Extension.

(b) Default. No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) Request for Credit Extension. The Administrative Agent and, if applicable, the L/C Issuer or the Swingline Lender shall have received (i) a Request for Credit Extension in accordance with the requirements hereof, (ii) a certificate of a Responsible Officer of the Borrower Agent certifying as to the matters described in clauses (a) and (b) of this Section 4.02, (iii) with respect to the week in which such Loan is to be made, (A) the Budget Compliance Certificate for such week required to be delivered to the Administrative Agent pursuant to Section 6.27(d) (attaching the Approved Budget Variance Report for the Prior Week) and (B) the 7-week cash flow forecast for such week required to be delivered to the Administrative Agent pursuant to Section 6.27(f).

(d) The Interim Order or the Final Order, as applicable, shall not have been vacated, stayed, reversed, modified, or amended without the Administrative Agent's prior written consent and shall otherwise be in full force and effect and no motion for reconsideration of the Interim Order or the Final Order, as applicable, shall have been timely filed by a Debtor of any of its Subsidiaries.

(e) After giving effect to such proposed Loan, (i) no Protective Advance shall be outstanding, (ii) the Total Revolving Outstandings (other than any Overadvances to the extent permitted hereunder) shall not exceed the Line Cap then in effect, and (iii) there shall not exist or have occurred since the Petition Date, any event or circumstance that could reasonably be expected to have a Material Adverse Effect.

(f) If the requested Credit Extension is to be used to fund payments to critical vendors during the CV Reserve Reduction Period, the Company shall have consulted with the Administrative Agent and the CV Reserve Reduction Conditions have been satisfied.

Each Request for Credit Extension submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a), (b) and (e) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Administrative Agent and the Lenders, as of the date made or deemed made, that:

5.01 Existence, Qualification and Power.

Each Loan Party and each of its Subsidiaries (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) subject to the Bankruptcy Code, the Bankruptcy Rules, entry of the Interim Order or the Final Order, as applicable, and such other orders as have been or may hereafter be entered by the Bankruptcy Court in the Chapter 11 cases, has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), (A) where the failure to so qualify is the result of the status of the Loan Parties as debtors in possession in the Chapter 11 Cases, or (B) to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. The copy of the Organization Documents of each Loan Party provided to the Administrative Agent pursuant to the terms of this Agreement is a true and correct copy of each such document, each of which is valid and in full force and effect.

5.02 Authorization; No Contravention.

Subject to entry of the Interim Order or the Final Order, as applicable, the execution, delivery and performance by each Loan Party of each Loan Document to which such Person is or is to be a party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) except as otherwise excused by the Bankruptcy Code, conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation not subject to the Automatic Stay imposed as a result of the Chapter 11 Cases to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law (including, without limitation, Regulation U or Regulation X issued by the FRB); except in each case referred to in clause (b) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.03 Governmental Authorization; Other Consents.

Subject to entry of the Interim Order or Final Order, as applicable, no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person (other than the entry of the Orders) is necessary or required in connection with (a) the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, (b) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (c) the perfection or maintenance of the Liens created under the Collateral Documents (including the first priority nature thereof) or (d) the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents, other

than (i) authorizations, approvals, actions, notices and filings which have been duly obtained, (ii) filings to perfect the Liens created by the Collateral Documents and (iii) consent or approval of the Bankruptcy Court.

5.04 Binding Effect.

Subject to the Orders and the terms thereof, this Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto and, subject to entry of the Interim Order or Final Order, as applicable, constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, judicial management, insolvency, examinership, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

5.05 No Material Adverse Effect.

Since the Petition Date, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect other than arising out of the MAE Exceptions.

5.06 Litigation.

There are no actions, suits, proceedings, claims, investigations, or disputes pending or, to the knowledge of the Loan Parties, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any Subsidiary or against any of their properties or revenues that either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, except for the Chapter 11 Cases.

5.07 No Default.

Except for any defaults or events of default arising solely as a result of the commencement of the Chapter 11 Cases and any defaults or events of default arising under the Prepetition ABL Credit Agreement or the Prepetition Term Loan Agreement to the extent the Prepetition ABL Obligations have not been converted to Obligations in accordance with this Agreement, neither any Loan Party nor any Subsidiary thereof is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document. Except for any defaults or events of default arising solely as a result of the commencement of the Chapter 11 Cases, any default or event of default arising under the Prepetition ABL Credit Agreement to the extent the Prepetition ABL Obligations have not been converted to Obligations in accordance with this Agreement and any default or event of default arising under the Prepetition Term Loan Agreement, to the Borrower's knowledge, the Borrower is not in default under any Real Property Contract.

5.08 Ownership of Property.

Each Loan Party and each of its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, or other legally enforceable rights to use all Real Property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.09 Environmental Compliance.

Except as could not reasonably be expected to have a Material Adverse Effect:

(a) Each of the Operating Facilities and all operations at the Operating Facilities are in compliance with all applicable Environmental Laws, and there is no violation of any Environmental Law with respect to the Operating Facilities or the Businesses, and there are no conditions relating to the Operating Facilities or the Businesses that could give rise to liability under any applicable Environmental Laws.

(b) None of the Operating Facilities contains, or has previously contained, any Hazardous Materials at, on or under the Operating Facilities in amounts or concentrations that constitute or constituted a violation of Environmental Laws.

(c) Neither Borrower nor any Subsidiary has received any written or verbal notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Operating Facilities or the Businesses, nor does any Responsible Officer of any Loan Party have knowledge or reason to believe that any such notice will be received or is being threatened.

(d) Hazardous Materials have not been transported or disposed of from the Operating Facilities, or generated, treated, stored or disposed of at, on or under any of the Operating Facilities or any other location, in each case by or on behalf Borrower or any Subsidiary in violation of, or in a manner that would be reasonably likely to give rise to liability under, any applicable Environmental Law.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Responsible Officers of the Loan Parties, threatened, under any Environmental Law to which Borrower or any Subsidiary is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to Borrower, any Subsidiary, the Operating Facilities or the Businesses.

(f) There has been no release or, threat of release of Hazardous Materials at or from the Operating Facilities, or arising from or related to the operations (including, without limitation, disposal) of Borrower or any Subsidiary in connection with the Operating Facilities or otherwise in connection with the Businesses, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws.

5.10 Insurance.

The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies that are not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party or the applicable Subsidiary operates. The general liability, casualty, property, terrorism and business interruption insurance coverage of the Loan Parties as in effect on the Effective Date, and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is outlined as to carrier, policy number, expiration date, type, amount and deductibles on Schedule 5.10 and such insurance coverage complies with the requirements set forth in this Agreement and the other Loan Documents.

5.11 Taxes.

Each Loan Party and its Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP and (b) to the extent excused or enforcement in respect of which is stayed as a result of the Chapter 11 Cases. There is no proposed tax assessment against any Loan Party or any Subsidiary that would, if made, have a Material Adverse Effect, nor is there any tax sharing agreement applicable to the Borrower or any Subsidiary.

5.12 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or is subject to a favorable opinion letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS. To the best knowledge of the Loan Parties, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and no Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan or Multiemployer Plan; (ii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and no Loan Party nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iii) no Loan Party nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (iv) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (v) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) The Borrower represents and warrants that, as of the Effective Date, the Borrower is not and will not be using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments.

5.13 Margin Regulations; Investment Company Act.

(a) Margin Regulations. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than twenty-five percent (25%) of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a Consolidated basis) subject to the provisions of Section 7.01 or Section 7.05 or subject to any restriction contained in any agreement or instrument between the Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 8.01(e) will be margin stock.

(b) Investment Company Act. None of the Borrower, any Person Controlling the Borrower, or any Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

5.14 Disclosure.

The Borrower has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries or any other Loan Party is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally), initial Approved Budget by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, each Loan Party represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.15 Compliance with Laws.

Except as excused by the Bankruptcy Code, each Loan Party and each Subsidiary thereof is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.16 Reserved.**5.17 Casualty, Etc.**

Neither the businesses nor the properties of any Loan Party or any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.18 Sanctions Concerns and Anti-Corruption Laws; EEA Financial Institutions.

(a) Sanctions Concerns. No Loan Party, nor any Subsidiary, nor, to the knowledge of the Loan Parties and their Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction. The Borrower and its Subsidiaries have conducted their businesses in compliance in all material respects with all applicable Sanctions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such Sanctions.

(b) Anti-Corruption Laws; Sanctions. The Loan Parties and their Subsidiaries and, to the knowledge of the Loan Parties and their Subsidiaries, their Affiliates, officers and directors have conducted their business in compliance in all material respects with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other applicable anti-corruption legislation in other jurisdictions and with all applicable Sanctions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws and Sanctions.

5.19 Responsible Officers.

Set forth in the incumbency certificate delivered as of the Effective Date are Responsible Officers, holding the offices indicated next to their respective names, as of the Effective Date and such Responsible Officers are the duly elected and qualified officers of such Loan Party and are duly authorized to execute and deliver, on behalf of the respective Loan Party, any Loan Documents entered into by any applicable Loan Party from time to time.

5.20 Subsidiaries; Equity Interests; Loan Parties.

(a) Subsidiaries, Joint Ventures, Partnerships and Equity Investments. Set forth on Schedule 5.20(a), is the following information which is true and complete in all respects as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13: (i) a complete and accurate list of all Subsidiaries, joint ventures and partnerships and other equity investments of the Loan Parties as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, (ii) the number of shares of each class of Equity Interests in each Subsidiary outstanding, (iii) the number and percentage of outstanding shares of each class of Equity Interests owned by the Loan Parties and their Subsidiaries, (iv) the class or nature of such Equity Interests (i.e. voting, non-voting, preferred, etc.), and (v) the certificate number and percentage ownership of outstanding shares of each class of Equity Interests. The outstanding Equity Interests in all Subsidiaries are validly issued, fully paid and non-assessable and are owned free and clear of all Liens other than Liens in favor of the Administrative Agent under the Collateral Documents, Liens created under the Prepetition ABL Loan Documents, Liens created under the DIP Term Loan Documents and Liens created under the Prepetition Term Loan Documents. There are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to the Equity Interests of any Loan Party or any Subsidiary thereof, except as contemplated in connection with the Loan Documents.

(b) Loan Parties. Set forth on Schedule 5.20(b) is a complete and accurate list of all Loan Parties, showing as of the Effective Date, or as of the last date such Schedule was required to be updated in accordance with Section 6.13, (as to each Loan Party) (i) the exact legal name, (ii) any former legal names of such Loan Party in the four (4) months prior to the Effective Date, (iii) the jurisdiction of its incorporation

or organization, as applicable, (iv) the type of organization, (v) the jurisdictions in which such Loan Party is qualified to do business, (vi) the address of its chief executive office, (vii) the address of its principal place of business, (viii) its U.S. federal taxpayer identification number or, in the case of any non-U.S. Loan Party that does not have a U.S. taxpayer identification number, its unique identification number issued to it by the jurisdiction of its incorporation or organization, (ix) the organization identification number, (x) ownership information (e.g. publicly held or if private or partnership, the owners and partners of each of the Loan Parties) and (xi) the industry or nature of business of such Loan Party.

5.21 Collateral Representations.

(a) Collateral Documents. Subject to entry of the Orders, the provisions of the Collateral Documents are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties a legal, valid and enforceable first priority Lien (subject, as to priority, (i) to the extent encumbering Prepetition Term Loan Priority Collateral, Permitted Liens described in Section 7.01(l), (ii) to the extent having priority by operation of law, other Permitted Liens), and (iii) to such other exceptions set forth in the Interim Order and Final Order, when applicable) on all right, title and interest of the respective Loan Parties in the Collateral described therein.

(b) Intellectual Property. Set forth on Schedule 5.21(b), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a list of (i) all registered or issued Intellectual Property (including all applications for registration and issuance and including, to the best knowledge of the Loan Parties, all domain names) owned by each of the Loan Parties (including the name/title, current owner, registration or application number, and registration or application date, as applicable, and such other information as reasonably requested by the Administrative Agent), and (ii) all material Licenses of Intellectual Property to which Borrower is a party as Licensor or licensee; provided that such Schedule delivered as of the Effective Date may be updated to correct or supplement information as agreed by the Borrower and the Administrative Agent. Each Loan Party owns, licenses or possesses the right to use, all of the trademarks, service marks, trade names, domain names, copyrights, patents, patent rights, technology, software, know-how database rights, design rights and other intellectual property rights (collectively, “IP Rights”) that are necessary for the operation of their respective businesses as currently conducted, without infringement, misappropriation or other violation of the rights of any Person, except to the extent that such failure to own, license or possess the right to use, or infringement, misappropriation or other violation of such rights, either individually or in the aggregate, could not reasonably be expected to cause a material diminution in the value of the Intellectual Property. No use of any IP Rights, advertising, product, process, method, substance, part or other material used by any Loan Party or any Subsidiary in the operation of their respective businesses as currently conducted infringes upon any intellectual property or other similar proprietary rights held by any Person, except for such infringements, individually or in the aggregate, which could not reasonably be expected to cause a material diminution in the value of the Intellectual Property. No claim or litigation regarding any of the IP Rights, is pending or, to the knowledge of Borrower, threatened against any Loan Party or Subsidiary, which, either individually or in the aggregate, could reasonably be expected to cause a material diminution in the value of the IP Rights.

(c) Documents, Instrument, and Tangible Chattel Paper. Set forth on Schedule 5.21(c), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a description of all Documents, Instruments, and Tangible Chattel Paper of the Loan Parties (including the Loan Party owning such Document, Instrument and Tangible Chattel Paper and such other information as reasonably requested by the Administrative Agent).

(d) Deposit Accounts, Electronic Chattel Paper, Letter-of-Credit Rights, and Securities Accounts.

(i) Set forth on Schedule 5.21(d)(i), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a description of all Deposit Accounts and Securities Accounts of the Loan Parties, including the name of (A) the applicable Loan Party, (B) in the case of a Deposit Account, the depository institution and whether such account is a zero balance account or a payroll account, payroll tax account or other employee benefit account, and (C) in the case of a Securities Account, the Securities Intermediary or issuer, as applicable.

(ii) Set forth on Schedule 5.21(d)(ii), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a description of all Electronic Chattel Paper (as defined in the UCC) and Letter-of-Credit Rights (as defined in the UCC) of the Loan Parties, including the name of (A) the applicable Loan Party, (B) in the case of Electronic Chattel Paper (as defined in the UCC), the account debtor and (C) in the case of Letter-of-Credit Rights (as defined in the UCC), the issuer or nominated person, as applicable.

(e) Commercial Tort Claims. Set forth on Schedule 5.21(e), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a description of all Commercial Tort Claims (as defined in the UCC) of the Loan Parties (detailing such Commercial Tort Claim in such detail as reasonably requested by the Administrative Agent).

(f) Pledged Collateral. Set forth on Schedule 5.21(f), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a list of (i) all Pledged Collateral and (ii) all other Equity Interests required to be pledged to the Collateral Agent pursuant to the Collateral Documents (in each case, detailing the Pledgor (as defined in the Pledge Agreement), the Person whose Equity Interests are pledged, the number of shares of each class of Equity Interests, the certificate number and percentage ownership of outstanding shares of each class of Equity Interests and the class or nature of such Equity Interests (i.e. voting, non-voting, preferred, etc.)).

(g) Properties. Each Loan Party has good and marketable title to (or valid leasehold interests in) all of its Real Property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the use or value of such Real Property, and good title to all of its tangible personal Property, including all Property reflected in any financial statements delivered to Administrative Agent or Lenders (and which has not be disposed of since the date of such financial statement in transaction permitted under this Agreement), in each case free of Liens except for Permitted Liens. Set forth on Schedule 5.21(g), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a list of (A) each headquarter location of the Loan Parties, (B) each other location where any significant administrative or governmental functions are performed, (C) each other location where the Loan Parties maintain any books or records (electronic or otherwise), (D) each location where any personal property Collateral is located at any premises owned or leased by a Loan Party with a Collateral value in excess of \$1,000,000, and (E) all Real Property owned by any Loan Party (in each case, including (1) an indication if such location is leased or owned, (2), if leased, the name of the lessor, and if owned, the name of the Loan Party owning such property, and (3) the address of such property (including, the city, county, state and zip code). Each such lease of Real Property under which any Loan Party is the lessee is, to the knowledge of the Borrower, enforceable against the lessor thereof in accordance with its terms and is in full force and effect and the Loan Parties are not in default in any material respect of the terms thereof.

(h) Material Contracts. Set forth on Schedule 5.21(h), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a complete and accurate list of all Material Contracts of the Borrower and its Subsidiaries.

(i) Accounts. The Administrative Agent may rely, in determining which Accounts are Eligible Accounts, on all statements and representations made by the Borrower with respect thereto. The Borrower warrants, with respect to each Account shown as an Eligible Account in a Borrowing Base Report, that: (i) it is genuine and in all respects what it purports to be; (ii) it arises out of a completed, *bona fide* sale and delivery of goods or rendition of services in the Ordinary Course of Business, and substantially in accordance with any purchase order, contract or other document relating thereto; (iii) it is for a sum certain, maturing as stated in the applicable invoice, a copy of which has been furnished or is available to the Administrative Agent on request; (iv) it is not subject to any offset, Lien (other than the Administrative Agent's Lien), deduction, defense, dispute, counterclaim or other adverse condition except as arising in the Ordinary Course of Business and disclosed to the Administrative Agent or reflected in the amount thereof in the Borrowing Base Report; and it is absolutely owing by the Account Debtor, without contingency of any kind; (v) no purchase order, agreement, document or Applicable Law restricts assignment of the Account to the Administrative Agent (except to the extent, under the UCC, the restriction is ineffective), and the Borrower is the sole payee or remittance party shown on the invoice; (vi) no extension, compromise, settlement, modification, credit, deduction or return has been authorized or is in process with respect to the Account, except discounts or allowances granted in the Ordinary Course of Business for prompt payment that are reflected on the face of the invoice related thereto and in the reports submitted to the Administrative Agent hereunder; and (vii) to the best of the Borrower's knowledge, (i) there are no facts or circumstances that are reasonably likely to impair the enforceability or collectability of such Account; (ii) the Account Debtor had the capacity to contract when the Account arose, continues to meet the Borrower's customary credit standards, is Solvent, is not contemplating or subject to a proceeding under any Debtor Relief Law, and has not failed, or suspended or ceased doing business; and (iii) there are no proceedings or actions threatened or pending against any Account Debtor that could reasonably be expected to have a material adverse effect on the Account Debtor's financial condition.

(j) Eligible Inventory. All Eligible Inventory is of good and merchantable quality, free from known defects. As to any Inventory that is identified by Borrower as Eligible Inventory in a Borrowing Base Report submitted to Administrative Agent, such Inventory is not excluded as ineligible by virtue of one or more of the excluding criteria set forth in the definition of Eligible Inventory. Each Loan Party keeps records which are correct and accurate in all material respects itemizing and describing the type, quality, and quantity of its and its Subsidiaries' Inventory and the book value thereof.

5.22 Labor Matters.

There are no collective bargaining agreements or Multiemployer Plans covering the employees of the Borrower or any of its Subsidiaries as of the Effective Date and neither the Borrower nor any Subsidiary has suffered any strikes, walkouts, work stoppages or other labor difficulty within the last five (5) years preceding the Effective Date that could reasonably be expected to have a Material Adverse Effect.

5.23 Certificate of Beneficial Ownership.

As of the Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

5.24 Surety Obligations.

Neither the Borrower nor any other Loan Party is obligated as surety or indemnitor under any bond or other contract that assures payment or performance of any obligation of any Person, except as permitted hereunder.

5.25 **[Reserved].**5.26 **[Reserved].**5.27 **Regulation H.**

No Mortgaged Property is a Flood Hazard Property unless the Collateral Agent shall have received the following: (a) the applicable Loan Party's written acknowledgment of receipt of written notification from the Collateral Agent (i) as to the fact that such Mortgaged Property is a Flood Hazard Property, and (ii) as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program, (b) such other flood hazard determination forms, notices and confirmations thereof as reasonably requested by the Collateral Agent, and (c) copies of insurance policies or certificates of insurance of the applicable Loan Party evidencing flood insurance sufficient for compliance with Flood Laws and otherwise satisfactory to the Collateral Agent and naming the Collateral Agent as loss payee on behalf of the Lenders. All flood hazard insurance policies required hereunder have been obtained and remain in full force and effect, and the premiums thereon have been paid in full.

5.28 **Affected Financial Institutions; Covered Entities.**

No Loan Party is an Affected Financial Institution. No Loan Party is a Covered Entity.

5.29 **Approved Budget.**

Each of the initial Approved Budget, attached hereto as Annex A, which was delivered to the Administrative Agent on or prior to the Effective Date, and the then-applicable Approved Budget, was prepared in good faith upon assumptions the Borrower believed to be reasonable assumptions on the date of delivery of the then-applicable Approved Budget or update thereto. To the knowledge of the Borrower, no facts exist that (individually or in the aggregate) would result in any material change in the then-applicable Approved Budget.

5.30 **Chapter 11 Cases.**

(a) The Chapter 11 Cases were commenced on the Petition Date in accordance with applicable Law and proper notice thereof was given for (i) the motion seeking approval of the Loan Documents, the DIP Term Loan Documents and the Interim Order and Final Order, (ii) the hearing for the entry of the Interim Order, and (iii) the hearing for the entry of the Final Order. The Debtors shall give, on a timely basis as specified in the Interim Order or the Final Order, as applicable, all notices required to be given to all parties specified in the Interim Order or Final Order, as applicable.

(b) After the entry of the Interim Order, and pursuant to and to the extent permitted in the Interim Order and the Final Order, the Obligations will constitute allowed administrative expense claims in the Chapter 11 Cases having priority over all administrative expense claims and unsecured claims against the Debtors now existing or hereafter arising, of any kind whatsoever, including all administrative expense claims of the kind specified in sections 105, 326, 330, 331, 365, 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1114 or any other provision of the Bankruptcy Code or otherwise, as provided under section 364(c)(1) of the Bankruptcy Code, subject to (i) the Carve Out and (ii) such other exceptions, if any, set forth in the Interim Order or Final Order, as applicable.

(c) After the entry of the Interim Order and pursuant to and to the extent provided in the Interim Order and the Final Order, as applicable, the Obligations will be secured by a valid and perfected first priority Lien on all of the Collateral subject, as to priority, only to (i) the Carve Out, and (ii) the Liens

permitted pursuant to Section 7.02(g) and (h) and (iii) such other exceptions set forth in the Interim Order and the Final Order, as applicable.

(d) The Interim Order (with respect to the period on and after entry of the Interim Order and prior to entry of the Final Order) or the Final Order (with respect to the period on and after entry of the Final Order), as the case may be, is in full force and effect and has not been reversed, stayed (whether by statutory stay or otherwise), vacated, or, without the Administrative Agent's consent, modified or amended. The Loan Parties are in compliance in all material respects with the applicable Order.

(e) Notwithstanding the provisions of section 362 of the Bankruptcy Code, and subject to the applicable provisions of the Interim Order or the Final Order, as the case may be, upon the Maturity Date (whether by acceleration or otherwise) of any of the Obligations, the Administrative Agent and Lenders shall be entitled to immediate payment of such Obligations and to enforce the remedies provided for hereunder or under applicable Law, without further notice, motion or application to, hearing before, or order from, the Bankruptcy Court.

ARTICLE VI

AFFIRMATIVE COVENANTS

Each of the Loan Parties hereby covenants and agrees that on the Effective Date and thereafter until the Facility Termination Date, such Loan Party shall, and shall cause each of its Subsidiaries (except in the case of the covenants set forth in Sections 6.01, 6.02 and 6.03) to:

6.01 Financial Statements.

Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders:

(a) [Reserved].

(b) [Reserved].

(c) Monthly Financial Statements. As soon as available, but in any event within thirty (30) days after the end of each month, Consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as at the end of such month, and the related Consolidated and consolidating statements of income or operations, changes in cash flows for such month and for the portion of the Borrower's fiscal year then ended, setting forth in comparative form the figures for the corresponding period or periods and the corresponding figures contained in the applicable Approved Budget, all in reasonable detail and prepared in accordance with GAAP, such Consolidated and consolidating statements to be certified by a Responsible Officer of the Borrower as fairly presenting the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries, subject only to normal year-end audit adjustments and the absence of footnotes.

6.02 Certificates; Other Information.

Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders:

(a) [Reserved].

(b) [Reserved].

(c) Borrowing Base Reports. No later than the third Business Day of each week and at such other times as the Administrative Agent may request, a Borrowing Base Report as of the close of business of the previous week (provided that it is understood and agreed that the information contained therein with respect to Inventory may be calculated as of the most recent month-end), together with such supporting information and backup documentation as the Administrative Agent may reasonably request. All information (including calculations of Availability) in a Borrowing Base Report shall be certified by the Borrower. The Administrative Agent may from time to time adjust such report (w) to reflect the Administrative Agent's reasonable estimate of declines in value of Collateral, due to collections received in the Dominion Account or otherwise; (x) to adjust advance rates to reflect changes in dilution, quality, mix and other factors affecting Collateral; and (y) to the extent any information or calculation does not comply with this Agreement.

(d) Liquidity. As soon as available and in any event not later than 5:00 p.m. on Wednesday of each week, the Borrower shall deliver to the Administrative Agent a report setting forth the Liquidity (and component parts thereof) as of each day in the prior week;

(e) DIP Term Loan. Substantially contemporaneously with the delivery thereunder, all notices, certifications or other information or deliverables provided to the DIP Term Loan Agent and/or the DIP Term Loan Lenders under the DIP Term Loan Agreement pursuant to the terms thereof.

(f) Changes in Entity Structure. Within ten (10) days prior to any merger, consolidation, dissolution or other change in entity structure of any Loan Party or any of its Subsidiaries permitted pursuant to the terms hereof, provide notice of such change in entity structure to the Administrative Agent, along with such other information as reasonably requested by the Administrative Agent. Provide notice to the Administrative Agent, not less than ten (10) days prior (or such extended period of time as agreed to by the Administrative Agent) of any change in any Loan Party's legal name, state of organization, or organizational existence.

(g) SEC Notices. Promptly, and in any event within five (5) Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof.

(h) Accounts.

(i) On or before the third Business Day of each week, (a) a detailed aged trial balance of all Accounts as of the end of the preceding month, specifying each Account's Account Debtor name and address, amount, invoice date and due date, showing any discount, allowance, credit, authorized return or dispute, and including such proof of delivery, copies of invoices and invoice registers, copies of related documents, repayment histories, status reports, (b) reporting regarding any funds transferred out of the DIP Term Loan Proceeds Account, and (d) other information as the Administrative Agent may reasonably request.

(ii) Each Business Day, prepared as of the end of the most recent Business Day, a report listing (A) all Accounts of Borrower, (B) the amount and age of each Account on an original invoice date aging basis, (C) the name of each Account Debtor, (D) all Accounts which do not constitute Eligible Accounts, and (E) such other information as the Administrative Agent may request.

(i) Trade Payables. Promptly following any request therefor, a listing of the Borrower's trade payables, specifying the trade creditor and balance due, and a detailed trade payable aging, all in form reasonably satisfactory to the Administrative Agent.

(j) Environmental Notice. Promptly after the assertion or occurrence thereof, notice of any action or proceeding against or of any noncompliance by any Loan Party or any of its Subsidiaries with any Environmental Law or Environmental Permit that could reasonably be expected to have a Material Adverse Effect.

(k) Beneficial Ownership Regulation. Promptly following any request therefor, provide information and documentation required by bank regulatory authorities under applicable Laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules related to terrorism financing or money laundering, including any applicable provision of the PATRIOT Act and The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act," 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959) (including any applicable "know your customer" rules and regulations and the PATRIOT Act) and the Beneficial Ownership Regulation.

(l) Additional Information. Promptly, such additional information regarding the business, financial, legal or corporate affairs of any Loan Party or any Subsidiary thereof, including AFI Australia, or compliance with the terms of the Loan Documents or the Prepetition Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request, which information shall be provided promptly following request therefor (and in any event, with respect to any information requested from AFI Australia, within five (5) Business Days from receipt of such request); provided that so long as the Loan Parties do not (x) request or require that third parties agree to confidentiality provisions prohibiting disclosure to the Administrative Agent or Secured Parties in any document, information or other matter described in this clause (l)(ii) and/or (y) seek to cause any such documents to be subject to attorney-client privilege solely for the purpose of avoiding compliance with this clause (l)(ii), then no Loan Party nor any Subsidiary of a Loan Party will be required to disclose any document, information or other matter pursuant to this clause (l)(ii) (x) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives) is prohibited by law or any binding agreement (other than any binding agreement entered into for the purpose of avoiding such disclosure) or (ii) that is subject to attorney client or similar privilege or constitutes attorney work product; provided, further, that the Borrower shall notify the Administrative Agent if it is withholding any such document or information pursuant to the foregoing proviso and shall use commercially reasonable efforts to deliver a redacted copy of or detailed summary of such document or information that can be disclose without breach or violation of law or contract or loss of privilege.

The Borrower hereby acknowledges that (A) the Administrative Agent and/or an Affiliate thereof may, but shall not be obligated to, make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, Syndtrak, ClearPar or a substantially similar electronic transmission system (the "Platform") and (B) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (1) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (2) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, any Affiliate thereof, the Arranger, the L/C Issuer, the other Agents and the Lenders to treat such Borrower Materials as not containing any material non-public information

(although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 11.07); (3) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Side Information;” and (4) the Administrative Agent and any Affiliate thereof and the Arranger shall be entitled to treat any Borrower Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated “Public Side Information.” Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials “PUBLIC”.

6.03 Notices.

Promptly, but in any event within two (2) Business Days, notify the Administrative Agent and each Lender:

(a) of the occurrence of any Default or Event of Default or any “Default” or “Event of Default” under the DIP Term Loan Agreement or any DIP Term Loan Document, in each case specifying the nature and extent thereof;

(b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect;

(c) of the occurrence of any ERISA Event;

(d) of any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary thereof or the discharge of or any withdrawal or resignation by the Borrower’s independent accountants;

(e) of any (i) agreement to consummate a Disposition that, upon consummation, would result in a Change of Control and (ii) event or condition requiring a mandatory prepayment pursuant to Section 2.05(b) including, without limitation, Dispositions of Prepetition Term Loan Priority Collateral, DIP Term Loan Priority Collateral, Prepetition ABL Priority Collateral or DIP ABL Priority Collateral, in each case, together with an update to the Borrowing Base Report most recently delivered to the Administrative Agent reflecting the result of such casualty, condemnation event or disposition, as applicable, on the calculations of the Borrowing Base;

(f) any change in the information provided in any Beneficial Ownership Certification, if applicable, that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification;

(g) any pending or threatened labor dispute, strike or walkout, or the expiration of any material labor contract;

(h) any default under or termination of a Material Contract;

(i) any judgment in an amount exceeding \$750,000;

(j) any opening of a new office or place of business, at least 30 days prior to such opening;

(k) any material casualty or other damage to any portion of the Prepetition Term Loan Priority Collateral, DIP Term Loan Priority Collateral, Prepetition ABL Priority Collateral or DIP ABL Priority Collateral, or the commencement of any action or proceeding for the taking of any interest in a portion of

the Prepetition Term Loan Priority Collateral, DIP Term Loan Priority Collateral, Prepetition ABL Priority Collateral or DIP ABL Priority Collateral or any part thereof or interest therein under power of eminent domain or by condemnation or similar proceeding; and

(l) the filing of any Lien against any Loan Party of which the Borrower is aware for (i) unpaid Taxes which Lien has or could have priority over any Lien in favor of the Collateral Agent for the benefit of the Secured Parties to secure the Obligations or (ii) any other material Taxes; and

(m) (i) as soon as practicable in advance of filing with the Bankruptcy Court or delivering to the Committee appointed in a Chapter 11 Case, if any, or to the U.S. Trustee, as the case may be, the Final Order, all other material proposed orders and pleadings related to (x) the Chapter 11 Cases (all of which must be in form and substance reasonably satisfactory to the Administrative Agent) and (y) the Prepetition ABL Credit Agreement, this Agreement and the credit facilities contemplated thereby, the DIP Term Loan Facility and/or any sale contemplated in accordance with the Required Milestones and/or any disclosure statement related thereto (all of which must be in form and substance reasonably satisfactory to the Administrative Agent), and (ii) substantially simultaneously with the filing with the Bankruptcy Court or delivering to the Committee appointed in any Chapter 11 Case, if any, or to the U.S. Trustee, as the case may be, monthly written operating reports and all other written notices, filings, motions, pleadings or other written information concerning the financial condition of the Loan Parties or their Subsidiaries that may be filed with the Bankruptcy Court or delivered to the Committee appointed in any Chapter 11 Case, if any, or to the U.S. Trustee, in each case, excluding any such reports, notices, filings, motions, pleadings or other information subject to privilege (provided, that the Loan Parties may redact any confidential information contained in any such report, notice, filing, motion, pleading or information if it provides a summary of the nature of the information redacted to the Administrative Agent).

Each notice pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and to the extent applicable, stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Obligations.

Subject to the Orders and the terms thereof, pay and discharge as the same shall become due and payable, all its material obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets incurred after the Petition Date (but tax liabilities, assessments and governmental charges or levies which are required to be paid in accordance with the Orders or any other order of the Bankruptcy Court shall be permitted to be paid), all in accordance with and subject to the Approved Budget (and the permitted variances provided for therein); (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness, in each case all in accordance with and subject to the Approved Budget (and the permitted variances provided for therein) in each case unless (i) the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary or (ii) such payment or discharge is subject to the Automatic Stay imposed as a result of the Chapter 11 Cases.

6.05 Preservation of Existence, Etc.

(a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05;

(b) preserve, renew and maintain in full force and effect its good standing under the Laws of the jurisdiction of its organization, except to the extent to do so could not reasonably be expected to have a Material Adverse Effect;

(c) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and

(d) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.06 Maintenance of Properties.

(a) Maintain, preserve and protect all of its material tangible properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted;

(b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and

(c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

6.07 Maintenance of Insurance.

(a) Maintenance of Insurance. Maintain with financially sound and reputable insurance companies not Affiliates of the Borrower, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, including, without limitation, (i) terrorism insurance and (ii) flood hazard insurance on all Mortgaged Properties that are Flood Hazard Properties, on such terms and in such amounts in accordance with the Flood Laws or as otherwise satisfactory to all Lenders. From time to time upon request, the Loan Parties shall deliver to the Administrative Agent the originals or certified copies of its insurance policies and updated flood plain searches.

(b) Evidence of Insurance. Cause the Collateral Agent to be named as lenders' loss payable, loss payee or mortgagee, as its interest may appear, and/or additional insured with respect of any such insurance providing liability coverage or coverage in respect of any Collateral, and cause, unless otherwise agreed to by the Collateral Agent, each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Collateral Agent that it will give the Collateral Agent thirty (30) days prior written notice before any such policy or policies shall be altered or cancelled (or ten (10) days prior notice in the case of cancellation due to the nonpayment of premiums). Annually, upon expiration of current insurance coverage, the Loan Parties shall provide, or cause to be provided, to the Collateral Agent, such evidence of insurance as required by the Collateral Agent, including, but not limited to: (i) certified copies of such insurance policies, (ii) evidence of such insurance policies (including, without limitation and as applicable, ACORD Form 28 certificates (or similar form of insurance certificate), and ACORD Form 25 certificates (or similar form of insurance certificate)), (iii) declaration pages for each insurance policy and (iv) lender's loss payable endorsement of the Collateral Agent for the benefit of the Secured Parties is not on the declarations page for such policy. As requested by the Collateral Agent, the Loan Parties agree to deliver to the Administrative Agent an Authorization to Share Insurance Information.

(c) Flood Insurance. If any portion of any Mortgaged Property is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the Flood Laws, then the Borrower shall, or shall cause the applicable Loan Party to (a) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Laws and (b) deliver to the Administrative Agent evidence of such compliance in form and substance reasonably acceptable to the Administrative Agent, including evidence of annual renewals of such insurance.

6.08 Compliance with Laws.

Comply with (a) the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (i) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; (ii) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect; or such compliance is stayed by the Chapter 11 Cases; and (b) the Bankruptcy Code, the Bankruptcy Rules, the Orders, and any other order of the Bankruptcy Court in all material respects.

6.09 Books and Records.

(a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Loan Party or such Subsidiary, as the case may be; and

(b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over such Loan Party or such Subsidiary, as the case may be.

6.10 Inspection Rights.

(a) The Borrower will permit the Administrative Agent (including, without limitation, the Administrative Agent's employees, agents and designated representatives) and, if reasonably requested by any Lender, each such Lender (at each such Lender's expense and only in connection with an examination or appraisal by the Administrative Agent) to conduct, and will reimburse the Administrative Agent for all charges, costs and expenses of the Administrative Agent in connection with (i) examinations of any Loan Party's books and records or any other financial or Collateral matters as Agent deems appropriate; and (ii) appraisals of Inventory; provided, that the Borrower shall not be obligated to pay the charges, costs and expenses of the Administrative Agent in connection with more than one examination and one Inventory appraisal during the term of this Agreement; provided, however, that additional examinations or appraisals may be initiated at any time during a Default or Event of Default and all charges, costs and expenses relating thereto shall be reimbursed by Borrower without regard to such limits.

(b) The Administrative Agent shall have no duty to the Borrower to make any inspection, nor to share any results of any inspection, appraisal or report with the Borrower. The Borrower acknowledges that all inspections, appraisals and reports are prepared by the Administrative Agent for it and the Lenders for their purposes, and the Borrower shall not be entitled to rely upon them.

6.11 Use of Proceeds.

(a) The proceeds of the Credit Extensions will be used on and after the Effective Date only (i) to fund the Chapter 11 Cases in accordance with the Approved Budget (subject to variances permitted under Section 6.27 and excluding any repayment of the principal amount of or interest upon any “Protective Advances” under and as defined in the DIP Term Loan Agreement), (ii) for the financing of the Borrower’s and its Subsidiaries’ ordinary working capital and other general corporate needs including certain fees and expenses of professionals retained by the Loan Parties, subject to the Carve Out, in each case, to the extent permitted under this Agreement and in accordance with the Approved Budget, and (iii) for certain other Prepetition and pre-filing expenses and payments that are approved by the Bankruptcy Court and permitted by the Approved Budget. The Loan Parties shall not be permitted to use the proceeds of the Credit Extensions in contravention of the provisions of the applicable Order or the Bankruptcy Code, including any restrictions or limitations on the use of proceeds contained therein. Any Postpetition payment of Prepetition ABL Obligations, including principal, interest, fees, penalties or recoverable costs, due and payable in connection with the Prepetition ABL Credit Agreement with the proceeds of the Collateral (as defined herein) or Collateral (as defined in the Prepetition ABL Credit Agreement) shall be made in accordance herewith and with the Orders.

(b) No part of the proceeds of any Credit Extension will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase, acquire or carry any Margin Stock or (ii) for any purpose that entails a violation of any of the regulations of the FRB, including Regulations T, U, and X. The Borrower will not request any Credit Extension, and the Borrower shall not use, and shall ensure that each Loan Party, their respective Subsidiaries and their respective directors, officers, employees and agents shall not use, the proceeds of any Loan (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or (B) in any manner that would result in the violation of any Anti-Money Laundering Laws, applicable Sanctions or any Anti-Terrorism Laws by any Person (including the Administrative Agent or any Lender).

6.12 Material Contracts.

Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect and enforce each such Material Contract in accordance with its terms.

6.13 Covenant to Guarantee Obligations.

The Loan Parties will cause each of their Material Domestic Subsidiaries whether newly formed, after acquired or otherwise existing (including, without limitation, upon the formation of any Subsidiary that is a Delaware Divided LLC) to promptly (and in any event within thirty (30) days after such Material Domestic Subsidiary is formed or acquired (or such longer period of time as agreed to by the Administrative Agent in its reasonable discretion)) become a Guarantor hereunder by way of execution of a Joinder Agreement. In connection therewith, the Loan Parties shall give notice to the Administrative Agent not less than ten (10) days prior to creating a Subsidiary (or such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion), or acquiring the Equity Interests of any other Person. In connection with the foregoing, the Loan Parties shall deliver to the Administrative Agent, with respect to each new Guarantor to the extent applicable, substantially the same documentation required pursuant to Sections 4.01(b) – (f) and 6.14 and such other documents or agreements as the Administrative Agent may reasonably request, including without limitation, updated Schedules 1.01(c), 5.10, 5.20(a), 5.20(b), 5.21(b), 5.21(c), 5.21(d)(i), 5.21(d)(ii), 5.21(e), 5.21(f), 5.21(g) and 5.21(h).

6.14 Covenant to Give Security.

Except with respect to any property which, subject to the terms of Section 7.03(e), is subject to a Lien pursuant to documents that prohibit such Loan Party from granting any other Liens in such property (including, without limitation, any acquisition of property pursuant to a Delaware LLC Division), and subject to Section 6.17 and the entry of the Orders:

(a) Equity Interests and Personal Property. Each Loan Party will cause the Pledged Collateral and all of its tangible and intangible personal property now owned or hereafter acquired by it to be subject at all times to a first priority, perfected Lien (subject to Permitted Liens to the extent permitted by the Loan Documents) in favor of the Collateral Agent for the benefit of the Secured Parties to secure the Secured Obligations pursuant to the terms and conditions of the Collateral Documents. Each Loan Party shall provide any filings and deliveries reasonably necessary in connection therewith to perfect the security interests therein, all in form and substance reasonably satisfactory to the Administrative Agent. Notwithstanding anything to the contrary in any of the Loan Documents, the Loan Parties shall not have any obligation to perfect any security interest or lien in any Intellectual Property included in the Collateral in any jurisdiction other than the United States of America.

(b) Account Control Agreements. Except in respect of the Carve Out, each of the Loan Parties shall not open, maintain or otherwise have any deposit or other accounts (including securities accounts) at any bank or other financial institution, or any other account where money or securities are or may be deposited or maintained with any Person, other than (a) deposit accounts that are maintained at all times with depository institutions as to which the Administrative Agent shall have received a Qualifying Control Agreement, (b) securities accounts that are maintained at all times with financial institutions as to which the Administrative Agent shall have received a Qualifying Control Agreement, (c) deposit accounts established solely to fund payroll, payroll Taxes and similar employment Taxes or employee benefits and other zero balance accounts and (d) other deposit accounts, so long as at any time the balance in any such account does not exceed \$100,000 and the aggregate balance in all such accounts does not exceed \$250,000. The Loan Parties shall be the sole account holders of each Deposit Account and Securities Account set forth on Schedule 5.21(d)(i) and shall not allow any Person (other than the Administrative Agent, the DIP Term Loan Agent, the Prepetition ABL Agent, the Prepetition Term Loan Agent and the depository bank) to have control over their Deposit Accounts, Securities Accounts or any Property deposited therein.

(c) Further Assurances. At any time upon the reasonable request of the Administrative Agent, promptly execute and deliver any and all further instruments and documents and take all such other action as the Administrative Agent reasonably may deem necessary or desirable to maintain in favor of the Administrative Agent, for the benefit of the Secured Parties, Liens and insurance rights on the Collateral that are duly perfected in accordance with the requirements of, or the obligations of the Loan Parties under, the Loan Documents and all applicable Laws.

6.15 Further Assurances.

Promptly upon request by the Administrative Agent, or any Lender through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable Law, subject any Loan Party's or any of its Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (iii) perfect and maintain the validity, effectiveness and priority of any

of the Collateral Documents and any of the Liens intended to be created thereunder and (iv) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

6.16 Anti-Corruption and Anti-Terrorism Laws.

Conduct its businesses in compliance in all material respects with the PATRIOT Act, the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such laws.

6.17 Post-Closing Deliverables.

Satisfy all the requirements set forth on Schedule 6.17 within the time period specified therein, or such longer time period as acceptable to Administrative Agent.

6.18 Accounts.

(a) The Borrower shall keep accurate and complete records of its Accounts, including all payments and collections thereon, and shall submit to the Administrative Agent sales, collection, reconciliation and other reports in form satisfactory to the Administrative Agent, on such periodic basis as Agent may reasonably request. If Accounts in an aggregate face amount of \$250,000 or more cease to be Eligible Accounts (other than due to collection), the Borrower shall notify Agent of such occurrence promptly (and in any event within one Business Day) after any Loan Party has knowledge thereof.

(b) If an Account of the Borrower includes a charge for any Taxes and an Event of Default has occurred and is continuing, the Administrative Agent is authorized, in its discretion, to pay the amount thereof to the proper taxing authority for the account of the Borrower and to charge the Borrower therefor; provided, that neither Agent nor Lenders shall be liable for any Taxes that may be due from the Borrower or relate to any Collateral.

(c) Whether or not a Default or Event of Default exists, the Administrative Agent shall have the right at any time, in the name of Agent, any designee of the Administrative Agent or the Borrower, to verify the validity, amount or any other matter relating to any Accounts of the Borrower by mail, telephone or otherwise. The Borrower shall cooperate fully with the Administrative Agent in an effort to facilitate and promptly conclude any such verification process.

(d) The Borrower shall maintain Dominion Accounts pursuant to lockbox or other arrangements acceptable to the Administrative Agent. The Borrower shall obtain an agreement (in form and substance satisfactory to the Administrative Agent) from each lockbox servicer and Dominion Account bank, establishing the Administrative Agent's control over and Lien in the lockbox or Dominion Account requiring immediate deposit of all remittances received in the lockbox to a Dominion Account, and waiving offset rights of such servicer or bank, except for customary administrative charges. If a Dominion Account is not maintained with Bank of America, the Administrative Agent may require immediate transfer of all funds in such account to a Dominion Account maintained with Bank of America. The Administrative Agent and Lenders assume no responsibility to the Borrower for any lockbox arrangement or Dominion Account, including any claim of accord and satisfaction or release with respect to any payment items accepted by any bank.

(e) The Borrower shall request in writing and otherwise take all necessary steps to ensure that all payments on Accounts or otherwise relating to Collateral are made directly to a Dominion Account (or a lockbox relating to a Dominion Account). If the Borrower or any other Loan Party receives cash or payment items with respect to any Collateral, it shall hold same in trust for the Administrative Agent and promptly (not later than the next Business Day) deposit same into a Dominion Account.

(f) The available balance in the main Dominion Account(s) as of the end of a Business Day shall, at the beginning of the next Business Day, first be remitted to the Prepetition ABL Agent for application to the Subject Prepetition ABL Obligations as provided in the Prepetition ABL Credit Agreement and the Orders and second be applied to the Obligations (other than Secured Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements); provided, however, that notwithstanding the foregoing, the Borrower shall be permitted to deposit and hold up cash on deposit in a Deposit Account that is not subject to the sweep described above so long as (i) the aggregate amount deposited in such Deposit Account on and after the Effective Date shall not exceed \$2,500,000 and (ii) funds on deposit in such Deposit Account are used only in accordance with the Approved Budget. Any resulting credit balance shall not accrue interest in favor of the Borrower and shall be applied in accordance with the Interim Order or the Final Order, when applicable.

6.19 Inventory.

(a) The Borrower shall keep accurate and complete records of its Inventory, including costs and daily withdrawals and additions, and shall submit to the Administrative Agent inventory and reconciliation reports in form satisfactory to the Administrative Agent, on such periodic basis as the Administrative Agent may reasonably request. The Borrower shall conduct a physical inventory at least once per calendar year (and on a more frequent basis if requested by the Administrative Agent when an Event of Default exists) and periodic cycle counts consistent with historical practices, and shall provide to the Administrative Agent a report based on each such inventory and count promptly upon completion thereof, together with such supporting information as the Administrative Agent may request. The Administrative Agent may participate in and observe each physical count.

(b) The Borrower shall not return any Inventory to a supplier, vendor or other Person, whether for cash, credit or otherwise, unless (a) such return is in the Ordinary Course of Business; (b) no Default, Event of Default or Overadvance exists or would result therefrom; (c) the Administrative Agent is promptly notified if the aggregate Value of all Inventory returned in any month exceeds \$250,000; and (d) any payment received by a Borrower for a return is promptly remitted to the Administrative Agent for application to the Obligations.

(c) The Borrower shall not acquire or accept any Inventory on consignment or approval, and shall take all steps to assure that all Inventory is produced in accordance with applicable Law, including the FLSA. The Borrower shall not sell any Inventory on consignment or approval or any other basis under which the customer may return or require the Borrower to repurchase such Inventory. The Borrower shall use, store and maintain all Inventory with reasonable care and caution, in accordance with applicable standards of any insurance and in conformity with all applicable Law, and shall make current rent payments (within applicable grace periods provided for in leases) at all locations where any Collateral is located.

(d) The Borrower shall deliver, on or before the third Business Day of each week, prepared as of the last day of the most recent week, a report listing (A) all Inventory and all Eligible Inventory of Borrower, (B) the cost thereof, (C) raw materials, work-in-process, and finished goods, and (D) all Inventory which has not been timely sold in the ordinary course of business.

6.20 Equipment.

(a) The Borrower shall keep accurate and complete records of its Equipment, including kind, quality, quantity, cost, acquisitions and dispositions thereof (including, without limitation, a designation as to the location of its Equipment), and shall submit to the Administrative Agent, at such times as the Administrative Agent may reasonably request, a current schedule thereof, in form satisfactory to the Administrative Agent. Promptly upon request, the Borrower shall deliver to the Administrative Agent evidence of their ownership or interests in any Equipment.

(b) The Borrower shall not sell, lease or otherwise dispose of any Equipment, without the prior written consent of Agent, other than (a) a Disposition permitted by Section 7.05; and (b) replacement of Equipment that is worn, damaged or obsolete with Equipment of like function and value, if the replacement Equipment is acquired substantially contemporaneously with such disposition and is free of Liens.

(c) The Equipment is in good operating condition and repair, and all necessary replacements and repairs have been made so that its value and operating efficiency are preserved at all times, reasonable wear and tear excepted. The Borrower shall ensure that the Equipment is mechanically and structurally sound, and capable of performing the functions for which it was designed, in accordance with manufacturer specifications. The Borrower shall not permit any Equipment to become affixed to Real Property unless any landlord or mortgagee delivers a Lien Waiver.

6.21 Location of Collateral.

All tangible items of Collateral, other than Inventory in transit, shall at all times be kept by the Loan Parties at the business locations set forth in Schedule 5.21(g), except that the Loan Parties may (a) make sales or other dispositions of Collateral in accordance with Section 7.05; and (b) move Collateral to another location in the United States, upon 30 Business Days prior written notice to the Administrative Agent. Upon request, provide the Administrative Agent with copies of all existing agreements, and promptly after execution thereof provide the Administrative Agent with copies of all future agreements, between a Loan Party and any landlord, warehouseman, processor, shipper, bailee or other Person that owns any premises at which any Collateral may be kept or that otherwise may possess or handle any Collateral.

6.22 Insurance of Collateral; Condemnation Proceeds; Protection of Collateral.

(a) The Loan Parties shall maintain insurance with respect to the Collateral, covering casualty, hazard, theft, malicious mischief, flood and other risks, in amounts, with endorsements and with insurers (with a Best rating of at least A+, unless otherwise approved by Agent in its discretion) satisfactory to the Administrative Agent; provided, that if Real Property secures any Obligations, flood hazard diligence, documentation and insurance for such Real Property shall comply with all Flood Laws or shall otherwise be satisfactory to all Lenders. In addition to the insurance required hereunder with respect to Collateral, maintain insurance with insurers (with a Best rating of at least A+, unless otherwise approved by the Administrative Agent in its discretion) satisfactory to the Administrative Agent, (a) with respect to the Properties and business of the Loan Parties of such type (including product liability, workers' compensation, larceny, embezzlement, or other criminal misappropriation insurance), in such amounts, and with such coverages and deductibles as are customary for companies similarly situated; and (b) business interruption insurance in an amount not less than \$25,000,000 with deductibles and subject to an endorsement or assignment reasonably satisfactory to the Administrative Agent. All proceeds under each policy shall, subject to the Intercreditor Agreement, be payable to the Administrative Agent and, if no Default or Event of Default exists, shall be paid by the Administrative Agent into a Dominion Account. From time to time upon request, the Loan Parties shall deliver to the Administrative Agent the originals or certified copies of its insurance policies and updated flood plain searches. Unless the Administrative Agent shall agree

otherwise, each policy shall include satisfactory endorsements (i) showing the Administrative Agent as lender's loss payee; (ii) requiring 30 days prior written notice to the Administrative Agent in the event of cancellation of the policy for any reason whatsoever; and (iii) specifying that the interest of the Administrative Agent shall not be impaired or invalidated by any act or neglect of the Borrower or the owner of the Property, nor by the occupation of the premises for purposes more hazardous than are permitted by the policy. If any Loan Party fails to provide and pay for any insurance, the Administrative Agent may, in its discretion, procure the insurance and charge the Borrower therefor. Each Loan Party agrees to deliver to the Administrative Agent, promptly as rendered, copies of all reports made to insurance companies. While no Event of Default exists, the Loan Parties may settle, adjust or compromise any insurance claim, as long as the proceeds are delivered to the Administrative Agent. If an Event of Default exists, only the Administrative Agent may settle, adjust and compromise such claims.

(b) Subject to Section 6.22(a) and to the terms of the Intercreditor Agreement, any proceeds of insurance (other than workers' compensation) and awards from condemnation of Collateral shall be paid directly to the Administrative Agent for application to the Obligations.

(c) [reserved].

(d) All expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping any Collateral, all Taxes payable with respect to any Collateral (including any sale thereof), and all other payments required to be made by the Administrative Agent to any Person to realize upon any Collateral, shall be borne and paid by the Borrower. The Administrative Agent shall not be liable or responsible in any way for the safekeeping of any Collateral, for any loss or damage thereto (except for reasonable care in its custody while Collateral is in the Administrative Agent's actual possession), for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency or other Person whatsoever, but the same shall be at the Borrower's sole risk.

6.23 Defense of Title.

Each Loan Party shall defend its title to Collateral and the Administrative Agent's Liens therein against all Persons, claims and demands, except Permitted Liens.

6.24 Intellectual Property.

(a) Each Loan Party will, and will cause each Subsidiary to, (i) maintain its ownership of all Intellectual Property owned by such Loan Party and each Subsidiary, and shall not knowingly do any act, or omit to do any act, whereby any owned Intellectual Property may lapse, become abandoned or cancelled, or dedicated to the public, except in each case for immaterial Intellectual Property which is no longer used or useful in any material respect in the Business of the Loan Parties, and (ii) take such actions as it shall deem appropriate under the circumstances in the United States Patent and Trademark Office and the United States Copyright Office to pursue any application and maintain any registration of each trademark, patent, and copyright owned by such Loan Party or Subsidiary of such Loan Party, except in each case for immaterial Intellectual Property which is no longer used or useful in any material respect in the Business of the Loan Parties and (iii) without limiting the foregoing, register any material domain name(s) under the name of such Loan Party or Subsidiary of such Loan Party, in each of clause (i) through (iii) above except as could not reasonably be expected to have, either individually or in the aggregate, a material adverse effect on the value of the Loan Parties' and their Subsidiaries' Intellectual Property taken as a whole.

(b) Each Loan Party shall keep each material License affecting any Collateral (including the manufacture, distribution or disposition of Inventory) or any other material Property of the Loan Parties in full force and effect; promptly notify the Administrative Agent of any proposed modification to any such

License, or entry into any new License, in each case at least 30 days prior to its effective date; pay all royalties and other amounts when due under any License; and notify the Administrative Agent of any default or breach asserted by any Person to have occurred under any License.

6.25 Engagement and Retention of Chief Transformation Officer, Investment Bank and Consultants.

(a) The Loan Parties shall continue to retain the Chief Transformation Officer and such additional advisors as may be reasonably requested by the Administrative Agent on terms and conditions reasonably satisfactory to Administrative Agent. The Loan Parties and their representatives will cooperate with any such advisors and consultants (including the Chief Transformation Officer) and grant them access to the books and records of the Loan Parties. The Loan Parties hereby (i) authorize the Administrative Agent (or its agents or advisors) to communicate directly with the Chief Transformation Officer regarding any and all matters related to the Loan Parties and their Affiliates, including, without limitation, all financial reports and projections developed, reviewed or verified by the Chief Transformation Officer and all additional information, reports and statements reasonably requested by the Administrative Agent (provided, that (A) representatives of the Loan Parties shall be given the opportunity to participate in any such communications and (B) if an issue is to be discussed or otherwise arises which, in the good faith judgment of the Loan Parties, cannot be discussed in the presence of such advisors and consultants in order to preserve an attorney-client or accountant-client privilege, then such issue may be discussed without such advisor or consultant being present and may be redacted as necessary to preserve such privilege from any materials being distributed in connection with such communications), and (ii) authorize and direct the Chief Transformation Officer to provide the Administrative Agent (or its agents or advisors) with copies of reports and other information or materials prepared or reviewed by the Chief Transformation Officer as the Administrative Agent may reasonably request (in each case, subject to protection as necessary in respect of bona fide attorney-client privilege). The Loan Parties shall host periodic telephonic conference calls with the Administrative Agent, the Lenders and the Administrative Agent's Advisors, if requested by the Administrative Agent, to discuss such matters as the Administrative Agent may reasonably request (which may include calls with the Chief Transformation Officer to discuss the contents of variance reports). Notwithstanding anything to the contrary contained in this Section 6.25 or any other provision contained herein or in any other Loan Document, none of the Loan Parties will be required to disclose or permit access to any document, information or other matter (i) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding agreement or (ii) that is subject to attorney client or similar privilege or constitutes attorney work product.

(b) At all times the Loan Parties shall continue to retain the Investment Bank, or any replacement thereof from time to time that is satisfactory to the Required Lenders and engaged promptly after the resignation or dismissal of the existing Investment Bank, as their investment banker pursuant to the scope of engagement previously entered into on or before the Effective Date, between the Investment Bank and the Borrower (the "Investment Bank Engagement Letter"), or a replacement scope of engagement upon substantially similar terms as the Investment Bank Engagement Letter or otherwise acceptable to the Administrative Agent.

(c) The Loan Parties shall comply with the terms and conditions of Section 6.25(c) of the DIP Term Loan Agreement.

6.26 Lender Meetings; Sale Process.

(a) At least once every calendar week, or more frequently as requested by the Administrative Agent, the Borrower shall conduct or cause to be conducted update conference calls with the Investment Bank, the Chief Transformation Officer, the Administrative Agent and the

Lenders (and the Borrower's and the Administrative Agent's respective counsel) regarding the Chapter 11 Cases and provide updates to the Administrative Agent and the Lenders regarding the planned disposition or liquidation of any assets of the Borrower and any proposed changes to the Borrower's business or operations in connection with such transactions. The Borrower shall cause the Chief Transformation Officer to deliver to it any deliverables required under the Chief Transformation Officer's engagement letter and, as soon as practicable (but in no event later than three days after receipt) after receiving any deliverables required under the Chief Transformation Officer's engagement letter, the Borrower shall deliver or cause to be delivered copies of such deliverables to the Administrative Agent for distribution to the Lenders.

(b) No later than May 27, 2022, the Borrower's management shall provide a presentation to the Administrative Agent, the Lenders and the DIP Term Loan Agent (and the Borrower's, the Administrative Agent's and the DIP Term Loan Agent's respective counsel) regarding the Australia and China businesses.

(c) The Loan Parties shall, and shall cause the Investment Bank to, continue to market for sale the assets of the Loan Parties on both a going concern basis and liquidation basis (i.e., marketing separately working capital assets, real estate (as a whole and by property), machinery and Equipment, Intellectual Property, and stock of foreign Subsidiaries (collectively and by Subsidiary), and shall cause the Investment Bank to target all appropriate buyers of such assets, including strategic buyers as well as nationally known liquidation firms.

(d) Any "stalking horse bid" status that the Borrower wishes to designate on a bid must be reasonably acceptable to the Administrative Agent and the DIP Term Loan Agent. Any dispute among the parties with respect to the designation of a stalking horse bidder shall be settled by the Bankruptcy Court, and all parties shall be bound by the Bankruptcy Court's ruling.

6.27 Approved Budget.

(a) The use of proceeds of the Loans and other extensions of credit by the Loan Parties under this Agreement and the other Loan Documents shall be limited in accordance with the Approved Budget (subject to variances permitted under this Section 6.27) and the terms hereof. The initial Approved Budget shall depict, on a weekly basis, cash receipts, operating disbursements, operating cash flow, debt payments, bankruptcy related disbursements, net cash flow, beginning and ending cash and debt balances, excess availability, total liquidity, borrowing base calculations and the other items set forth therein, for the first seven (7) week period from the Effective Date (it being acknowledged and agreed that the initial Approved Budget attached hereto as Annex A is approved by and satisfactory to the Administrative Agent and the Required Lenders). The Borrower may request from time to time that the then effective Approved Budget be updated, modified or supplemented (each, a "Budget Modification"). Any Budget Modification must be in form and substance reasonably satisfactory to the Administrative Agent, and no Budget Modification shall be effective without the prior written consent (which may be provided via email transmission) of the Administrative Agent; provided, however, that in the event the Administrative Agent, on the one hand, and the Borrower, on the other hand, cannot agree as to any proposed Budget Modification, the then existing Approved Budget shall continue in effect. Each Budget Modification request delivered to the Administrative Agent shall be accompanied by such supporting documentation as reasonably requested by the Administrative Agent and the Required Lenders. Upon Administrative Agent's written consent to any Budget Modification, the Approved Budget shall be deemed updated to include the update, modification and/or supplements described in such Budget Modification. The Approved Budget and each Budget Modification thereto shall be prepared in good faith based upon assumptions which the Borrower believes to be reasonable at the time made.

(b) For the third calendar week following the Petition Date, the Borrower shall not permit: (i) the Actual Cash Receipts for the Cumulative Two-Week Period to be greater than 15.0% less than the Budgeted Total Receipts for the Cumulative Two-Week Period; (ii) the Actual Cash Disbursements for the Cumulative Two-Week Period to be greater than or equal to 15.0% more than the Budgeted Total Disbursements for the Cumulative Two-Week Period; or (iii) the Actual Net Cash Flow for the Cumulative Two-Week Period to be greater than 10.0% less than the Budgeted Net Cash Flow for the Cumulative Two-Week Period.

(c) Commencing with the fourth calendar week following the Petition Date and for each calendar week thereafter, the Borrowers shall not permit: (i) the Actual Cash Receipts for the Cumulative Three-Week Period to be greater than 15% less than the Budgeted Total Receipts for the Cumulative Three-Week Period; (ii) the Actual Cash Disbursements for the Cumulative Three-Week Period to be greater than 15.0% more than the Budgeted Total Disbursements for the Cumulative Three-Week Period; or (iii) the Actual Net Cash Flow for the Cumulative Three-Week Period to be greater than 10.0% less than the Budgeted Net Cash Flow for the Cumulative Three-Week Period.

(d) The Borrowers shall deliver to the Administrative Agent on or before 12:00 p.m. on Thursday (or such later time as approved by the Administrative Agent in its sole discretion) of each week, commencing on May 19, 2022, a Budget Compliance Certificate and such Budget Compliance Certificate shall include such detail as is reasonably satisfactory to the Administrative Agent, signed by a Responsible Officer of the Borrower Agent (i) certifying that (A) the Borrowers are in compliance with the covenant contained in clause (b) or clause (c) of this Section 6.27, as applicable, and (B) no Default or Event of Default has occurred or, if such a Default or Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, and (ii) attaching an Approved Budget Variance Report.

(e) The Administrative Agent and the Lenders (i) may assume that the Loan Parties will comply with the Approved Budget, (ii) shall have no duty to monitor such compliance and (iii) shall not be obligated to pay (directly or indirectly from the Collateral) any unpaid expenses incurred or authorized to be incurred pursuant to any Approved Budget. The line items in the Approved Budget for payment of interest, expenses and other amounts to the Administrative Agent and the Lenders are estimates only, and the Loan Parties remain obligated to pay any and all Obligations in accordance with the terms of the Loan Documents and the applicable Order regardless of whether such amounts exceed such estimates. Nothing in any Approved Budget (including any estimates of a loan balance in excess of borrowing base restrictions) shall constitute an amendment or other modification of any Loan Document or any of the borrowing base restrictions or other lending limits set forth therein.

(f) The Borrower shall deliver by no later than 12 p.m. on Thursday after the end of each calendar week (commencing on the Thursday following the Effective Date), a rolling 7-week cash flow forecast for the Loan Parties and their Subsidiaries, commencing with such week, consistent with the form and level of detail set forth in the Approved Budget.

6.28 Required Milestones.

The Loan Parties shall comply with each of the covenants contained on Schedule 6.28 upon the terms and at the times provided for therein (as such times may be extended by the Administrative Agent up to five (5) Business Days, or longer with the consent of the Required Lenders).

6.29 Administrative Agent's Advisors.

The Administrative Agent, on behalf of itself and the Lenders, shall be entitled to retain or to continue to retain (either directly or through counsel) any financial advisor, auditor or any other consultant as it may deem reasonably necessary (collectively, the "Administrative Agent's Advisors") to provide advice, analysis and reporting for the benefit of the Administrative Agent and the Lenders. The Loan Parties shall pay all reasonable and documented fees and expenses of each Administrative Agent's Advisor and all such reasonable and documented fees and expenses shall constitute Obligations and be secured by the Collateral. The Loan Parties and their advisors (including the Chief Integration Officer) shall grant access to, and cooperate with, the Administrative Agent, the Lenders, the Administrative Agent's Advisors, and any other representatives of the foregoing and provide all information that such parties may request in a timely manner (subject to the last sentence of Section 6.25(a)).

6.30 Order.

Notwithstanding anything herein to the contrary, no portion or proceeds of the Loans or the Collateral, and no disbursements set forth in the Approved Budget, shall be used for the payments or purposes which would violate the terms of the Order.

6.31 Debtor-in-Possession Obligations.

Comply in a timely manner with its obligations and responsibilities as a debtor-in-possession under the Bankruptcy Code, the Bankruptcy Rules, and any other order of the Bankruptcy Court.

6.32 DIP Term Loan Facilities.

The Loan Parties shall keep and maintain the DIP Term Loan Agreement in full force and effect and use the proceeds of advances thereunder solely for purposes and in amounts set forth in the Approved Budget (subject to variances permitted under Section 6.27) and as permitted by the DIP Term Loan Agreement, the DIP Term Loan Documents and the Orders.

ARTICLE VII**NEGATIVE COVENANTS**

Each of the Loan Parties hereby covenants and agrees that on the Effective Date and thereafter until the Facility Termination Date, no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

7.01 Liens.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, and whether real property or personal property, except for the following (the "Permitted Liens"):

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the Petition Date and listed on Schedule 7.01 and any renewals or extensions thereof, provided, that (i) the property or asset covered thereby has not changed, (ii) the outstanding principal amount thereof secured by such property or asset does not increase, and (iii) the Borrower or Subsidiary liable with respect thereto has not changed;

(c) Liens for Taxes that are not yet due for a period of more than thirty (30) days and that are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen, repairmen, construction contractors and suppliers and other Liens imposed by law or pursuant to customary reservations or retentions of title arising in the Ordinary Course of Business;

(e) (i) pledges or deposits in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA, and (ii) pledges and deposits of cash in the Ordinary Course of Business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to the Borrower or any Subsidiary;

(f) deposits to secure the performance of bids, trade contracts, governmental contracts and leases (other than Indebtedness for borrowed money), statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the Ordinary Course of Business;

(g) easements, rights-of-way, restrictions, encroachments, protrusions and other similar encumbrances and minor title defects affecting real property that, in the aggregate, do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) that do not result in an Event of Default under Section 8.01(h);

(i) Liens (other than Liens on Accounts and Inventory) securing Indebtedness permitted under Section 7.03(e); provided, that (i) such Liens do not at any time encumber any Property other than the Property financed by such Indebtedness, (ii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the Property subject to such Lien and (iii) such Liens attach to such Property concurrently with or within two hundred seventy (270) days after the acquisition, construction, replacement, repair or improvement thereof ("Purchase Money Liens");

(j) leases, licenses, subleases or sublicenses granted to others that constitute Permitted Transfers;

(k) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under leases or licenses entered into by the Borrower or any Subsidiary in the Ordinary Course of Business and covering only the assets so leased, subleased, licensed or sublicensed and Liens arising from precautionary Uniform Commercial Code financing statements or similar filings (or equivalent filings, registrations or agreements in foreign jurisdictions) in connection with any such applicable leases or subleases;

(l) Liens in favor of the Prepetition Term Loan Agent securing Indebtedness permitted by Section 7.03(f), subject at all times to the terms of the Prepetition Intercreditor Agreement and the Orders;

(m) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions not arising in connection with the issuance or repayment of Indebtedness;

(n) Liens of a collection bank arising under Section 4-210 of the UCC on items in the course of collection;

(o) [reserved];

(p) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the Ordinary Course of Business;

(q) [reserved];

(r) [reserved];

(s) [reserved];

(t) [reserved];

(u) [reserved];

(v) Liens that are contractual rights of setoff (i) relating to pooled deposit or sweep accounts of the Borrower or its Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the Ordinary Course of Business of the Borrower and the Subsidiaries or (ii) relating to purchase orders and other agreements entered into with customers of the Borrower or any of the Subsidiaries in the Ordinary Course of Business;

(w) Liens solely on any cash earnest money deposits made by the Borrower or any of the Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder in an aggregate amount outstanding at any time of no more than \$250,000;

(x) [reserved];

(y) [reserved];

(z) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(aa) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of (i) the Borrower, individually, or (ii) the Borrower and its Subsidiaries, taken as a whole;

(bb) [reserved];

(cc) Liens consisting of an agreement to Dispose of any property in a Disposition permitted under Section 7.05, in each case, solely to the extent such Investment or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(dd) [reserved];

(ee) [reserved];

(ff) the modification, replacement, renewal or extension of any Lien permitted of this Section 7.01; provided that (i) the Lien does not extend to any additional property other than (A) after-acquired property that is affixed or incorporated into the property covered by such Lien or financed by Indebtedness

permitted under Section 7.03(e), and (B) proceeds and products thereof, and (ii) the renewal, extension or refinancing of the obligations secured or benefited by such Liens is permitted by Section 7.03;

(gg) Liens on property of Foreign Subsidiaries of the Borrower (excluding Liens on the Australian Real Property) securing Indebtedness of Foreign Subsidiaries permitted under Section 7.03(u); and

(hh) [reserved];

(ii) Liens on assets securing Indebtedness under the DIP Term Loan Documents, so long as such Liens are subject to the Prepetition Intercreditor Agreement and the Orders;

(jj) the Carve Out; and

(kk) the Adequate Protection Liens and Adequate Protection Superpriority Claims.

Notwithstanding anything in this Section 7.01 to the contrary, in no event shall Accounts or Inventory be pledged as collateral to secure any Indebtedness other than the Obligations hereunder and under the Prepetition ABL Credit Agreement or, subject to the Prepetition Intercreditor Agreement and the Financing Orders, the Prepetition Term Loan Obligations and the DIP Term Loan Obligations. Further, the prohibition for in this Section 7.01 specifically includes any effort by any Debtor, an official committee in any Chapter 11 Case or any other party in interest in the Chapter 11 Cases, as applicable, to prime or create pari passu to any claims, Liens or interests of (A) the Administrative Agent and the Lenders or (B) until the indefeasible payment in full in cash of the Prepetition ABL Obligations, the Prepetition ABL Agent and the Prepetition ABL Lenders, any Lien, in each case, other than as set forth in the applicable Order and irrespective of whether such claims, Liens or interests may be “adequately protected”.

7.02 Investments.

Make or hold any Investments, except:

(a) Investments held by the Borrower and its Subsidiaries in the form of cash or Cash Equivalents;

(b) Investments existing as of the Effective Date (other than those referred to in Section 7.02(c)(i) and (ii)) and set forth in Schedule 7.02;

(c) Investments (i) in any Person that is a Loan Party, (ii) by the Borrower and other Loan Parties in and to Borrower and the other Loan Parties, and (iii) by any Subsidiary that is not a Loan Party in Borrower or in any Subsidiary, foreign or domestic;

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the Ordinary Course of Business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(e) Guarantees permitted by Section 7.03;

(f) Investments representing non-cash consideration received in connection with any Disposition permitted hereunder;

(g) Investments (including debt obligations, Capital Stock and Capital Stock Equivalents) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers arising in the Ordinary Course of Business or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment; and

(h) Investments consisting of Liens, Indebtedness, fundamental changes, Dispositions and Restricted Payments permitted under Sections 7.01, 7.03, 7.04, 7.05 and 7.06, respectively.

7.03 Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness of the Borrower and its Subsidiaries existing on the Effective Date and listed on Schedule 7.03 (and renewals, refinancings and extensions thereof on terms and conditions (i) not materially less favorable to the applicable debtor(s), (ii) the then outstanding principal amount such Indebtedness is not increased at the time thereof except by an amount equal to a reasonable amount paid, and fees and expenses reasonably incurred in connection therewith and by an amount of any commitments unutilized thereunder and (iii) otherwise at then prevailing market terms);

(c) The Indebtedness under the AFI Australia Intercompany Note and other intercompany Indebtedness owing from a Subsidiary to Borrower or to any other Subsidiary of Borrower to the extent permitted under Section 7.02; provided that the Indebtedness under the AFI Australia Intercompany Note and any such other Indebtedness which is secured shall be expressly subordinated in right of payment to the Obligations, and if evidenced by an intercompany note, such note shall be pledged to the Collateral Agent to secure the Obligations (and, in the case of the Indebtedness under the AFI Australia Intercompany Note, such Indebtedness shall constitute DIP Term Loan Priority Collateral;

(d) obligations (contingent or otherwise) of Borrower or any Subsidiary existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the Ordinary Course of Business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a “market view”, and (ii) such Swap Contract is not for speculative purposes;

(e) purchase money Indebtedness (including obligations in respect of Capital Leases or Synthetic Lease Obligations, but excluding Indebtedness, if any, with respect to Inventory) hereafter incurred by Borrower or any of its Subsidiaries to finance the purchase, acquisition, construction, repair, replacement or improvement of fixed or capital assets, and renewals, refinancings and extensions thereof, provided, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed \$15,000,000;

(f) subject to the terms of the Prepetition Intercreditor Agreement, Prepetition Term Loan Obligations and the DIP Term Loan Obligations;

(g) so long as no Event of Default has occurred and is continuing and the Loan Parties are in compliance with Section 7.11 on a pro forma basis, other unsecured Indebtedness of the Borrower in an aggregate principal amount outstanding at any time not to exceed \$10,000,000;

(h) [reserved];

(i) [reserved];

(j) Indebtedness arising under any performance, bid, appeal or surety bond or under any performance or completion guarantee or similar obligations entered into in the Ordinary Course of Business in an aggregate principal amount outstanding at any time not to exceed \$5,000,000;

(k) [reserved];

(l) Indebtedness to current or former officers, directors, managers, consultants and employees (or their respective spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees) to finance the purchase or redemption of Capital Stock and Capital Stock Equivalents of the Borrower or its Subsidiaries to the extent permitted by Section 7.02;

(m) [reserved];

(n) obligations under any Cash Management Agreement and other Indebtedness in respect of netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and other cash management and similar arrangements in the Ordinary Course of Business;

(o) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements, in each case, in the Ordinary Course of Business;

(p) Indebtedness incurred by Borrower or any Subsidiary in respect of letters of credit, bank guarantees, bankers' acceptances, warehouse receipts or similar instruments issued or created in the Ordinary Course of Business, including in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims, provided that upon the drawing of such letter of credit, the reimbursement of obligations in respect of bankers' acceptances and the incurrence of such Indebtedness, such obligations are reimbursed within thirty (30) days following such drawing, reimbursement obligation or incurrence;

(q) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (o) above and (u) below;

(r) [reserved];

(s) so long as the AFI Australia Subordination Agreement remains in full force and effect, Indebtedness of Borrower to AFI Australia under and in accordance with the AFI Australia Intercompany Note in an aggregate principal amount not in excess of \$25,000,000 plus the closing fee referenced therein and interest that is capitalized or paid in kind under and in accordance with the AFI Australia Intercompany Note at any time outstanding;

(t) Indebtedness of AFI Australia to the Prepetition Term Lender in an aggregate principal amount not in excess of \$25,000,000 at any time outstanding plus interest that is capitalized or paid in kind under and in accordance with the Prepetition Term Loan Agreement;

(u) Indebtedness of Foreign Subsidiaries of Borrower (i) outstanding as of the Petition Date and set forth on Schedule 7.03 attached hereto and (ii) additional Indebtedness incurred by Foreign Subsidiaries from time to time, in an aggregate principal amount of all such Indebtedness under the

foregoing clauses (i) and (ii) not in excess of \$10,500,000 at any time outstanding (including, without limitation, the China Facility);

- (v) Prepetition Adequate Protection Superpriority Claims;
- (w) the Carve Out; and
- (x) Guarantees with respect to Indebtedness permitted under this Section 7.03.

7.04 Fundamental Changes.

Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person (including, in each case, pursuant to a Delaware LLC Division); provided that, notwithstanding the foregoing provisions of this Section 7.04 but subject to the terms of Sections 6.13 and 6.14, and so long as no Default exists or would result therefrom, (a) the Borrower may merge or consolidate with any of its Subsidiaries provided that, the Borrower shall be the continuing or surviving Person, (b) subject to the proviso in clause (a) with respect to any such transaction involving the Borrower, any Loan Party may merge or consolidate with any other Loan Party, (c) any Foreign Subsidiary (other than AFI Australia) may be merged or consolidated with or into any Loan Party provided that such Loan Party shall be the continuing or surviving corporation, (d) any Foreign Subsidiary (other than AFI Australia) may be merged or consolidated with or into any other Foreign Subsidiary, (e) [reserved], (f) any Subsidiary may dissolve, liquidate or wind up its affairs at any time if such Subsidiary is inactive or holds assets of a *de minimis* value, (g) any Loan Party and any Subsidiary may make any Permitted Investments and (h) any Loan Party and any Subsidiary may make any Disposition permitted under Section 7.05.

7.05 Dispositions.

Make any Disposition or enter into any agreement to make any Disposition (other than, to the extent notice has been provided pursuant to Section 6.03(e), any agreement to consummate a Disposition that, upon consummation, would result in a Change of Control), except:

(a) any Disposition of Property not constituting Prepetition Term Loan Priority Collateral and/or DIP Term Loan Priority Collateral (i) for which the total consideration shall be in an amount not less than the fair market value of the Property disposed of, (ii) that does not involve a sale or other disposition of receivables, and (iii) for which the aggregate net book value of all of the assets sold or otherwise disposed of by the Borrower and its Subsidiaries in all such transactions occurring after the Effective Date shall not exceed \$4,000,000 in the aggregate;

(b) Dispositions permitted by Sections 7.02, 7.04, 7.06 and Liens permitted by Section 7.01;

(c) Dispositions in the Ordinary Course of Business of (i) Equipment that is no longer used or useful in the conduct of business and (ii) so long as no Default or Event of Default then exists or would arise therefrom, other Equipment subject to Section 2.05(b), to the extent that (A) such Disposition is made for fair market value, (B) the Net Cash Proceeds paid in cash for any such Disposition is not less than the Appraised Value as reflected in the most recent appraisal of such Equipment (or, if the Appraised Value is not detailed for such particular piece of Equipment, not less than the greater of (x) the then fair market value thereof and (y) book value), (C) the aggregate amount of all such Dispositions shall not exceed \$1,000,000 during any period of twelve consecutive months, and (D) such sale is in accordance with the Approved Budget;

(d) sales of Real Property so long as such sales are in accordance with Section 7.05(d) of the DIP Term Loan Agreement and the Approved Budget;

(e) the lapse, abandonment or cancellation of immaterial Intellectual Property which is no longer used or useful in any material respect in the Business of the Loan Parties;

(f) as contemplated by the Asset Sale Motion which is in form and substance acceptable to the Administrative Agent; and

(g) Involuntary Dispositions.

7.06 Restricted Payments.

Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so (other than, to the extent notice has been provided pursuant to Section 6.03(e), any obligation to consummate a Restricted Payment that, upon consummation, would result in a Change of Control), or accept any capital contributions, except that, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) [reserved];

(b) each Subsidiary may make Restricted Payments (directly or indirectly) to its parent or to any Loan Party (and, in the case of a Restricted Payment by a non-wholly-owned Subsidiary, to each owner of Capital Stock in such Subsidiary on a pro rata basis based on such owner's respective ownership interests);

(c) the Borrower and each Subsidiary may (i) declare and make dividend payments or other distributions payable solely in common Capital Stock of such Person or (ii) redeem in whole or in part any of its Capital Stock for another class of Capital Stock or rights to acquire its Capital Stock or with proceeds from substantially concurrent equity contributions or issuances of new Capital Stock;

(d) to the extent constituting Restricted Payments, the Borrower and the Subsidiaries may enter into and consummate transactions expressly permitted by any provision of Sections 7.02, 7.03, 7.04, 7.05, or 7.08;

(e) repurchases of Capital Stock in the Borrower deemed to occur upon exercise of stock options or warrants if such Capital Stock represent a portion of the exercise price of such options or warrants;

(f) to the extent not prohibited by the Loan Documents, the Borrower may pay for the repurchase, retirement or other acquisition or retirement for value of Capital Stock of the Borrower by any future, present or former employee, director or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) of the Borrower or any Subsidiary so long as such purchase is pursuant to and in accordance with the terms of any employee or director equity plan, employee or director stock option plan or any other employee or director benefit plan or any agreement (including any stock subscription or shareholder agreement) with any employee, director or consultant of the Borrower or any Subsidiary; and

(g) the Borrower or any of its Subsidiaries may pay cash in lieu of fractional Equity Interests in connection with any dividend, split or combination thereof;

provided, that in each subsection (a) through (g) above, payment of any dividend or distribution pursuant to this Section 7.06 may be made within sixty (60) days after the date of declaration thereof, if (x) at the date of declaration (i) such payment would have complied with the provisions of this Agreement and (ii) no Event of Default occurred and was continuing and (y) at the date of such payment of such dividend or distribution, no Event of Default shall have occurred and be continuing.

7.07 Change in Nature of Business.

Engage in any material line of business substantially different from those lines of business conducted by Borrower and its Subsidiaries on the Effective Date or any business related, incidental, complementary or ancillary thereto or reasonable developments or extensions thereof.

7.08 Transactions with Affiliates.

Enter into or permit to exist any transaction or series of transactions with any Affiliate of such Person other than (a) advances of working capital to any Loan Party, (b) transactions among Loan Parties, (c) intercompany transactions expressly permitted by Section 7.02, Section 7.03, Section 7.04, Section 7.05 or Section 7.06, (d) transactions among Borrower and its wholly-owned domestic Subsidiaries that are Loan Parties, and (e) except as otherwise specifically limited in this Agreement, other transactions, in each case, which are entered into in the ordinary course of such Person's business on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an officer, director or Affiliate.

7.09 Burdensome Agreements.

Enter into, or permit to exist, any Contractual Obligation that (i) encumbers or restricts the ability of any such Person to (A) pay dividends or make any other distributions to any Loan Party on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, (B) pay any Indebtedness or other obligation owed to any Loan Party, (C) make loans or advances to any Loan Party or (ii) prohibits or otherwise restricts the existence of any Lien upon the Property, whether now owned or hereafter acquired, of any Loan Party in favor of the Administrative Agent (for the benefit of the Lenders) for the purpose of securing the Obligations or (D) grants a Lien on any real property or real property interest owned or leased by any Loan Party; provided, that the foregoing clauses (i) and (ii) shall not apply to Contractual Obligations which:

- (a) arise in connection with this Agreement and the other Loan Documents;
- (b) arise pursuant to customary restrictions and conditions contained in any agreement relating to the sale of any Property permitted under Section 7.05 pending the consummation of such sale;
- (c) are customary restrictions on leases, subleases, licenses or sublicenses or sales otherwise permitted hereby so long as such restrictions relate to the assets subject thereto;
- (d) are customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under this Agreement;
- (e) are customary provisions restricting assignment of any agreement entered into in the Ordinary Course of Business;
- (f) are restrictions on cash or other deposits imposed by customers under contracts entered into in the Ordinary Course of Business;

(g) relate to cash or other deposits permitted under this Agreement;

(h) (i) exist on the date hereof and (to the extent not otherwise permitted by this Section 7.09) are listed on Schedule 7.09 hereto and (ii) to the extent Contractual Obligations permitted by clause (i) are set forth in an agreement evidencing Indebtedness, are set forth in any agreement evidencing any permitted modification, replacement, renewal, extension or refinancing of such Indebtedness so long as such modification, replacement, renewal, extension or refinancing does not expand the scope of such Contractual Obligation;

(i) arise in connection with the Prepetition ABL Loan Documents, the DIP Term Loan Documents, the Prepetition Term Loan Documents or the AFI Australia Subordination Agreement;

(j) arise in connection with restrictions and conditions on any Foreign Subsidiary organized under the laws of the People's Republic of China or any state or other political subdivision thereof;

(k) arise in connection with any document or instrument governing Indebtedness incurred pursuant to clauses (b), (d), (e), (g), (j) or (q) of Section 7.03, provided that any such restriction contained therein relates only to the asset to which such Indebtedness is related; and

(l) arise in connection with any Indebtedness of a Subsidiary which is not a Loan Party which is permitted by Section 7.03.

7.10 Use of Proceeds.

Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11 Financial Covenants.

(a) Minimum Availability. Permit Availability at any time to be less than \$13,000,000.

(b) Minimum Formula Availability Amount. Permit the Formula Availability Amount, at any time during any month specified in the table below, to be less than the minimum Formula Availability Amount specified in the table below opposite such month; provided, that if the minimum Formula Availability Amount reported in any weekly Borrowing Base Report does not satisfy the requirement below, the Borrower may submit a replacement Borrowing Base Report on Wednesday of the immediately following week, recalculating Formula Availability Amount from Monday of the prior week through Tuesday of such following week if such calculation would result in the Borrower satisfying the minimum Formula Availability Amount applicable to such prior week (provided, further, that if such replacement Borrowing Base Report delivered in accordance with the preceding proviso would be delivered in the month occurring after the month in which the non-compliant weekly Borrowing Base Report was delivered, the updated calculation of the Formula Availability Amount set forth in the replacement Borrowing Base Report must demonstrate compliance with the minimum Formula Availability Amount for the month in which the non-compliant weekly Borrowing Base Report was delivered):

Applicable Month	Minimum Formula Availability Amount
May 2022	\$96,000,000

Applicable Month	Minimum Formula Availability Amount
June 2022 and each month thereafter	\$94,000,000

(c) Minimum Gross Accounts Receivable and Inventory. Permit Gross Accounts Receivable and Inventory, at any time during any week specified in the table below, to be less than the minimum Gross Accounts Receivable and Inventory specified in the table below opposite such week:

At any time during the weeks ending	Minimum Aggregate Inventory and Accounts Receivable Level
5/29/22	\$163.2 million
6/5/22	\$160.6 million
6/12/22	\$157.8 million
6/19/22	\$155.5 million
6/26/22 and thereafter	\$149.2 million

7.12 Amendments of Organization Documents; Fiscal Year; Legal Name, State of Formation; Form of Entity and Accounting Changes.

- (a) Amend any of its Organization Documents in a manner materially adverse to the Lenders;
- (b) change its fiscal year;
- (c) without providing ten (10) days prior written notice to the Administrative Agent (or such extended period of time as agreed to by the Administrative Agent), change its name, state of formation, form of organization or principal place of business; or
- (d) make any change in accounting policies or reporting practices, except as required by GAAP and in accordance with Section 1.03; or
- (e) amend, supplement, modify (i) the Prepetition Term Loan Documents except to the extent permitted under the Prepetition Intercreditor Agreement, or (ii) the DIP Term Loan Documents except to the extent permitted by the Prepetition Intercreditor Agreement.

7.13 Sale and Leaseback Transactions.

Enter into any Sale and Leaseback Transaction.

7.14 Sanctions.

Directly or indirectly, use any Credit Extension or the proceeds of any Credit Extension, or lend, contribute or otherwise make available such Credit Extension or the proceeds of any Credit Extension to any Person, to fund, facilitate or finance any activities of or business or transaction with any Person, or in any Designated Jurisdiction, that, at the time of such funding, facilitation or financing is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Lender, a Lead Arranger, the Administrative Agent, any other Agent, an L/C Issuer, a Swingline Lender, or otherwise) of Sanctions.

7.15 Anti-Corruption Laws.

Directly or indirectly, use any Credit Extension or the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions.

7.16 Amendments to Prepetition Term Loan Documents, Prepetition ABL Loan Documents, DIP Term Loan Documents or AFI Australia Intercompany Note.

Amend, modify, change, waive, or obtain any consent, waiver or forbearance with respect to, any of the terms or provisions of any agreement, instrument, document, indenture, or other writing evidencing (a) the Prepetition Term Loan Documents except to the extent permitted by the Prepetition Intercreditor Agreement or the Orders, (b) the Prepetition ABL Loan Documents except to the extent permitted by the Orders, (c) the DIP Term Loan Documents except to the extent permitted by the Prepetition Intercreditor Agreement, or (d) the AFI Australia Intercompany Note, except to the extent permitted by the AFI Australia Subordination Agreement.

7.17 Prepayments, Etc. of Indebtedness.

Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Indebtedness, except (a) the prepayment of the Credit Extensions in accordance with the terms of this Agreement, (b) regularly scheduled or mandatory payments, redemptions or defeasances of Indebtedness under the (A) DIP Term Loan Facility in accordance with the DIP Term Loan Documents and the Orders made in accordance with the Approved Budget, or (B) the Prepetition Term Loan Documents and the Prepetition ABL Loan Documents in accordance with the Prepetition Intercreditor Agreement and made in accordance with the Approved Budget, (C) the conversion of the Prepetition Term Loan Obligations to DIP Term Loan Obligations in accordance with the DIP Term Loan Documents and the Orders, (D) the conversion of the Prepetition ABL Obligations to Obligations under this Agreement in accordance with the terms hereof and the Orders, and (E) regularly scheduled or required repayments or redemptions of Indebtedness set forth in Schedule 7.03 made in accordance with the Approved Budget.

Without limiting any other provision hereof, except pursuant to the Approved Budget, without express prior written consent of the Administrative Agent and pursuant to an order of the Bankruptcy Court (including any Order) after notice and a hearing, no Loan Party shall make any payment or transfer with respect to any Lien or Indebtedness incurred or arising prior to the Petition Date that is subject to the automatic stay provisions of the Bankruptcy Court whether by way of “adequate protection” under the Bankruptcy Code or otherwise.

7.18 Subsidiaries.

Form or acquire any Subsidiary, except in accordance with Sections 6.13, 7.02 and 7.04; or permit any existing Subsidiary to issue any additional Equity Interests except directors' qualifying shares; or permit any Subsidiary to issue any Equity Interests that would result in such Subsidiary ceasing to be a wholly owned Subsidiary of the Borrower.

7.19 Tax Consolidation.

File or consent to the filing of any consolidated income tax return with any Person other than the Borrower and Subsidiaries.

7.20 Swaps.

Enter into any Swap Contract.

7.21 Plans.

Become party to any Multiemployer Plan or Foreign Plan, other than any in existence on the Effective Date.

7.22 Reclamation Claims.

Except as set forth in the Approved Budget, enter into any agreement to return any of its Inventory to any of its creditors for application against any Prepetition Indebtedness, Prepetition trade payables or other Prepetition claims under section 546(c) of the Bankruptcy Code or allow any creditor to take any setoff or recoupment against any of its Prepetition Indebtedness, Prepetition trade payables or other Prepetition claims based upon any such return pursuant to section 553(b)(1) of the Bankruptcy Code or otherwise.

7.23 Insolvency Proceeding Claims.

Incur, create, assume, suffer to exist or permit any other superpriority administrative claim which is *pari passu* with or senior to the claim of the Administrative Agent or the Lenders against the Debtors, except as set forth in the applicable Order.

7.24 Bankruptcy Actions.

Seek, consent to, or permit to exist, without the prior written consent of the Administrative Agent, any order granting authority to take any action that is prohibited by the terms of this Agreement, the Order or the other Loan Documents or refrain from taking any action that is required to be taken by the terms of this Agreement, the Order or any of the other Loan Documents.

7.25 Subrogation.

Assert any right of subrogation or contribution against any other Loan Party.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default.

Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower or any other Loan Party fails to pay its Obligations when due (whether at stated maturity, on demand, upon acceleration or otherwise); or

(b) Specific Covenants. Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Sections 6.01, 6.02, 6.03, 6.05, 6.07, 6.08, 6.10, 6.11, 6.13, 6.14, 6.16, 6.17, 6.18, 6.19, 6.20, 6.21, 6.22, 6.23, 6.24, 6.25, 6.26, 6.27, Article VII, Article X or Schedule 1.01(d); or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in Section 8.01(a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (or in any respect in the case of any representation or warranty modified by a materiality or Material Adverse Effect qualifier) when made or deemed made; or

(e) Cross-Default. (i) Any Loan Party or any Subsidiary thereof (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of the DIP Term Loan Obligations or any other Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded (other than an event which permits the Loans hereunder to be prepaid prior to or as an alternative to the purchase, payment, defeasance or redemption of such Indebtedness and, in any such case, the Loans hereunder are prepaid prior thereto); or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which a Loan Party or any Subsidiary thereof is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which a Loan Party or any Subsidiary thereof is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by such Loan Party or such Subsidiary as a result thereof is greater than the Threshold Amount; or (iii) there occurs any “Default” or “Event of Default” under and as defined in any DIP Term Loan Document; or

(f) Judgments. There is entered against any Loan Party or any Subsidiary thereof (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer is rated at least “A” by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten (10) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(g) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(h) Invalidity of Loan Documents. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations arising under the Loan Documents, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document; or it is or becomes unlawful for a Loan Party to perform any of its obligations under the Loan Documents; or

(i) Collateral Documents. Any Collateral Document after delivery thereof pursuant to the terms of the Loan Documents shall for any reason cease to create a valid and perfected first priority Lien (subject to Permitted Liens) on the Collateral purported to be covered thereby, or any Loan Party shall assert the invalidity of such Liens; or

(j) Change of Control. There occurs any Change of Control; or

(k) Uninsured Loss. Any uninsured damage to or loss, theft or destruction of any assets of the Loan Parties or any of their Subsidiaries shall occur that is in excess of the Threshold Amount (excluding customary deductible thresholds established in accordance with historical past practices).

(l) DIP Funding. If the DIP Term Loan Lenders fail to fund any loans or credit extensions under the DIP Term Loan Facility, or the DIP Term Loan Agent fails to release any funds to the Borrower, in each case, following a request therefor by the Borrower and after satisfying each of the conditions precedent for such loan or credit extension.

(m) Chapter 11 Defaults. The occurrence of any of the following in the Chapter 11 Cases:

(i) the bringing of a motion, taking of any action or the filing of any plan of reorganization or disclosure statement attendant thereto by any of the Loan Parties in the Chapter 11 Cases: (A) to obtain additional financing under section 364(c) or section 364(d) of the Bankruptcy Code not otherwise permitted pursuant to this Agreement; (B) to grant any Lien other than Liens permitted pursuant to Section 7.01 upon or affecting any Collateral; (C) except as provided in the Interim Order or the Final Order, as the case may be, to use cash collateral of the

Administrative Agent and the other Secured Parties under section 363(c) of the Bankruptcy Code without the prior written consent of the Administrative Agent; or (D) any other action or actions materially adverse to the Administrative Agent and the Lenders or their rights and remedies hereunder, under any other Loan Document, or their interest in the Collateral;

(ii) (A) the filing of any plan of reorganization or disclosure statement attendant thereto, or any direct or indirect amendment to such plan or disclosure statement, by a Loan Party that does not propose to indefeasibly repay in full in cash the Obligations under this Agreement and the Prepetition ABL Obligations, or by any other Person to which the Administrative Agent and the Required Lenders do not consent, or any of the Loan Parties or their Subsidiaries, to seek, support or fail to contest in good faith the filing or confirmation of any such plan or entry of any such order, (B) the entry of any order terminating any Loan Party's exclusive right to file a plan of reorganization, or (C) the expiration of any Loan Party's exclusive right to file a plan of reorganization;

(iii) the entry of an order in any of the Chapter 11 Cases confirming a plan of reorganization that (A) is not reasonably acceptable to the Administrative Agent and the Required Lenders, or (B) does not contain a provision for termination of the commitments and indefeasible repayment in full in cash of all of the Obligations under this Agreement and the indefeasible payment in full in cash of all of the Prepetition ABL Obligations on or before the effective date of such plan of reorganization;

(iv) (A) the entry of an order amending, supplementing, staying, vacating or otherwise modifying the Loan Documents or the Interim Order or the Final Order without the written consent of the Administrative Agent and the Required Lenders or the filing of a motion by the Loan Parties or their Affiliates for reconsideration with respect to the Interim Order or the Final Order without the prior written consent of the Administrative Agent, or the Interim Order or the Final Order shall otherwise not be in full force and effect without the prior written consent of the Administrative Agent and the Required Lenders or (B) any Loan Party or any Subsidiary shall fail to comply with any Order in any material respect;

(v) the payment of, or application for authority to pay, any Prepetition claim without the Administrative Agent's prior written consent unless in accordance with the Approved Budget or pursuant to an order of the Bankruptcy Court;

(vi) [reserved];

(vii) (A) the appointment of an interim or permanent trustee in the Chapter 11 Cases or the appointment of a trustee receiver or an examiner in the Chapter 11 Cases, in each case, with expanded powers to operate or manage the financial affairs, the business, or reorganization of the Loan Parties; or (B) the sale without the Administrative Agent's and the Required Lenders' consent of all or substantially all of the Debtors' assets or all or substantially all of the Prepetition ABL Priority Collateral and/or DIP ABL Priority Collateral, either through a sale under section 363 of the Bankruptcy Code, through a confirmed plan of reorganization in the Chapter 11 Cases or otherwise that does not result in payment in full in cash of all of the Obligations under this Agreement and all obligations under the Prepetition ABL Credit Agreement at the closing of such sale or initial payment of the purchase price or effectiveness of such plan, as applicable; provided, however, that such sale shall not include any sale pursuant to Approved Bid Procedures;

(viii) the dismissal of any Chapter 11 Case, or the conversion of any Chapter 11 Case from one under chapter 11 to one under chapter 7 of the Bankruptcy Code or any Loan Party shall

file a motion or other pleading seeking the dismissal of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise or the conversion of the Chapter 11 Cases to chapter 7 of the Bankruptcy Code in each case, without the prior written consent of the Administrative Agent;

(ix) any Loan Party shall file a motion seeking, or the Bankruptcy Court shall enter an order granting, relief from or modifying the Automatic Stay (A) to allow any creditor (other than the Administrative Agent) to execute upon or enforce a Lien on any Collateral not approved by the Administrative Agent, (B) approving any settlement or other stipulation not approved by the Administrative Agent with any secured creditor of any Loan Party providing for payments as adequate protection or otherwise to such secured creditor, (C) with respect to any Lien on or the granting of any Lien on any Collateral not approved by the Administrative Agent to any federal, state or local environmental or regulatory agency or authority, which in either case involves a claim that could have a Material Adverse Effect on the Debtors or their estates or (D) permit other actions that could have a Material Adverse Effect on the Debtors or their estates;

(x) except for a Challenge Proceeding (as defined in the Interim Order and including any Challenge Proceeding by the Committee), the commencement of a suit or an action (but not including a motion for standing to commence a suit or an action) against the Administrative Agent or any Lender and, as to any suit or action brought by any Person other than a Loan Party or a Subsidiary, officer or employee of a Loan Party, the continuation thereof without dismissal for twenty (20) days after service thereof on the Administrative Agent or such Lender, that asserts or seeks by or on behalf of a Loan Party, any state or federal environmental protection or health and safety agency, any official committee in any Chapter 11 Case or any other party in interest in any Chapter 11 Cases, a claim or any legal or equitable remedy that would (A) have the effect of invalidating, subordinating or challenging any or all of the Obligations or Liens of the Administrative Agent or any Lender under the Loan Documents to any other claim, or (B) have a material adverse effect on the rights and remedies of the Administrative Agent or any Lender under any Loan Document or the collectability of all or any portion of the Obligations;

(xi) except for a Challenge Proceeding (as defined in the Interim Order and including any Challenge Proceeding by the Committee), the entry of an order in the Chapter 11 Cases avoiding or permitting recovery of any portion of the payments made on account of the Obligations owing under this Agreement or any other Loan Document or the Prepetition ABL Obligations owing under the Prepetition ABL Credit Agreement or any other Prepetition ABL Loan Document;

(xii) the failure of any Loan Party to perform any of its material obligations under, or the occurrence of an event of default under or as defined in, the Interim Order or the Final Order;

(xiii) except for the Carve Out, the existence of any claims or charges, or the entry of any order of the Bankruptcy Court authorizing any claims or charges, other than in respect of this Agreement and the other Loan Documents, the DIP Term Loan Documents, or as otherwise permitted under the applicable Loan Documents or permitted under the Orders or as otherwise subsequently agreed by the Administrative Agent, entitled to superpriority administrative expense claim status in any Chapter 11 Case pursuant to section 364(c)(1) of the Bankruptcy Code *pari passu* with or senior to the claims of the Administrative Agent and the Secured Parties under this Agreement and the other Loan Documents, or there shall arise or be granted by the Bankruptcy Court (A) any claim having priority over any or all administrative expenses of the kind specified in clause (b) of section 503 or clause (b) of section 507 of the Bankruptcy Code or (B) any Lien on the Collateral having a priority senior to or *pari passu* with the Liens and security interests granted herein, except, in each case, as expressly provided in the Loan Documents or in the Orders then in

effect (but only in the event specifically consented to by the Administrative Agent and the Required Lenders);

(xiv) the Orders shall cease to create a valid and perfected Lien on the Collateral or to be in full force and effect, shall have been reversed, modified, amended, stayed, vacated, or subject to stay pending appeal, in the case of modification or amendment, without prior written consent of the Administrative Agent and the Required Lenders;

(xv) an order in the Chapter 11 Cases shall be entered charging any of the Collateral under section 506(c) of the Bankruptcy Code against the Administrative Agent, the Secured Parties or with respect to any Collateral (including, without limitation, an allowance of any claim thereunder), or the commencement of any other action that is materially adverse to the Administrative Agent, the Secured Parties or their respective rights and remedies under the Loan Documents in any of the Chapter 11 Cases or inconsistent with any of the Loan Documents;

(xvi) if the Final Order does not include a waiver, in form and substance satisfactory to the Administrative Agent in its Permitted Discretion, of the right to surcharge the Collateral under section 506(c) of the Bankruptcy Code;

(xvii) without the Administrative Agent's and the Required Lenders' prior written consent, an order of the Bankruptcy Court shall be entered denying or terminating use of cash collateral by the Loan Parties;

(xviii) an order materially adversely impacting the rights and interests of the Administrative Agent and the Lenders, as reasonably determined by the Administrative Agent or the Required Lenders, shall have been entered by the Bankruptcy Court;

(xix) any Loan Party shall challenge, support or encourage a challenge of any payments made to the Administrative Agent or any Lender with respect to the Obligations, or without the prior written consent of the Administrative Agent, the filing of any motion by the Loan Parties seeking approval of (or the entry of an order by the Bankruptcy Court approving) adequate protection to the Prepetition Term Loan Agent or the Prepetition Term Loan Lenders that is inconsistent with the Order; provided that the Loan Parties' response to any information requests, diligence, requests for production, or subpoenas by a party in interest shall not constitute "support";

(xx) without the Administrative Agent's prior written consent, the entry of any order by the Bankruptcy Court granting, or the filing by any Loan Party or any of its Subsidiaries of any motion or other request with the Bankruptcy Court (in each case, other than the Orders and motions seeking entry thereof or permitted amendments or modifications thereto) seeking, authority to use any cash proceeds of any of the Collateral in a manner inconsistent with the Loan Documents without the Administrative Agent's prior written consent or to obtain any financing under section 364 of the Bankruptcy Code other than the financing under the Loan Documents and the DIP Term Loan Documents without the Administrative Agent's prior written consent;

(xxi) any Loan Party or any Person on behalf of any Loan Party shall file any motion (except for the Asset Sale Motion (provided that the relief sought therein shall be modified to seek an Approved Bid Procedures Order in accordance with the Required Milestones) seeking authority to consummate a sale of assets of the Loan Parties or the Collateral to the extent having a value in excess of \$100,000 outside the ordinary course of business and not otherwise permitted hereunder (including under the Approved Budget) and without the Administrative Agent's prior written consent not to be unreasonably withheld, conditioned or delayed;

(xxii) any Loan Party shall make any payment (whether by way of adequate protection or otherwise) of principal or interest or otherwise on account of any Prepetition Indebtedness or payables other than payments (A) in respect of accrued payroll and related expenses as of the commencement of the Chapter 11 Cases, (B) in respect of certain creditors as may be reasonably acceptable to the Administrative Agent or (C) in each case, to the extent authorized or required by one or more “first day” or “second day” orders or any of the Orders (or other orders with the consent of the Administrative Agent) and consistent with the Approved Budget;

(xxiii) if an order of the Bankruptcy Court shall be entered providing for a change of venue with respect to any of the Chapter 11 Cases and such order shall not be reversed or vacated within ten (10) days;

(xxiv) any Loan Party or any Subsidiary thereof shall file any motion or other request with the Bankruptcy Court seeking (A) to grant or impose, under section 364 of the Bankruptcy Code or otherwise, liens or security interests in any DIP Collateral (as defined in the Orders), whether senior, equal or subordinate to the Administrative Agent’s or the DIP Term Loan Agent’s liens and security interests; or (B) to modify or affect any of the rights of the Administrative Agent, the Lenders, the DIP Term Loan Agent or the DIP Term Loan Lenders under any Order, any Loan Document or any DIP Term Loan Document by any plan of reorganization confirmed in the Chapter 11 Cases or subsequent order entered in the Chapter 11 Cases;

(xxv) except as otherwise expressly permitted herein, any Loan Party or any Subsidiary thereof shall take any action in support of any matter set forth in this Section 8.01(m); provided, that the Loan Parties’ and their Subsidiaries’ response to any information requests, diligence, requests for production, or subpoenas by a party in interest shall not constitute “support”;

(xxvi) the engagement of the Chief Transformation Officer shall cease to be in full force and effect for a period of five (5) Business Days without a replacement being appointed on terms and conditions (including scope of authority) reasonably acceptable to the Administrative Agent;

(xxvii) the assertion by any of the Loan Parties in any pleading filed in any court that any material provision of the Interim Order or the Final Order is not valid and binding for any reason;

(xxviii) any material provision of the Interim Order, the Final Order, or any other order of the Bankruptcy Court approving the use of cash collateral ceases to be valid and binding, without the Administrative Agent’s prior consent;

(xxix) the Loan Parties have failed to file an Approved Bid Procedures Order on or before May 18, 2022; or

(xxx) the occurrence of a DIP Termination Event (as defined in the Orders).

Without limiting the provisions of Article IX, if a Default shall have occurred under the Loan Documents, then such Default will continue to exist until it either is cured (to the extent specifically permitted) in accordance with the Loan Documents or is otherwise expressly waived by Administrative Agent (with the approval of requisite Appropriate Lenders (in their sole discretion) as determined in accordance with Section 11.01; and once an Event of Default occurs under the Loan Documents, then such Event of Default will continue to exist until it is expressly waived by the requisite Appropriate Lenders or by the Administrative Agent with the approval of the requisite Appropriate Lenders, as required hereunder in Section 11.01.

8.02 Remedies upon Event of Default.

If any Event of Default occurs and is continuing, subject to the Orders (including the Remedies Notice Period and related notice provisions) and the terms thereof and notwithstanding the provisions of section 362 of the Bankruptcy Code and without application or motion, hearing before, or order to the Bankruptcy Court, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the Commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all Obligations, including outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower and the other Loan Parties to the fullest extent permitted by applicable Law;

(c) terminate, reduce or condition any Commitment or adjust the Borrowing Base;

(d) require that the Borrower Cash Collateralize (i) contingent Obligations that have been asserted in writing in good faith but are not yet due and payable and/or (ii) the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto), and if the Borrower fails to provide such Cash Collateral, the Administrative Agent may (and shall upon the direction of the Required Lenders) advance the required Cash Collateral as Revolving Loans (whether or not an Overadvance exists or is created thereby, or the conditions in Section 4.02 are satisfied);

(e) exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents or applicable Law or equity;

(f) declare that the application of the Carve Out has occurred through the delivery of a Carve Out Trigger Notice (as defined in the Orders) to the Borrower Agent;

(g) subject to the Remedies Notice Period, direct any or all of the Loan Parties to sell or otherwise dispose of any or all of the Collateral (subject to the Orders) on terms and conditions acceptable to the Administrative Agent pursuant to section 363, section 365 and other applicable provisions of the Bankruptcy Code (and, without limiting the foregoing, direct any Loan Party to assume and assign any lease or executory contract included in the Collateral (subject to the Orders) to the Administrative Agent's designees in accordance with and subject to section 365 of the Bankruptcy Code);

(h) subject to the Remedies Notice Period, (i) exercise on behalf of itself and the Secured Parties all rights and remedies available to it and the Secured Parties under the Loan Documents or applicable Law or (ii) take any and all actions described in the Orders, including, without limitation, those actions specified in the Orders; and/or

(i) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable Law.

Subject to the Orders, the automatic stay of section 362 of the Bankruptcy Code shall be modified and vacated to permit the Administrative Agent and the Lenders to exercise all rights and remedies under

this Agreement, the other Loan Documents or applicable Law, without further notice, motion or application to, hearing before, or order from, the Bankruptcy Court.

The Administrative Agent (together with its agents, representatives and designees) is hereby granted an irrevocable, non-exclusive license or other right to use, license or sub-license (without payment of royalty or other compensation to any Person) any or all Intellectual Property of the Loan Parties, computer hardware and software, trade secrets, brochures, customer lists, promotional and advertising materials, labels, packaging materials and other property, in advertising for sale, marketing, selling, collecting, completing manufacture of, or otherwise exercising any rights or remedies with respect to, any Collateral, in each case, after the occurrence and during the continuance of an Event of Default, subject to the rights, remedies and priorities of the DIP Term Loan Agent under the Orders. The Administrative Agent (together with its agents, representatives and designees) is hereby granted a non-exclusive right to have access to, and a rent-free right to use, any and all owned or leased locations (including, without limitation, warehouse locations and distribution centers) for the purpose of arranging for and effecting the sale or disposition of Collateral, subject to the Orders, including the production, completion, packaging and other preparation of such Collateral for sale or disposition, and to engage in bulk sales of Collateral, which rights shall be subject to the Orders. It is further understood and agreed that the Administrative Agent and its representatives (and persons employed on their behalf) may continue to operate, service, maintain, process and sell the Collateral, subject to the Orders. Upon the occurrence and the continuance of an Event of Default and the exercise by the Administrative Agent or Lenders of their rights and remedies under this Agreement and the other Loan Documents, the Loan Parties shall assist the Administrative Agent and Lenders in effecting a sale or other disposition of the Collateral upon such terms as are reasonably acceptable to the Administrative Agent, subject to the Orders.

8.03 Application of Funds.

After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02) or if at any time insufficient funds are received by and available to the Administrative Agent to pay fully all Secured Obligations then due hereunder, any amounts received on account of the Secured Obligations shall, subject to the provisions of Sections 2.14 and 2.15 and subject to the Carve Out, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Secured Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Secured Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer arising under the Loan Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Secured Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Secured Obligations arising under the Loan Documents, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Loans, L/C Borrowings and Secured Obligations then owing under Secured Hedge Agreements and Secured Cash Management Agreements and to the to the Administrative Agent for the account of the L/C

Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrower pursuant to Sections 2.03 and 2.14, in each case ratably among the Administrative Agent, the Lenders, the L/C Issuer, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Secured Obligations have been indefeasibly paid in full in cash, to the Borrower or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.14, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Secured Obligations, if any, in the order set forth above. Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Secured Obligations otherwise set forth above in this Section.

Notwithstanding the foregoing, Secured Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received a Secured Party Designation Notice, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article IX for itself and its Affiliates as if a “Lender” party hereto.

8.04 License. The Administrative Agent is hereby granted an irrevocable, non-exclusive license or other right to use, license or sub-license (without payment of royalty or other compensation to any Person) any or all Intellectual Property of Loan Parties, computer hardware and software, trade secrets, brochures, customer lists, promotional and advertising materials, labels, packaging materials and other Property, in advertising for sale, marketing, selling, collecting, completing manufacture of, or otherwise exercising any rights or remedies with respect to, any Collateral. Each Loan Party’s rights and interests under Intellectual Property shall inure to the Administrative Agent’s benefit.

ARTICLE IX

ADMINISTRATIVE AGENT AND COLLATERAL AGENT

9.01 Appointment and Authority.

(a) Appointment. Each of the Lenders and the L/C Issuer hereby irrevocably appoints, designates and authorizes Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, each Lender hereby authorizes the Administrative Agent to consent, on behalf of each Lender, to the Interim Order and the Final Order, each to be negotiated between the Loan Parties, the Administrative Agent, certain other parties and any statutory committees appointed pursuant to sections 327 and 1103 of the Bankruptcy Code. The provisions of this Article are solely for the benefit of each

Agent, the Lenders and the L/C Issuer, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions, except as set forth in Section 9.06. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to each Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. The Administrative Agent alone shall be authorized to determine eligibility and applicable advance rates under the Borrowing Base, whether to impose or release any reserve, or whether any conditions to funding or issuance of a Letter of Credit have been satisfied, which determinations and judgments, if exercised in good faith, shall exonerate the Administrative Agent from liability to any Secured Party or other Person for any error in judgment.

(b) Collateral Agent. Bank of America shall also act as the “collateral agent” under the Loan Documents, and each of the Lenders (including in its capacities as a potential Hedge Bank, and a potential Cash Management Bank) and the L/C Issuer hereby irrevocably appoints and authorizes Bank of America to act as the agent of such Lender and the L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Secured Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, Bank of America, as “collateral agent” and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Article IX and Article XI (including Section 11.04(c), as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents) as if set forth in full herein with respect thereto. In this Agreement, any rights and remedies exercisable by, any documents to be delivered to, or any other indemnities or obligations in favor of the Collateral Agent shall be, as the case may be, exercisable by, delivered to, or be indemnities or other obligations in favor of the Collateral Agent (or any other Person acting in such capacity) in its capacity as Australian Security Trustee to the extent that the rights, remedies, deliveries, indemnities or other obligations relate to, Collateral Documents governed by the laws of Australia or the security thereby created. Any obligations of Collateral Agent (or any other Person acting in such capacity) in this Agreement shall be obligations of the Collateral Agent in its capacity as Australian Security Trustee or the security thereby created to the extent that such obligations relate to Collateral Documents governed by the laws of Australia or the security thereby created. Additionally, in its capacity as Australian Security Trustee, Agent (or any other Person acting in such capacity) shall have:

- (i) all the rights, remedies and benefits in favor of the Agent contained in the provisions of the whole of this Section 9.
- (ii) all the powers of an absolute owner of the security constituted by the Collateral Documents governed by the laws of Australia; and
- (iii) all the rights, remedies and powers granted to it and be subject to all the obligations and duties owned by it under the Collateral Documents governed by the laws of Australia.

9.02 Rights as a Lender.

Each Person serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Person serving as an Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other

advisory capacity for and generally engage in any kind of banking, trust, financial, advisory, underwriting or other business with any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not an Agent hereunder and without any duty to account therefor to the Lenders or to provide notice to or consent of the Lenders with respect thereto.

9.03 Exculpatory Provisions.

(a) Each Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, each Agent and its Related Parties:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that each Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that each Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose each Agent to liability or that is contrary to any Loan Document or applicable Law, including any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as an Agent or any of its Affiliates in any capacity.

(b) Neither Agent nor any of such Agent's Related Parties shall be liable for any action taken or not taken by such Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary), or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Each Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to such Agent by the Borrower, a Lender or the L/C Issuer.

(c) Neither Agent nor any of such Agent's Related Parties have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent.

9.04 Reliance by Administrative Agent and Collateral Agent.

Each Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, each Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless such Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. Each Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the applicable Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objections.

9.05 Delegation of Duties.

Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Revolving Facility as well as activities as Agent. Neither Agent shall be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that such Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 Resignation of Administrative Agent or Collateral Agent.

(a) Notice. Each Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower not to be unreasonably withheld, conditioned or delayed (which Borrower consent shall not be required if an Event of Default has occurred and is continuing), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuer, appoint a successor Agent meeting the qualifications set forth above; provided that in no event shall any successor Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) Defaulting Lender. If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by

applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, with the consent of the Borrower not to be unreasonably withheld, conditioned or delayed (which Borrower consent shall not be required if an Event of Default has occurred and is continuing), appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) Effect of Resignation or Removal. With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring or removed Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through such Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Agent as provided for above. Upon the acceptance of a successor’s appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Agent’s resignation or removed hereunder and under the other Loan Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring or removed Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Agent was acting as Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including, without limitation, (A) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Secured Parties and (B) in respect of any actions taken in connection with transferring the agency to any successor Agent.

(d) L/C Issuer and Swingline Lender. Any resignation or removal by Bank of America as Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swingline Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swingline Loans pursuant to Section 2.04(c). Upon the appointment by the Borrower of a successor L/C Issuer or Swingline Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swingline Lender, as applicable, (ii) the retiring L/C Issuer and Swingline Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (iii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such

succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 Non-Reliance on Administrative Agent, Collateral Agent and Other Lenders.

Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 No Other Duties, Etc.

Anything herein to the contrary notwithstanding, none of the titles listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, the Collateral Agent, a Lender or the L/C Issuer hereunder.

9.09 Reserved.

9.10 Collateral and Guaranty Matters.

Each of the Lenders (including in its capacities as a potential Cash Management Bank and a potential Hedge Bank) and the L/C Issuer irrevocably authorize the Collateral Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Collateral Agent under any Loan Document (i) upon the Facility Termination Date, (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, or (iii) if approved, authorized or ratified in writing by the Required Lenders in accordance with Section 11.01;

(b) to subordinate or release any Lien on any property granted to or held by the Collateral Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(i); and

(c) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Collateral Agent at any time, the Required Lenders will confirm in writing the Collateral Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Collateral Agent will, at the Borrower's expense, (x) release any Lien on any Property held by it (including any such Lien granted pursuant to a mortgage) in connection with any Disposition permitted hereunder and (y) execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in

such item, or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

The Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Collateral Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

9.11 Secured Cash Management Agreements and Secured Hedge Agreements.

Except as otherwise expressly set forth herein, no Cash Management Bank or Hedge Bank that obtains the benefit of the provisions of Section 8.03, the Guaranty or any Collateral by virtue of the provisions hereof or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of the Guaranty or any Collateral Document) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the applicable Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Secured Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements except to the extent expressly provided herein and unless the Administrative Agent has received a Secured Party Designation Notice of such Secured Obligations, together with such supporting documentation as such Agent may request, from the applicable Cash Management Bank, or Hedge Bank, as the case may be. Neither Agent shall be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Secured Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements in the case of the Facility Termination Date.

9.12 Lender ERISA Representation.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Arranger, and each other Agent and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Arranger, and each other Agent and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that:

(i) none of the Administrative Agent, the Arranger or any other Agent or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least \$50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans, the Letters of Credit, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent, the Arranger or any other Agent or any their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Letters of Credit, the Commitments or this Agreement.

(c) The Administrative Agent, the Arranger and each other Agent hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

9.13 Recovery of Erroneous Payments.

Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Lender Recipient Party, whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Lender Recipient Party receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Lender Recipient Party in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Lender Recipient Party irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Lender Recipient Party promptly upon determining that any payment made to such Lender Recipient Party comprised, in whole or in part, a Rescindable Amount.

ARTICLE X

CONTINUING GUARANTY

10.01 Guaranty.

Each Guarantor hereby absolutely and unconditionally, jointly and severally guarantees, as primary obligor and as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all Secured Obligations (for each Guarantor, subject to the proviso in this sentence, its "Guaranteed Obligations"); provided that (a) the Guaranteed Obligations of a Guarantor shall exclude any Excluded Swap Obligations with respect to such Guarantor and (b) the liability of each Guarantor individually with respect to this Guaranty shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code or any comparable provisions of any applicable state law. Without limiting the generality of the foregoing, the Guaranteed Obligations shall include any such indebtedness, obligations, and liabilities, or portion thereof, which may be or hereafter become unenforceable or compromised or shall be an allowed or disallowed claim under any proceeding or case commenced by or against any Debtor under any Debtor Relief Laws. The Administrative Agent's books and records showing the amount of the

Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon each Guarantor, and conclusive for the purpose of establishing the amount of the Secured Obligations. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Secured Obligations or any instrument or agreement evidencing any Secured Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Secured Obligations which might otherwise constitute a defense to the obligations of the Guarantors, or any of them, under this Guaranty, and each Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

10.02 Rights of Lenders.

Each Guarantor consents and agrees that the Secured Parties may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Secured Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Guaranty or any Secured Obligations; (c) apply such security and direct the order or manner of sale thereof as the Administrative Agent, the L/C Issuer and the Lenders in their sole discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Secured Obligations. Without limiting the generality of the foregoing, each Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of such Guarantor under this Guaranty or which, but for this provision, might operate as a discharge of such Guarantor.

10.03 Certain Waivers.

Each Guarantor waives (a) any defense arising by reason of any disability or other defense of the Borrower or any other guarantor, or the cessation from any cause whatsoever (including any act or omission of any Secured Party) of the liability of the Borrower or any other Loan Party; (b) any defense based on any claim that such Guarantor's obligations exceed or are more burdensome than those of the Borrower or any other Loan Party; (c) the benefit of any statute of limitations affecting any Guarantor's liability hereunder; (d) any right to proceed against the Borrower or any other Loan Party, proceed against or exhaust any security for the Secured Obligations, or pursue any other remedy in the power of any Secured Party whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by any Secured Party; and (f) to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by applicable Law limiting the liability of or exonerating guarantors or sureties. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Secured Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Secured Obligations.

10.04 Obligations Independent.

The obligations of each Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Secured Obligations and the obligations of any other guarantor, and a separate action may be brought against each Guarantor to enforce this Guaranty whether or not the Borrower or any other person or entity is joined as a party.

10.05 Subrogation.

No Guarantor shall exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until all of the Secured Obligations and any amounts payable under this Guaranty have been indefeasibly paid and performed in full and the Commitments and the Revolving Facility are terminated. If any amounts are paid to a Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Secured Parties to reduce the amount of the Secured Obligations, whether matured or unmatured.

10.06 Termination; Reinstatement.

This Guaranty is a continuing and irrevocable guaranty of all Secured Obligations now or hereafter existing and shall remain in full force and effect until the Facility Termination Date. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of the Borrower or a Guarantor is made, or any of the Secured Parties exercises its right of setoff, in respect of the Secured Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any of the Secured Parties in their discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Secured Parties are in possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of each Guarantor under this paragraph shall survive termination of this Guaranty.

10.07 Stay of Acceleration.

If acceleration of the time for payment of any of the Secured Obligations is stayed, in connection with any case commenced by or against a Guarantor or the Borrower under any Debtor Relief Laws, or otherwise, all such amounts shall nonetheless be payable by each Guarantor, jointly and severally, immediately upon demand by the Secured Parties.

10.08 Condition of Borrower.

Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Borrower and any other guarantor such information concerning the financial condition, business and operations of the Borrower and any such other guarantor as such Guarantor requires, and that none of the Secured Parties has any duty, and such Guarantor is not relying on the Secured Parties at any time, to disclose to it any information relating to the business, operations or financial condition of the Borrower or any other guarantor (each Guarantor waiving any duty on the part of the Secured Parties to disclose such information and any defense relating to the failure to provide the same).

10.09 Appointment of Borrower.

Each of the Loan Parties hereby appoints the Borrower to act as its agent for all purposes of this Agreement, the other Loan Documents and all other documents and electronic platforms entered into in connection herewith and agrees that (a) the Borrower may execute such documents and provide such authorizations on behalf of such Loan Parties as the Borrower deems appropriate in its sole discretion and each Loan Party shall be obligated by all of the terms of any such document and/or authorization executed on its behalf, (b) any notice or communication delivered by the Administrative Agent, L/C Issuer or a Lender to the Borrower shall be deemed delivered to each Loan Party and (c) the Administrative Agent,

L/C Issuer or the Lenders may accept, and be permitted to rely on, any document, authorization, instrument or agreement executed by the Borrower on behalf of each of the Loan Parties.

10.10 Right of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable Law.

10.11 Keepwell.

Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty or the grant of a Lien under the Loan Documents, in each case, by any Specified Loan Party becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Article X voidable under applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Secured Obligations have been indefeasibly paid and performed in full. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

ARTICLE XI

MISCELLANEOUS

11.01 Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

- (a) waive any condition set forth in Section 4.01, without the written consent of each Lender;
- (b) without limiting the generality of clause (a) above, waive any condition set forth in Section 4.02 as to any Credit Extension without the written consent of the Required Lenders;
- (c) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender (it being understood and agreed that a waiver of any condition precedent in Section 4.02 or of any Default or a mandatory reduction in Commitments is not considered an extension or increase in Commitments of any Lender);
- (d) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any

of them) hereunder or under such other Loan Document without the written consent of each Lender entitled to such payment;

(e) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to such amount; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of “Default Rate” or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;

(f) change (i) Section 8.03 or Section 2.13 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender or (ii) the order of application of any reduction in the Commitments or any prepayment of Loans from the application thereof set forth in the applicable provisions of Section 2.05(b) or 2.06(b), respectively, in any manner that materially and adversely affects the Lenders under without the written consent of the Required Lenders or (iii) Section 2.12(f) in a manner that would alter the pro rata application required thereby without the written consent of each Lender directly affected thereby;

(g) change any provision of this Section 11.01 or the definition of “Required Lenders” or any other provision of any Loan Document specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or thereunder or make any determination or grant any consent hereunder (other than the definitions specified in clause (ii) of this Section 11.01(g)), without the written consent of each Lender;

(h) except as contemplated in the Intercreditor Agreement, release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender;

(i) except as contemplated in the Intercreditor Agreement, release all or substantially all of the value of the Guaranty, without the written consent of each Lender, except to the extent the release of any Subsidiary from the Guaranty is permitted pursuant to Section 9.10 (in which case such release may be made by the Administrative Agent acting alone);

(j) release the Borrower or permit the Borrower to assign or transfer any of its rights or obligations under this Agreement or the other Loan Documents without the consent of each Lender; or

(k) impose any greater restriction on the ability of any Lender to assign any of its rights or obligations hereunder without the written consent of the Required Lenders.

and provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above, affect the rights or duties of the Swingline Lender under this Agreement; and (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document. Notwithstanding anything to the contrary herein, (A) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender, or all Lenders or each affected Lender, may be effected with the consent of the

applicable Lenders other than Defaulting Lenders), except that (1) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (2) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender, or all Lenders or each affected Lender, that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender; (B) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code supersedes the unanimous consent provisions set forth herein and (C) the Required Lenders shall determine whether or not to allow a Loan Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.

Notwithstanding anything to the contrary herein, (a) this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Borrower and the Administrative Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement, and (b) the Administrative Agent may amend or modify this Agreement and any other Loan Document to (i) to cure any ambiguity, omission, mistake, defect or inconsistency therein or (ii) grant a new Lien for the benefit of the Secured Parties, extend an existing Lien over additional property for the benefit of the Secured Parties or join additional Persons as Loan Parties.

If any Lender does not consent to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender and that has been approved by the Required Lenders, the Borrower may replace such Non-Consenting Lender in accordance with Section 11.13; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this paragraph).

11.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or, except with respect to Borrower and the other Loan Parties, sent by fax transmission or e-mail transmission as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower or any other Loan Party, the Administrative Agent, the L/C Issuer or the Swingline Lender, to the address, e-mail address or telephone number specified for such Person on Schedule 1.01(a); and

(ii) if to any other Lender, to the address, fax number, e-mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax transmission shall be deemed to have been given when sent (except

that (x) if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient and (y) no such notice or communication shall be sent to Borrower or any other Loan Party via facsimile). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Administrative Agent, the Lenders, the Swingline Lender and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail, FPML messaging and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender, the Swingline Lender or the L/C Issuer pursuant to Article II if such Lender, Swingline Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Swingline Lender, the L/C Issuer or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices and other communications posted to an Internet or intranet website shall be deemed received by the intended recipient upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail address or other written acknowledgement) indicating that such notice or communication is available and identifying the website address therefor; provided that for both clauses (i) and (ii) above, if such notice or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to any Loan Party, Lender, L/C Issuer or other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Borrower, the Administrative Agent, the L/C Issuer and the Swingline Lender may change its address, fax number or telephone number or e-mail address for

notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, fax number or telephone number or e-mail address for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the L/C Issuer and the Swingline Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, fax number and e-mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one (1) individual at or on behalf of such Public Lender to at all times have selected the “Private Side Information” or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender’s compliance procedures and applicable Law, including United States federal and state securities Laws, to make reference to Borrower Materials that are not made available through the “Public Side Information” portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States federal or state securities laws.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including, without limitation, telephonic or electronic notices, Loan Notices, Letter of Credit Applications, Notice of Loan Prepayment and Swingline Loan Notices) purportedly given by or on behalf of any Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Loan Party, except to the extent such losses, costs, expenses or liabilities resulted from the gross negligence or willful misconduct of the applicable Person. All telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.03 No Waiver; Cumulative Remedies; Enforcement.

No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swingline Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swingline Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person

acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Loan Parties shall pay all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates in connection with this Agreement and the other Loan Documents, the Interim Order, the Final Order and any transaction contemplated thereby (whether or not the transactions contemplated hereby or thereby shall be consummated) and any refinancing of the obligations hereunder or any “exit financing” requested by the Loan Parties in connection with the Chapter 11 Cases or Successor Cases (whether or not the transactions contemplated hereby or thereby shall be consummated), including all (i) reasonable fees, charges and disbursements of all Administrative Agent Advisors, (ii) reasonable out-of-pocket costs and expenses in connection with field examinations, appraisals and insurance reviews (including reasonable fees charged by a third party retained by the Administrative Agent or the internally allocated fees for each Person employed by the Administrative Agent with respect to field examinations, appraisals and insurance reviews) and (iii) environmental site assessments; (iv) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent) in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents (including (A) any actions taken to perfect or maintain priority of Agent's Liens on any Collateral, to maintain any insurance required hereunder or to verify Collateral and (B) subject to the limits of Section 6.10, any examination or appraisal with respect to any Loan Party or Collateral by the Administrative Agent's personnel or a third party) or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (v) all reasonable out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (vi) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or the L/C Issuer (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or the L/C Issuer), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnatee”) against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnatee), incurred by any Indemnatee or asserted against any Indemnatee by any Person (including the Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of the Prepetition ABL Credit Agreement, any other Prepetition ABL Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the transactions contemplated thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of the Prepetition ABL Credit Agreement and the other Prepetition ABL Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the

case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01) and any refinancing of the obligations hereunder or any “exit financing” requested by the Loan Parties in connection with the Chapter 11 Cases or Successor Cases (whether or not the transactions contemplated hereby or thereby shall be consummated), (iii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iv) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by a Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to a Loan Party or any of its Subsidiaries, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE**; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for a material breach in bad faith of such Indemnitee’s obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the L/C Issuer, the Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer, the Swingline Lender or such Related Party, as the case may be, such Lender’s pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender’s share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swingline Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, no Loan Party shall assert, and each Loan Party hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in

connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e) shall survive the resignation of the Administrative Agent, the L/C Issuer and the Swingline Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05 Payments Set Aside.

To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment(s) and the Loans (including for purposes of this subsection (b),

participations in L/C Obligations and in Swingline Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment under the Revolving Facility and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement and the other Loan Documents with respect to the Loans and/or the Commitment assigned, except that this clause (ii) shall not apply to the Swingline Lender's rights and obligations in respect of Swingline Loans.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Revolving Commitment if such assignment is to a Person that is not a Lender with a Commitment in respect of the Revolving Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of the L/C Issuer and the Swingline Lender shall be required for any assignment in respect of the Revolving Facility.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any

assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person).

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (B) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment); provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Revolving Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register

shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swingline Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.04(c) without regard to the existence of any participations.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01 and 3.05 (subject to the requirements and limitations therein, including the requirements under Section 3.01(e) (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 11.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Section 3.01, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Revolving Note) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swingline Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Commitment and Revolving Loans pursuant to subsection (b) above, Bank of America may, (i) upon thirty (30) days' notice to the Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon thirty (30) days' notice to the Borrower, resign as Swingline Lender. In the event of any such resignation as L/C Issuer or Swingline Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swingline Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer or Swingline Lender, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swingline Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swingline Lender, (A) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swingline Lender, as the case may be, and (B) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

11.07 Treatment of Certain Information; Confidentiality.

(a) Treatment of Certain Information. Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its Affiliates, its auditors and its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (iv) to any other party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (B) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (vii) on a confidential basis to (A) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (B) the provider of any Platform or other electronic delivery service used by the Administrative Agent, the L/C Issuer and/or the Swingline Lender to deliver Borrower Materials or notices to the Lenders or (C) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, or (viii) with the consent of the Borrower or to the extent

such Information (1) becomes publicly available other than as a result of a breach of this Section or (2) becomes available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. For purposes of this Section, “Information” means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents and the Commitments.

(b) Non-Public Information. Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (i) the Information may include material non-public information concerning a Loan Party or a Subsidiary, as the case may be, (ii) it has developed compliance procedures regarding the use of material non-public information and (iii) it will handle such material non-public information in accordance with applicable Law, including United States federal and state securities Laws.

(c) Press Releases. The Loan Parties and their Affiliates agree that they will not in the future issue any press releases or other public disclosure using the name of the Administrative Agent or any Lender or their respective Affiliates or referring to this Agreement or any of the Loan Documents without the prior written consent of the Administrative Agent, unless (and only to the extent that) the Loan Parties or such Affiliate is required to do so under law and then, in any event the Loan Parties or such Affiliate will consult with such Person before issuing such press release or other public disclosure.

(d) Customary Advertising Material. The Loan Parties consent to the publication by the Administrative Agent or any Lender of customary advertising material relating to the transactions contemplated hereby using the name, product photographs, logo or trademark of the Loan Parties.

11.08 Right of Setoff.

If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent, to the fullest extent permitted by applicable Law (notwithstanding the provisions of section 362 of the Bankruptcy Code, without any application, motion or notice to, hearing before, or order from, the Bankruptcy Court), to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, the L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured, secured or unsecured, or are owed to a branch, office or Affiliate of such Lender or the L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (a) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance

with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and (b) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Secured Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Interest Rate Limitation.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the “Maximum Rate”). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 Counterparts; Integration; Effectiveness.

This Agreement and each of the other Loan Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent or the L/C Issuer, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or any other Loan Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g. “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Agreement or such other Loan Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Loan Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

11.11 Survival of Representations and Warranties.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and

shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 Severability.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuer or the Swingline Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 Replacement of Lenders.

If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.07, or if any Lender is a Defaulting Lender or a Non-Consenting Lender or if any other circumstance exists hereunder that gives the Borrower the right to replace a Lender as a party hereto, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.05) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to 100% of the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.05 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

11.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, TO THE BANKRUPTCY CODE.

(b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN (i) THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF OR (ii) THE BANKRUPTCY COURT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT OR THE BANKRUPTCY COURT AND HEREBY AGREES TO WAIVE ANY RIGHTS IT MAY HAVE TO OBJECT TO ADJUDICATION BY A JUDGE OF THE BANKRUPTCY COURT ON THE BASIS OF A RIGHT TO HAVE MATTERS ADJUDICATED IN FRONT OF AN ARTICLE III JUDGE. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02.

NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 Subordination.

Each Loan Party (a “Subordinating Loan Party”) hereby subordinates the payment of all obligations and indebtedness of any other Loan Party owing to it, whether now existing or hereafter arising, including but not limited to any obligation of any such other Loan Party to the Subordinating Loan Party as subrogee of the Secured Parties or resulting from such Subordinating Loan Party’s performance under this Guaranty, to the indefeasible payment in full in cash of all Obligations. If the Secured Parties so request, any such obligation or indebtedness of any such other Loan Party to the Subordinating Loan Party shall be enforced and, if an Event of Default has occurred and is continuing, performance received by the Subordinating Loan Party as trustee for the Secured Parties and the proceeds thereof shall be paid over to the Secured Parties on account of the Secured Obligations, but without reducing or affecting in any manner the liability of the Subordinating Loan Party under this Agreement. Without limitation of the foregoing, so long as no Default has occurred and is continuing, the Loan Parties may make and receive payments with respect to Intercompany Debt; provided, that in the event that any Loan Party receives any payment of any Intercompany Debt at a time when such payment is prohibited by this Section, such payment shall be held by such Loan Party, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to the Administrative Agent.

11.17 No Advisory or Fiduciary Responsibility.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates’ understanding, that: (a) (i) the arranging and other services regarding this Agreement provided by the Administrative Agent and any Affiliate thereof, the Lead Arrangers, the other Agents and the Lenders are arm’s-length commercial transactions between the Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent and, as applicable, its Affiliates (including the Arranger) and the Lenders and their Affiliates (collectively, solely for purposes of this Section, the “Lenders”), on the other hand, (ii) each of the Borrower and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b) (i) the Administrative Agent and its Affiliates (including the

Arranger) and each Lender each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and (ii) neither the Administrative Agent, any of its Affiliates (including the Arranger) nor any Lender has any obligation to the Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) the Administrative Agent and its Affiliates (including the Arranger) and the Lenders may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, any of its Affiliates (including the Arranger) nor any Lender has any obligation to disclose any of such interests to the Borrower, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and each other Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, any of its Affiliates (including the Arranger) or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

11.18 Electronic Execution.

The words “delivery,” “execute,” “execution,” “signed,” “signature,” and words of like import in any Loan Document or any other document executed in connection herewith shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided further without limiting the foregoing, upon the request of the Administrative Agent, any electronic signature shall be promptly followed by such manually executed counterpart.

11.19 USA PATRIOT Act Notice.

Each Lender that is subject to the PATRIOT Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower and the other Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “PATRIOT Act”), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the PATRIOT Act. The Borrower and the Loan Parties agree to, promptly following a request by the Administrative Agent or any Lender, provide all such other documentation and information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act.

11.20 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.

Solely to the extent any Lender or L/C Issuer that is an Affected Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any

liability of any Lender or L/C Issuer that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or L/C Issuer that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

11.21 Time of the Essence.

Time is of the essence of the Loan Documents.

11.22 ENTIRE AGREEMENT.

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

11.23 Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support

(and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 11.23, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

11.24 Intercreditor Agreement

(a) EACH LENDER PARTY HERETO (I) UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT IT (AND EACH OF ITS SUCCESSORS AND ASSIGNS) AND EACH OTHER LENDER (AND EACH OF THEIR SUCCESSORS AND ASSIGNS) SHALL BE BOUND BY THE INTERCREDITOR AGREEMENT, (II) AUTHORIZES AND DIRECTS THE COLLATERAL AGENT TO ENTER INTO THE INTERCREDITOR AGREEMENT ON ITS BEHALF, AND (III) AGREES THAT ANY ACTION TAKEN BY AGENT PURSUANT TO THE INTERCREDITOR AGREEMENT SHALL BE BINDING UPON SUCH LENDER.

(b) THE PROVISIONS OF THIS SECTION 11.24 ARE NOT INTENDED TO SUMMARIZE OR FULLY DESCRIBE THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. REFERENCE MUST BE MADE TO THE INTERCREDITOR AGREEMENT TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF. EACH LENDER IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF THE INTERCREDITOR AGREEMENT AND THE TERMS AND PROVISIONS THEREOF, AND NO AGENT OR ANY OF AFFILIATES MAKES ANY REPRESENTATION TO ANY LENDER AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN THE INTERCREDITOR AGREEMENT. A COPY OF THE INTERCREDITOR AGREEMENT MAY BE OBTAINED FROM COLLATERAL AGENT.

(c) THE INTERCREDITOR AGREEMENT IS AN AGREEMENT SOLELY AMONGST THE SECURED PARTIES (AS DEFINED IN THE INTERCREDITOR AGREEMENT) AND THEIR RESPECTIVE AGENTS (INCLUDING THEIR SUCCESSORS AND ASSIGNS) AND IS ACKNOWLEDGED AND AGREED TO BY THE LOAN PARTIES AS PARTY THERETO. AS MORE

FULLY PROVIDED THEREIN, THE INTERCREDITOR AGREEMENT CAN ONLY BE AMENDED BY THE PARTIES THERETO IN ACCORDANCE WITH THE PROVISIONS THEREOF.

(d) IN THE EVENT OF ANY CONFLICT BETWEEN THIS AGREEMENT AND THE INTERCREDITOR AGREEMENT, THE INTERCREDITOR AGREEMENT SHALL GOVERN.

11.25 Parties Including Trustees; Bankruptcy Court Proceedings. This Agreement, the other Loan Documents, and all Liens created pursuant to any Loan Document shall be binding upon each Loan Party, the estate of each Loan Party, and any trustee or successor in interest of any Loan Party in any Chapter 11 Case or any Successor Case or under any other bankruptcy or insolvency laws, and shall not be subject to Section 365 of the Bankruptcy Code. The Liens created by this Agreement and the other Loan Documents shall be and remain valid and perfected in the event of the substantive consolidation or conversion of any Chapter 11 Case or any other bankruptcy case of any Loan Party to a case under chapter 7 of the Bankruptcy Code, or in the event of dismissal of any Chapter 11 Case or the release of any Collateral from the jurisdiction of the Bankruptcy Court for any reason, without the necessity that the Administrative Agent or any Lender file financing statements or otherwise perfect its security interests or Liens under applicable Law.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their authorized officers as of the day and year first above written.

BORROWER:

ARMSTRONG FLOORING, INC.

By: _____
Typed Name:
Typed Title:

GUARANTORS:

AFI LICENSING LLC

By: _____
Typed Name:
Typed Title:

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their authorized officers as of the day and year first above written.

BANK OF AMERICA, N.A.,
as Administrative Agent, Collateral Agent and
Australian Security Trustee

By: _____
Typed Name: Matthew O'Keefe
Typed Title: Senior Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their authorized officers as of the day and year first above written.

BANK OF AMERICA, N.A.,

as a Lender, L/C Issuer and Swingline Lender

By: _____
Typed Name: Matthew O'Keefe
Typed Title: Senior Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their authorized officers as of the day and year first above written.

JPMORGAN CHASE BANK, N.A.,

as a Lender

By: _____
Typed Name:
Typed Title:

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their authorized officers as of the day and year first above written.

TRUIST BANK,

as a Lender

By: _____
Typed Name:
Typed Title:

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their authorized officers as of the day and year first above written.

HSBC BANK USA, NATIONAL ASSOCIATION,

as a Lender

By: _____
Typed Name:
Typed Title:

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their authorized officers as of the day and year first above written.

**MANUFACTURERS AND TRADERS TRUST
COMPANY**, as a Lender

By: _____
Typed Name:
Typed Title:

Schedule 6.17

Post-Closing Matters

1. On or before the date that is two (2) Business Days after the Effective Date (or such longer period as the Administrative Agent may agree in its Permitted Discretion), the Borrower shall have delivered to the Administrative Agent the original new stock certificates for Armstrong Flooring Canada Ltd. together with the corresponding powers therefore duly endorsed n blank.

Schedule 6.28

Required Milestones

Days after filing

- 0: filing of case;
- 5: filing of Asset Disposition Motion
- 9: entry of Interim Order
- 12: Amendment of proposed form of Bid Procedures order contemplated in Asset Disposition Motion, to the extent required by the Administrative Agent and the DIP Term Loan Agent so that the form of Bid Procedures order is reasonably acceptable to each of them.
- 21: entry of Bid Procedures order
- 26: entry of Final Order
- 37: Bid Deadline
- 40: Auction
- 42: Hearing on substantive sale portion of Asset Disposition Motion
- 43: Entry of Sale order
- 45: sale closing; Maturity Date and payoff

Exhibit B

DIP Term Loan Agreement

**SENIOR SECURED, SUPER-PRIORITY DEBTOR-IN-POSSESSION TERM LOAN
AGREEMENT**

Dated as of May 17, 2022

among

ARMSTRONG FLOORING, INC.

THE SUBSIDIARIES OF THE BORROWER PARTY HERETO,
as the Guarantors,

PATHLIGHT CAPITAL LP,
as Administrative Agent and Collateral Agent

and

THE LENDERS PARTY HERETO

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SENIOR SECURED, SUPER-PRIORITY DEBTOR-IN-POSSESSION TERM LOAN AGREEMENT

THIS SENIOR SECURED, SUPER-PRIORITY DEBTOR-IN-POSSESSION TERM LOAN AGREEMENT is entered into as of May 17, 2022, among ARMSTRONG FLOORING, INC., a Delaware corporation (the “Borrower”), the Guarantors (defined herein), the Lenders (defined herein) party hereto from time to time, and PATHLIGHT CAPITAL LP, as Administrative Agent and Collateral Agent (as such terms are defined herein).

PRELIMINARY STATEMENTS:

A. On May 8, 2022 (the “Petition Date”), the Borrower and the Guarantors (collectively, the “Debtors” and each individually, a “Debtor”), commenced chapter 11 Case Nos. 22-10426 through 22-10429, as administratively consolidated as a chapter 11 Case No. 22-10426 (collectively, the “Chapter 11 Cases” and each individually, a “Chapter 11 Case”), with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of Bankruptcy Code.

B. Prior to the Petition Date, the Lenders provided financing to the Borrower pursuant to that certain Term Loan Agreement, dated as of June 23, 2020 (as amended, restated, modified, waived or supplemented through the Petition Date, the “Prepetition Term Loan Agreement”), by and among the Borrower, Armstrong Flooring Pty Ltd., the Guarantors, Pathlight Capital LP, as administrative agent (in such capacity, the “Prepetition Term Loan Agent”), and the lenders from time to time party thereto (the “Prepetition Term Loan Lenders”).

C. As of the Petition Date, the Prepetition Term Loan Lenders under the Prepetition Term Loan Agreement are owed: \$98,016,882.76 in outstanding principal with respect to Loans (as such term is defined in the Prepetition Term Loan Agreement), plus interest (including PIK Interest (as defined in the Prepetition Term Loan Agreement), fees, costs and expenses and all other Prepetition Term Loan Obligations (as defined below) under the Prepetition Term Loan Agreement.

D. The Prepetition Term Loan Obligations are secured by a security interest in certain existing and after-acquired assets of the Loan Parties and Armstrong Flooring Pty Ltd. as more fully set forth in Prepetition Term Loan Documents (as defined below) and such security interest is perfected and has, with certain exceptions as described in the Prepetition Term Loan Documents, priority over other security interests.

E. The Borrower has requested, and, upon the terms and conditions set forth in this Agreement, the Lenders have agreed to make available to the Borrower, a senior-secured, super-priority term loan facility in the amount of \$37,333,333.00 in the aggregate to fund the repayment of a portion of the Prepetition Term Loan Obligations and the working capital requirements of the Borrower and other transactions as more fully set forth in Section 6.11 during the pendency of the Chapter 11 Cases.

F. Each Loan Party has agreed to secure all of the Obligations under the Loan Documents by granting to the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties, a security interest in and lien upon substantially all of their existing and after-acquired personal and real property (subject to the limitations and priorities contained in the Loan Documents and the Orders).

G. Each Loan Party's business is a mutual and collective enterprise and the Loan Parties believe that the loans and the other financial accommodations to the Borrower under this Agreement will enhance the aggregate borrowing powers of the Borrower and facilitate the administration of the Chapter 11 Cases and their loan relationship with the Administrative Agent and the Lenders, all to the mutual advantage of the Loan Parties.

H. Each Loan Party acknowledges that it will receive substantial direct and indirect benefits by reason of the making of loans and other financial accommodations to the Borrower as provided in this Agreement.

I. The Administrative Agent's and the Lenders' willingness to extend financial accommodations to the Borrower, as more fully set forth in this Agreement and the other Loan Documents, is done solely as an accommodation to the Loan Parties and at the Loan Parties' request and in furtherance of the Loan Parties' mutual and collective enterprise.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

“ABL Availability” shall have the meaning assigned to the term “Availability” in the DIP ABL Credit Agreement.

“ABL Borrowing Base” means “Borrowing Base” as such term is defined in the DIP ABL Credit Agreement.

“ABL Borrowing Base Report” means “Borrowing Base Report” as such term is defined in the DIP ABL Credit Agreement.

“Actual Cash Disbursements” means the sum of all cash expenditures made by the Loan Parties during the relevant period of determination which corresponds to the budgeted cash expenditures described in the line item contained in the Approved Budget across from the heading “Total Disbursements”, as determined in a manner consistent with the Approved Budget.

“Actual Cash Receipts” means the sum of all cash receipts received by the Loan Parties (excluding any borrowings under this Agreement or the DIP Term Loan Agreement) during the relevant period of determination which corresponds to the budgeted cash receipts described in the line item contained in the Approved Budget across from the heading “Memo: Total Receipts”, as determined in a manner consistent with the Approved Budget.

“Actual Net Cash Flow” shall mean the actual net cash flow of the Loan Parties during the relevant period of determination which corresponds to the budgeted net cash flow described in the line item contained in the Approved Budget across from the heading “Net Cash Flow”, as determined in a manner consistent with the Approved Budget.

“Adequate Protection Liens” has the meaning assigned to the term “Prepetition Secured Parties Adequate Protection Liens” in the Interim Order (or the Final Order, when applicable).

“Adequate Protection Superpriority Claims” has the meaning assigned to the term “Prepetition Secured Parties Adequate Protection Claims” in the Interim Order (or the Final Order, when applicable).

“Administrative Agent” means Pathlight Capital LP in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Advisors” had the meaning specified in Section 6.29.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 1.01(a), or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; provided that in no event shall the Chief Transformation Officer be an Affiliate of any Loan Party or Subsidiary thereof for purposes of the Loan Documents.

“Agent” means the collective reference to the Administrative Agent and the Collateral Agent, or either of them, as the context may require.

“Agreement” means this Term Loan Agreement.

“Applicable Margin” means eleven percent (11.0%) per annum.

“Applicable Percentage” means in respect of the Facility, with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Facility represented by (i) on or prior to the Effective Date, such Lender’s Commitment at such time and (ii) thereafter, the outstanding principal amount of such Lender’s DIP Term Loans at such time. The Applicable Percentage of each Lender in respect of the Facility is set forth opposite the name of such Lender on Schedule 1.01(b) or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“Appraised Value” means, (a) with respect to Equipment, the net orderly liquidation value of such Equipment as set forth in the most recent appraisal thereof as determined from time to time by an independent appraiser engaged by the Administrative Agent and (b) with respect to any Real Property, the fair market value of such Real Property, as set forth in the most recent Real Property Appraisal of such Real Property (based on the appraisal methodology applied in the appraisals in effect on the Effective Date).

“Approved Bid Procedures” means bid procedures in effect after giving effect to any Approved Bid Procedures Order.

“Approved Bid Procedures Order” means a bid procedures order in form and substance reasonably acceptable to the Administrative Agent with respect to the relief sought in the Asset Sale Motion.

“Approved Budget” means the budget prepared by the Borrower in substantially the form of Annex A, as the same may be updated, modified or supplemented from time to time as provided in Section 6.27, in each case, to the extent approved by the Administrative Agent and Required Lenders as set forth in Section 6.27.

“Approved Budget Variance Report” means a weekly report provided by the Borrower to the Administrative Agent (i) showing, in each case, by line item the Actual Cash Receipts, the Actual Cash Disbursements, the Actual Net Cash Flow, ABL Availability and Liquidity for the last day of the Prior Week, the Cumulative Two-Week Period (only for such weekly report delivered the third calendar week following the Petition Date), the Cumulative Three-Week Period, noting therein all variances required by Section 6.27, on a line-item and cumulative basis, from the amounts set forth for such period in the Approved Budget, and shall include narrative explanations for all variances of +/- 10% or more, and (ii) certified by a Responsible Officer of the Borrower Agent. The Approved Budget Variance Report shall be in a form, and shall contain supporting information, reasonably satisfactory to the Administrative Agent in its sole discretion.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Asset Sale Motion” has the meaning ascribed to such term in the Interim Order.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit B or any other form (including an electronic documentation form generated by use of an electronic platform) approved by the Administrative Agent.

“Attributable Indebtedness” means, on any date, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease or similar payments under the relevant lease or other applicable agreement or instrument that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease or other agreement or instrument were accounted for as a Capitalized Lease.

“AUS Armstrong” means Armstrong Flooring Pty Ltd CAN 004 747 942.

“AUS Subordination Agreement” means that certain Subordination Agreement, dated as of December 30, 2021, among AUS Armstrong, the Prepetition Term Loan Agent and the Prepetition ABL Agent.

“Automatic Stay” shall mean the automatic stay provided under Section 362 of the Bankruptcy Code.

“Avoidance Action” means any and all claims and causes of action of any Borrower’s estate arising under sections 542, 544, 545, 547, 548, 549, 550, 551, 553(b) or 724(a) of the Bankruptcy Code, together with any proceeds therefrom.

“Avoided Payment” has the meaning assigned to such term in Section 2.17(b).

“Back-End Carve Out Reserve” means a reserve against Term Loan Availability in the amount of \$500,000 for excess professional fees and expenses, as further described on Schedule 1.01(d).

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bank of America” means Bank of America, N.A. and its successors.

“Bankruptcy Code” means Title 11 of the United States Code.

“Bankruptcy Court” has the meaning assigned to such term in the Recitals.

“Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure, as the same may from time to time be in effect and applicable to the Chapter 11 Cases.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Borrower” means Armstrong Flooring, Inc., a Delaware corporation.

“Borrower Materials” has the meaning specified in Section 6.02.

“Budget Compliance Certificate” means a certificate substantially in the form of Exhibit C.

“Budget Modification” has the meaning specified in Section 6.27(a).

“Budgeted Net Cash Flow” means the line item contained in the Approved Budget across from the heading “Net Cash Flow” during the relevant period of determination.

“Budgeted Total Disbursements” means the line item contained in the Approved Budget across from the heading “Memo: Total Disbursements” during the relevant period of determination.

“Budgeted Total Receipts” means the line item contained in the Approved Budget across from the heading “Total Receipts” during the relevant period of determination.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York and, as it relates to the calculation of interest at the LIBOR Rate, any such day that is also a London Banking Day.

“Businesses” means, at any time, a collective reference to the businesses operated by Borrower and its Subsidiaries at such time.

“Capital Stock” means (i) in the case of a corporation, capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (iii) in the case of a partnership, partnership interests (whether general or limited), (iv) in the case of a limited liability company, membership interests and (v) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Capital Stock Equivalents” means warrants, options or other rights for the purchase, acquisition or exchange of any items of Capital Stock (including through convertible securities).

“Capitalized Leases” means, subject to Section 1.03(b), all leases that have been or should be, in accordance with GAAP (as in effect prior to the adoption and/or effectiveness of Accounting Standards Codification 842 (Leases) or any replacement, successor or similar account pronouncement), recorded as capitalized leases.

“Carve Out” has the meaning assigned to the term “Carve Out” in the Interim Order (or Final Order, when applicable).

“Carve Out Reserve” has the meaning set forth in the DIP ABL Credit Agreement.

“Cash Collateralize” means the delivery of cash to the Administrative Agent, as security for the payment of contingent Obligations that have been asserted in writing but are not yet due and payable, in an amount equal to the Administrative Agent’s good faith estimate of the amount due or to become due in respect thereof, including fees, expenses and indemnification hereunder. “Cash Collateral” has a correlative meaning.

“Cash Equivalents” means (a) marketable obligations issued or unconditionally guaranteed by, and backed by the full faith and credit of, the U.S. government, maturing within twelve (12) months of the date of acquisition; (b) certificates of deposit, time deposits and bankers’ acceptances maturing within twelve (12) months of the date of acquisition, and overnight bank deposits, in each case which are issued by a commercial bank organized under the laws of the United States or any state or district thereof, rated A-1 (or better) by S&P or P-1 (or better) by Moody’s at the time of acquisition, and (unless issued by a Lender) not subject to offset rights; (c) repurchase obligations with a term of not more than thirty (30) days for underlying investments of the types described in clauses (a) and (b) entered into with any bank described in clause (b); (d) commercial paper issued by a commercial bank organized under the laws of the United States or any state or district thereof and rated A-1 (or better) by S&P or P-1 (or better) by Moody’s, and maturing within nine (9) months of the date of acquisition; and (e) shares of any money market fund that has substantially all of its assets invested continuously in the types of investments referred to above, has net assets of at least \$500,000,000 and has the highest rating obtainable from either Moody’s or S&P.

“Cash Management Order” means the order of the Bankruptcy Court entered in the Chapter 11 Cases after the “first day” hearing, together with all extensions, modifications and amendments thereto, in form and substance reasonably satisfactory to the Administrative Agent, which among other matters

authorizes the Debtors to maintain their existing cash management and treasury arrangements (as set forth in the Prepetition ABL Credit Agreement and the Orders) or such other arrangements as shall be reasonably acceptable to the Administrative Agent in all material respects.

“CFC” means a Person that is a controlled foreign corporation under Section 957 of the Code.

“Change in Law” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means an event or series of events by which:

(a) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, of fifty percent (50%) or more of the Equity Interests of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such securities that such “person” or “group” has the right to acquire pursuant to any option right); or

(b) any “change in control” or similar event, as defined in the DIP ABL Credit Agreement or any other DIP ABL Document shall have occurred.

“China Facility” means (a) that certain RMB 10 million line of credit extended by the Bank of China, Wujiang Branch to the Borrower, which as of the Effective Date, expires on or about March 27, 2023, and (b) that certain RMB 60 million line of credit extended by Mingshen Bank, which, as of the Effective Date, will expire on or about August 31, 2022.

“Chapter 11 Case” and “Chapter 11 Cases” each have the meaning specified in the Recitals.

“Chief Transformation Officer” means Dalton Edgecomb of Riveron Management Services, LLC, in his capacity as chief transformation officer of the Borrower (any successor reasonably acceptable to the Administrative Agent).

“Closing Date” means the date hereof.

“Code” means the Internal Revenue Code of 1986.

“Collateral” means all of the “Collateral” referred to in the Collateral Documents and all of the other property that is or is intended under the terms of the Collateral Documents to be subject to Liens in favor of the Collateral Agent for the benefit of the Secured Parties, including, without limitation, the “DIP Collateral” as referred to in the Orders, it being understood that “Collateral” hereunder shall include all “DIP Collateral” irrespective of whether any such property was excluded from “Collateral” (as defined in the Prepetition Term Loan Agreement) pursuant to the Term Loan Prepetition Documents. The Collateral shall exclude all Excluded Property.

“Collateral Agent” means Pathlight Capital LP in its capacity as collateral agent for the Secured Parties, and its successors and assigns in such capacity.

“Collateral Documents” means, collectively, the Orders, each Joinder Agreement, each IP Security Agreement, each of the mortgages, each of the collateral assignments, security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent pursuant to Section 6.14, and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

“Committee” means the official committee of unsecured creditors appointed in the Chapter 11 Cases by the U.S. Trustee, if any.

“Commitment” means the Term Loan Commitment.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*), as amended from time to time, and any successor statute.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated” means, when used with reference to financial statements or financial statement items of the Borrower and its Subsidiaries or any other Person, such statements or items on a consolidated basis in accordance with the consolidation principles of GAAP.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Control Agreement” means an agreement, in form and substance satisfactory to the Administrative Agent, among the applicable Loan Party, the Administrative Agent and a financial institution or securities intermediary, with respect to a Deposit Account or Securities Account maintained by such Loan Party with such financial institution or securities intermediary.

“Controlled Account” means, as the context may require, a Deposit Account and/or Securities Account that is subject to a first-priority security interest and Lien in favor of the Administrative Agent.

“Copyright License” means any written agreement, naming any Grantor as licensor, granting any right under any Copyright.

“Copyrights” means (a) all registered United States copyrights in all Works, now existing or hereafter created or acquired, all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Copyright Office and (b) all renewals thereof.

“Corporate Rating” means, as of any date of determination, the rating as determined by either S&P or Moody’s (collectively, the “Corporate Ratings”) of the corporate credit rating or corporate family rating of any Person.

“Cumulative Period” means the period from the Petition Date through the most recent week ended.

“Cumulative Three-Week Period” means the three-week period up to and through the Saturday of the most recent week then ended.

“Cumulative Two-Week Period” means the two-week period up to and through the Saturday of the most recent week then ended.

“CV Reserve” means a reserve against Term Loan Availability to be established by the Administrative Agent on the Effective Date in the amount of (a) from the Effective Date through and until the commencement of the CV Reserve Reduction Period, \$4,000,000, (b) during the CV Reserve Reduction Period, an amount equal to (i) \$4,000,000 minus (ii) the CV Reserve Reduction Amount through the end of the immediately preceding week (as determined by the Administrative Agent based on the “CV Payment” line item in the Approved Budget and critical vendor payment reporting provided by the Borrower in accordance with the Final Order), and (c) at any time on or after the CV Reserve Termination Date, \$0.

“CV Reserve Reduction Amount” means, as of any date of calculation, an amount equal to the greater of (a) 50% of an amount equal to the sum of (i) the cumulative amount of critical vendor payments reported to the Administrative Agent by the Borrower from the Petition Date through the end of the immediately preceding week and for which the CV Reserve Reduction Conditions have been met, minus (ii) \$6,000,000, and (b) zero.

“CV Reserve Reduction Conditions” means (a) with respect to any applicable critical vendor payment, such payment is permitted under the Approved Budget, and (b) during the CV Reserve Reduction Period, (i) the Administrative Agent has given express written consent (which may be by electronic mail and which consent shall not be unreasonably withheld, conditioned or delayed) for a critical vendor payment after consultation with the Borrower, or (ii) the Administrative Agent have not given express written consent to a critical vendor payment after consultation with the Borrower, the CV Reserve Termination Date has not occurred and the Borrower files a motion with the Bankruptcy Court for authority to make such critical vendor payment (subject to any objection by the Administrative Agent), and the Bankruptcy Court authorizes such critical vendor payment.

“CV Reserve Reduction Period” means the period (a) commencing on the date that the cumulative amount of all critical vendor payments made by the Loan Parties and reported to the Administrative Agent by the Borrower since the Petition Date is equal to at least \$6,000,000 (which date is anticipated to occur during the week ending May 29, 2022), and (b) ending on the CV Reserve Termination Date.

“CV Reserve Termination Date” means the first to occur of (a) the date that the CV Reduction Amount is equal to \$4,000,000, and (b) the date that the Administrative Agent and the DIP ABL Agent are reasonably satisfied that the Borrower has received one or more binding bids that will provide an

aggregate available amount of proceeds (net of any working capital or similar adjustments contemplated by such bids) sufficient to result in the payment in full in cash of all the Obligations, the Prepetition Term Loan Obligations, the DIP ABL Obligations and the Prepetition ABL Obligations.

“Debt Issuance” means the issuance by any Loan Party or any Subsidiary of any Indebtedness other than Indebtedness permitted under Section 7.03.

“Debtor Relief Laws” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means (a) with respect to any Obligation for which a rate is specified, a rate per annum equal to two percent (2%) in excess of the rate otherwise applicable thereto and (b) with respect to any Obligation for which a rate is not specified or available, a rate per annum equal to the LIBO Rate plus the Applicable Margin plus two percent (2%), in each case, to the fullest extent permitted by applicable Law.

“Defaulting Lender” means, subject to Section 2.15(b), any Lender that has, or has a direct or indirect parent company that has, (a) become the subject of a proceeding under any Debtor Relief Law, (b) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (c) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (c) above, and the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower and each other Lender promptly following such determination.

“Designated Disbursement Account” has the meaning set forth in the DIP ABL Credit Agreement.

“Designated Jurisdiction” means any country, region or territory to the extent that such country, region or territory is the subject of any comprehensive Sanction.

“DIP ABL Agent” means Bank of America, in its capacity as both administrative agent and collateral agent under the DIP ABL Credit Agreement, and its successors and permitted assigns in such capacity.

“DIP ABL Commitments” shall have the meaning assigned to the term “ABL Commitments” in the DIP ABL Credit Agreement.

“DIP ABL Credit Agreement” means that certain Senior Secured, Super Priority Debtor-In-Possession Credit Agreement, dated as of the Effective Date, by and among Armstrong Flooring, Inc., as borrower, the other Loan Parties defined therein, the DIP ABL Agent and the DIP ABL Lenders party thereto, as in effect on the date hereof and as may be amended from time to time in accordance with the Prepetition Intercreditor Agreement.

“DIP ABL Credit Facility” means the credit facility provided by the DIP ABL Lenders under the DIP ABL Credit Agreement in the aggregate principal amount not less than \$90,000,000.

“DIP ABL Lenders” means the “Lenders” under and as defined in the DIP ABL Credit Agreement.

“DIP ABL Line Cap” shall have the meaning assigned to the term “Line Cap” in the DIP ABL Credit Agreement.

“DIP ABL Loan Documents” means the “Loan Documents” (as defined in the DIP ABL Credit Agreement), each as in effect on the date hereof and as may be amended from time to time in accordance with the Prepetition Intercreditor Agreement.

“DIP ABL Obligations” means the “Obligations” as defined in the DIP ABL Credit Agreement.

“DIP ABL Priority Collateral” means the “Prepetition ABL Priority Collateral” (as such term is defined in the Orders) that is also DIP Collateral (as such term is defined in the Orders).

“DIP ABL Required Lenders” means the “Required Lenders” under and as defined in the DIP ABL Credit Agreement.

“DIP Term Loan Funding Request” shall mean a written request by the Borrower for withdrawal of Term Loan proceeds on deposit in the DIP Term Loan Proceeds Account in substantially the form of Exhibit D hereto and in form and substance satisfactory to the Administrative Agent.

“DIP Term Loan Funding” means an advance of a Term Loan pursuant to Section 2.01(b)(i) and/or a drawing or disbursement of funds from the DIP Term Loan Proceeds Account pursuant to Section 2.01(b)(ii).

“DIP Term Loan Proceeds Account” means the deposit account of the Borrowers, which shall be a Controlled Account, to be established with JPMorgan Chase Bank, N.A. or another bank reasonably acceptable to the Administrative Agent; all amounts held therein constituting DIP Term Priority Collateral.

“DIP Term Priority Collateral” means the “Prepetition Term Loan Priority Collateral” (as such term is defined in the Orders) that is also DIP Collateral (as such term is defined in the Orders).

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (including any Sale and Leaseback Transaction) of any Property by Borrower or any of its Subsidiaries (including the Capital Stock of any Subsidiary), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, including any disposition of property to a Delaware Divided LLC pursuant to a Delaware LLC Division, but excluding: (a) the Permitted Transfers; (b) any sale, lease, license, transfer or other disposition of Property to any Loan Party; (c) any Disposition to the extent constituting a Permitted Investment; and (d)

any sale, lease, license, transfer or other disposition of Property by any Foreign Subsidiary to Borrower or any of its Subsidiaries.

“Division” means the creation of one or more new limited liability companies by means of any statutory division of a limited liability company pursuant to any applicable limited liability company act or similar statute of any jurisdiction. “Divide” shall have a meaning correlative to the foregoing.

“Dollar” and “\$” mean lawful money of the United States.

“Domestic Subsidiary” means any Subsidiary that is organized under the laws of any political subdivision of the United States.

“Dominion Account” means one or more special accounts established by the Borrower at Bank of America or another bank reasonably acceptable to the Administrative Agent, over which the ABL Agent has exclusive control for withdrawal purposes.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the first date, which shall be no later than five (5) days after the Petition Date, upon which all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 11.01.

“Eligible Account” shall have the meaning assigned to such term in the DIP ABL Credit Agreement.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 11.06 (subject to such consents, if any, as may be required under Section 11.06(b)(iii)); provided that in no event shall a Defaulting Lender or an Affiliate of a Defaulting Lender be an Eligible Assignee.

“Eligible Inventory” shall have the meaning assigned to such term in the DIP ABL Credit Agreement.

“Environmental Agreement” means each agreement of the Loan Parties with respect to any Mortgaged Property, pursuant to which the Loan Parties agree to indemnify and hold harmless the Administrative Agent and other Secured Parties from liability under any Environmental Laws, each in form and substance reasonably acceptable to the Administrative Agent.

“Environmental Laws” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses,

agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“Equipment” means all “equipment” as defined in the UCC and includes all machinery, apparatus, equipment, fittings, furniture, fixtures, motor vehicles and other fixed assets owned by the Borrower and used or held for sale by the Borrower in the Ordinary Course of Business, whether now owned or hereafter acquired by the Borrower and wherever located, and all parts, accessories and special tools and all increases and accessions thereto and substitutions and replacements therefor.

“Equity Interests” means, with respect to any Person, any Capital Stock or Capital Stock Equivalents of such Person.

“Equity Issuance” means, any issuance by any Loan Party or any Subsidiary to any Person of its Equity Interests, other than (a) any issuance of its Equity Interests pursuant to the exercise of options or warrants, (b) any issuance of its Equity Interests pursuant to the conversion of any debt securities to equity or the conversion of any class of equity securities to any other class of equity securities, and (c) any issuance of options or warrants relating to its Equity Interests. The term “Equity Issuance” shall not be deemed to include any Disposition.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; (h) the imposition of any liability under Title IV of ERISA, other

than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate or (i) a failure by the Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules in respect of a Pension Plan, whether or not waived, or the failure by the Borrower or any ERISA Affiliate to make any required contribution to a Multiemployer Plan.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning specified in Section 8.01.

“Excluded Property” means (a) any United States intent-to-use trademark applications to the extent that, and solely during the period in which the grant of a security interest therein would impair the validity or enforceability of or render void or result in the cancellation of, any registration issued as a result of such intent-to-use trademark applications under applicable Law; provided that upon submission and acceptance by the USPTO of an amendment to allege pursuant to 15 U.S.C. Section 1060(a) or any successor provision), such intent-to-use trademark application shall be considered Collateral, (b) any other property expressly excluded from DIP Collateral (as such term is defined in the Orders) pursuant to the terms of the Interim Order (or the Final Order, when applicable), and (c) any other property expressly excluded from DIP Collateral (as such term is defined in the Orders) pursuant to the terms of the Interim Order (or the Final Order, when applicable).

“Excluded Taxes” means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Term Loan pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Term Loan (other than pursuant to an assignment request by the Borrower under Section 11.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii), (a)(iii) or (c), amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient’s failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

“Extraordinary Receipt” means any cash received by or paid to or for the account of any Person not in the Ordinary Course of Business, including tax refunds, pension plan reversions, proceeds of insurance (other than proceeds of business interruption insurance to the extent such proceeds constitute compensation for lost earnings and proceeds of Involuntary Dispositions), indemnity payments and any purchase price adjustments; provided, however, that an Extraordinary Receipt shall not include cash receipts from proceeds of insurance or indemnity payments to the extent that such proceeds, awards or payments are received by any Person in respect of any third party claim against such Person and applied to pay (or to reimburse such Person for its prior payment of) such claim and the costs and expenses of such Person with respect thereto.

“Facility” means the aggregate principal amount of the Term Loans of all Lenders outstanding at such time.

“Facility Termination Date” means the date as of which all of the following shall have occurred: (a) all Obligations (other than contingent indemnification obligations that are not then identifiable

or due and payable and that by their terms survive the payment in full of the Obligations) have been indefeasibly paid in full in cash, including any interest, fees and other charges accruing during a proceeding under any Debtor Relief Law (whether or not allowed in such proceeding) or Cash Collateralized, and (b) all Obligations consisting of asserted but unpaid contingent indemnification obligations have been Cash Collateralized (or other arrangements with respect thereto satisfactory to the Administrative Agent shall have been made).

“FASB ASC” means the Accounting Standards Codification of the Financial Accounting Standards Board.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“Federal Funds Rate” means (a) the weighted average per annum interest rate on overnight federal funds transactions with members of the Federal Reserve System on the applicable day (or the preceding Business Day, if the applicable day is not a Business Day), as published by the Federal Reserve Bank of New York on the next Business Day; or (b) if the rate is not so published, the average per annum rate (rounded up to a whole multiple of 1/100 of 1%) charged to Bank of America on the applicable day on such transactions, as determined by the Administrative Agent; provided, that, in no event shall the Federal Funds Rate be less than zero.

“Fee Letter” means the Fee Letter, dated as of the date hereof, between the Borrower and the Administrative Agent.

“Final Order” means the order of the Bankruptcy Court entered in the Chapter 11 Cases after a final hearing under Bankruptcy Rule 4001(c)(2) or such other procedures as approved by the Bankruptcy Court, which order shall be reasonably satisfactory in form and substance to the Administrative Agent, and from which no appeal or motion to reconsider has been timely filed, or if timely filed, such appeal or motion to reconsider has been dismissed or denied with no further appeal and the time for filing such appeal has passed (unless Administrative Agent waives such requirement), together with all extensions, modifications, and amendments thereto, in form and substance satisfactory to the Administrative Agent, which, among other matters but not by way of limitation, authorizes the Loan Parties to obtain credit, incur (or guaranty) Indebtedness, and grant Liens under this Agreement and the other Loan Documents, as the case may be, and provides for the super-priority status of the Administrative Agent’s and the Lenders’ claims.

“Flood Hazard Property” means any Mortgaged Property that is in an area designated by the Federal Emergency Management Agency as having special flood or mudslide hazards.

“Flood Laws” means the National Flood Insurance Act of 1968, Flood Disaster Protection Act of 1973, and related laws, rules and regulations, including any amendments or successor provisions.

“FLSA” means the Fair Labor Standards Act of 1938.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Plan” means any employee benefit plan or arrangement (a) maintained or contributed to by any Loan Party or Subsidiary that is not subject to the laws of the United States; or (b) mandated by a government other than the United States for employees of any Loan Party or Subsidiary.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“Formula Availability Amount” has the meaning ascribed to such term in the DIP ABL Credit Agreement as in effect on the Effective Date or as thereafter amended with the consent of the Administrative Agent.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“Funded Indebtedness” means, as to any Person at a particular time, without duplication, the principal amount of all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations for borrowed money, whether current or long-term (including the Obligations) and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all purchase money Indebtedness;
- (c) the principal portion of all obligations under conditional sale or other title retention agreements relating to Property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the Ordinary Course of Business);
- (d) all obligations arising under standby letters of credit and similar obligations that back obligations that would constitute Indebtedness (but specifically excluding those that support performance obligations);
- (e) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the Ordinary Course of Business and other than obligations with respect to compensation in each case that are not past due for more than ninety (90) days);
- (f) all Attributable Indebtedness;
- (g) all preferred stock or other Equity Interests providing for mandatory redemptions, sinking fund or like payments;
- (h) all Funded Indebtedness of others secured by (or for which the holder of such Funded Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, Property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed;
- (i) all Guarantees with respect to Funded Indebtedness of the types specified in clauses (a) through (h) above of another Person; and

(j) all Funded Indebtedness of the types referred to in clauses (a) through (h) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer and has liability for such obligations, but only to the extent there is recourse to such Person for payment thereof.

For purposes hereof, except as provided in clause (d) above, obligations arising under letters of credit and similar instruments shall not constitute Funded Indebtedness.

“GAAP” means generally accepted accounting principles in the United States set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession) including, without limitation, the FASB Accounting Standards Codification, that are applicable to the circumstances as of the date of determination, consistently applied and subject to the terms of this Agreement.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, any supra-national bodies such as the European Union or the European Central Bank).

“Gross Accounts Receivable and Inventory” means, as of any date of determination, an amount equal to the sum of (a) Value of the Borrower’s Accounts plus (b) the Value of the Borrower’s Inventory.

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness of the kind described in clauses (a) through (d) of the definition thereof or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness of the kind described in clauses (a) through (d) of the definition thereof or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed or expressly undertaken by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guaranteed Obligations” has the meaning specified in Section 10.01.

“Guarantors” means, collectively, the Subsidiaries of the Borrower as are or may from time to time become parties to this Agreement pursuant to Section 6.13, and any other Person that guarantees

payment and/or performance of the Obligations (including, without limitation, each of the Loan Parties with respect to the guaranty made under Article X).

“Guaranty” means, collectively, the Guarantee made by each of the Loan Parties under Article X in favor of the Secured Parties, together with each other guaranty delivered pursuant to Section 6.13.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, natural gas, natural gas liquids, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, toxic mold, infectious or medical wastes and all other substances, wastes, chemicals, pollutants, contaminants or compounds of any nature in any form regulated pursuant to any Environmental Law.

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all Funded Indebtedness;
- (b) the Swap Termination Value of any Swap Contract;
- (c) all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) and (b) above of any other Person; and
- (d) all Indebtedness of the types referred to in clauses (a) through (c) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, and has liability for such obligations, but only to the extent there is recourse to such Person for payment thereof.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitees” has the meaning specified in Section 11.04(b).

“Information” has the meaning specified in Section 11.07.

“Insurance Subsidiary” means a Subsidiary established by Borrower or any of its Subsidiaries for the purpose of, and to be engaged solely in the business of, insuring the businesses or facilities owned or operated by Borrower or any of its Subsidiaries or joint ventures or to insure unrelated businesses, provided that such unrelated business premiums do not exceed 35% of the annual premiums collected by such Subsidiary.

“Intellectual Property” means Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks and Trademark Licenses.

“Intercompany Debt” means intercompany indebtedness among any of the Borrower and its Subsidiaries, and specifically including the AUS Intercompany Indebtedness (as defined in the Prepetition Term Loan Agreement).

“Intercreditor Agreement” or “Prepetition Intercreditor Agreement” means that certain Amended and Restated Intercreditor Agreement dated as of December 30, 2021, between the Prepetition

ABL Agent and Prepetition Term Loan Agent, and acknowledged by the Loan Parties, as amended by that certain Intercreditor Letter Agreement, dated as of the Effective Date and as further, restated, supplemented or modified from time to time in accordance with its terms.

“Interest Payment Date” means, (a) the first Business Day of each month, commencing with the first such date to occur after the Effective Date, and (b) the Maturity Date.

“Investment Bank” means Houlihan Lokey, Inc., and any successor thereto engaged by the Borrower as its investment banker approved by the Required Lenders.

“Interim Order” means the order of the Bankruptcy Court entered in the Chapter 11 Cases after an interim hearing (assuming satisfaction of the standard prescribed in Section 364 of the Bankruptcy Code and Bankruptcy Rule 4001 and other applicable Law), together with all extensions, modifications, and amendments thereto, in form and substance reasonably satisfactory to the Administrative Agent, which, among other matters but not by way of limitation, authorizes, on an interim basis, the Loan Parties to execute and perform under the terms of this Agreement and the other Loan Documents.

“Inventory” has the meaning specified in the UCC or any other applicable Law, as applicable, including all goods intended for sale, lease, display or demonstration; all goods provided under a contract for services; all work in process; and all raw materials, and other materials and supplies of any kind that are or could be used in connection with the manufacture, transformation, printing, packing, shipping, advertising, sale, lease or furnishing of such goods, or otherwise used or consumed in a Loan Party’s business (but excluding Equipment).

“Inventory Appraisal” means (a) on the Effective Date, Hilco Valuation Services’ report dated April 7, 2022 (as of January 31, 2022), and (b) thereafter, the most recent Inventory appraisal conducted by an independent appraisal firm reasonably acceptable to Administrative Agent and delivered pursuant to Section 6.10 of the ABL Credit Agreement.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or interest in, another Person (including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor guaranties Indebtedness of such other Person), or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person which constitute all or substantially all of the assets of such Person or of a division, line of business or other business unit of such Person. For purposes of covenant compliance, the amount of any Investment at any time shall be the amount actually invested, as determined at the time of each such Investment, without adjustment for subsequent increases or decreases in the value of such Investment, net of (i) any return representing a return of capital with respect to such Investment and (ii) any dividend, distribution or other return on capital with respect to such Investment.

“Investment Bank” means Houlihan Lokey, Inc., together with its successors and assigns consented to by the Required Lenders.

“Investment Bank Engagement Letter” has the meaning specified in Section 6.25.

“Involuntary Disposition” means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of any Loan Party or any Subsidiary.

“IP Security Agreement” means a security agreement pursuant to which a Loan Party grants a Lien on its Intellectual Property to Collateral Agent, as security for its Obligations, in form and substance reasonably acceptable to Collateral Agent.

“IRS” means the United States Internal Revenue Service.

“Joinder Agreement” means a joinder agreement substantially in the form of Exhibit H executed and delivered in accordance with the provisions of Section 6.13.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lender” means each of the Persons identified as a “Lender” on the signature pages hereto, each other Person that becomes a “Lender” in accordance with this Agreement and, their successors and assigns.

“Lending Office” means, as to the Administrative Agent or any Lender, the office or offices of such Person described as such in such Person’s Administrative Questionnaire, or such other office or offices as such Person may from time to time notify the Borrower and the Administrative Agent; which office may include any Affiliate of such Person or any domestic or foreign branch of such Person or such Affiliate.

“Letters of Credit” means any standby or documentary letter of credit, foreign guarantee or banker’s acceptance. A Letter of Credit may be a commercial letter of credit or a standby letter of credit.

“LIBO Rate” means the offered rate per annum for deposits of Dollars for a period of three months equal to the London interbank offered rate (“LIBOR”) that appears on Reuters Screen LIBOR01 page (or any successor page) as of 11:00 A.M. (London, England time) on the second Business Day preceding the first day of each month, or if such day is not a Business Day, on the immediately preceding Business Day. Subject to Section 3.04, if no such offered rate exists, such rate will be the rate of interest per annum, as determined by the Agent, at which deposits of Dollars in immediately available funds are offered by major financial institutions reasonably satisfactory to the Agent in the London interbank market at 11:00 A.M. (London, England time) for a period of three months on the day such rate is being determined. The LIBO Rate will be adjusted automatically on the first day of each calendar month to reflect the then current LIBO Rate. In all events, the LIBO Rate shall not be less than 1.50%.

“LIBOR” has the meaning specified in the definition of LIBO Rate.

“LIBOR Screen Rate” means the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

“License” means any license or agreement under which any Loan Party is authorized to use Intellectual Property in connection with any manufacture, marketing, distribution or disposition of Collateral, any use of Property or any other conduct of its business.

“Licensor” means any Person from whom any Loan Party obtains the right to use any Intellectual Property under a License.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property and any financing lease having substantially the same economic effect as any of the foregoing).

“Lien Waiver” means an agreement, in form and substance satisfactory to the Administrative Agent, by which (a) for any material Collateral located on leased premises, the lessor waives or subordinates any Lien it may have on the Collateral, and allows the Administrative Agent to enter the premises and remove, store and dispose of Collateral; (b) for any Collateral held by a warehouseman, processor, shipper, customs broker or freight forwarder, such Person waives or subordinates any Lien it may have on the Collateral, agrees to hold any Documents in its possession relating to the Collateral as agent for the Administrative Agent, and agrees to deliver Collateral to the Administrative Agent upon request; (c) for any Collateral held by a repairman, mechanic or bailee, such Person acknowledges the Administrative Agent’s Lien, waives or subordinates any Lien it may have on the Collateral, and agrees to deliver Collateral to the Administrative Agent upon request; and (d) for any Collateral subject to a Licensor’s Intellectual Property rights, the Licensor grants to the Administrative Agent the right, vis-à-vis such Licensor, to enforce the Administrative Agent’s Liens with respect to the Collateral, including the right to dispose of it with the benefit of the Intellectual Property, whether or not a default exists under any applicable License.

“Liquidity” means, as of any date of determination, the sum of (a) the lesser of (i) ABL Availability and (ii) the DIP ABL Commitments available to be borrowed under the DIP ABL Facility, plus (b) the sum of (i) the outstanding amount of the Term Loan Commitments (exclusive of Rollup Term Loan Commitments) available to be borrowed under this Agreement, plus (ii) amounts on deposit in the DIP Term Loan Proceeds Account, minus (iii) the CV Reserve, minus (iv) the Back-End Carve Out Reserve; provided however that (1) the amounts under clause (a) above shall be deemed to be zero at any time (A) the DIP ABL Commitments have terminated, or (B) the conditions precedent in Section 4.02 of the DIP ABL Credit Agreement cannot be satisfied (and no written waiver by the DIP ABL Administrative Agent and DIP ABL Required Lenders has been issued), and (2) the amount under clause (b) above shall be deemed to be zero at any time the conditions precedent in Section 4.02 of this Agreement cannot be satisfied (and no written waiver by the Administrative Agent and Required Lenders has been issued).

“Loan Documents” means, collectively, (a) this Agreement, (b) the Notes, (c) the Guaranty, (d) the Collateral Documents, (e) the Fee Letter, (f) each Compliance Certificate, (g) each Joinder Agreement, (h) any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14, (i) each other Mortgaged Property Support Document, (j) the Intercreditor Agreement, and (k) all other certificates, agreements, documents and instruments executed and delivered, in each case, by or on behalf of any Loan Party pursuant to the foregoing.

“Loan Parties” means, collectively, each Borrower and each Guarantor.

“MAE Exceptions” means the filing, commencement, announcement, prosecution and continuation of the Chapter 11 Cases, the events and conditions related and/or leading up thereto and the effects thereof and any action required to be taken under the Loan Documents or under the Orders and the COVID-19 pandemic.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business or financial condition of the Borrower and its Subsidiaries, taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document (other than in accordance with the terms thereof or as a result of the action or inaction of the Administrative Agent or any Lender), or of the ability of the Borrower, individually, or of the Loan Parties, taken as a whole, to perform its or their payment obligations under any Loan Document to which it is or they are a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party (other than in accordance with the terms thereof or as a result of the action or inaction of the Administrative Agent or any Lender), in each case, other than arising out of the MAE Exceptions.

“Material Contract” means (a) the Prepetition ABL Credit Agreement, the Prepetition Term Loan Agreement and the DIP ABL Credit Agreement, and (b) with respect to any Person, each contract or agreement (i) to which such Person is a party involving aggregate consideration payable to or by such Person of \$3,500,000 or more in any year, (ii) otherwise material to the business, condition (financial or otherwise), operations, performance or properties of such Person or (iii) any other contract, agreement, permit or license, written or oral, of the Borrower and its Subsidiaries as to which the breach, nonperformance, cancellation or failure to renew by any party thereto, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

“Material Domestic Subsidiary” means any Domestic Subsidiary of Borrower that individually, or together with its Subsidiaries on a consolidated basis, has assets of more than \$1,000,000; provided, that in no event shall any Insurance Subsidiary constitute a Material Domestic Subsidiary.

“Maturity Date” means the earliest of (a) June 22, 2022; provided that such date may be extended to July 7, 2022 at the request of the Borrower, (1) no later than May 18, 2022 AUS Armstrong has retained a real estate broker reasonably acceptable to the Administrative Agent (it being understood that CBRE is acceptable to the Administrative Agent) to market the real estate owned by AUS Armstrong pursuant to an engagement letter satisfactory to the Administrative Agent as to scope of engagement and compensation payable to such broker, and the Administrative Agent is permitted to have direct contact with such broker concerning the marketing of such real estate, and (2) the Borrower has received and provided to the Administrative Agent a term sheet for the sale of such real estate for no less than AUS 35,000,000 on or prior to the commencement of the auction for the sale of the Debtors’ U.S. assets, and provided further, that if, prior to such extended maturity date, the Borrower has selected and provided to the Administrative Agent a binding bid for the sale of the assets of AUS Armstrong in an amount sufficient, when combined with other binding bids received at the auction to pay in full all of the Obligations and all Prepetition Term Loan Obligations (after any working capital or similar adjustments contemplated in such bid or bids) and that are reasonably acceptable to the Administrative Agent, the maturity date may be further extended, as necessary, to accommodate the closing conditions set forth in such binding bid, (b) the date which is 30 days after the date of entry of the Interim Order if the Final Order has not been entered by the Court on or prior to such date, (c) the maturity date of the DIP ABL Credit Facility (including any acceleration of the maturity date thereunder by the DIP ABL Administrative Agent or the DIP ABL Required Lenders pursuant to Section 8.02 thereof), (d) the date of the substantial consummation (as defined in section 1101(2) of the Bankruptcy Code) of a plan of reorganization that has been confirmed by an order of the Bankruptcy Court, (e) the date of termination of all of the DIP ABL Commitments pursuant to Section 2.03 of the DIP ABL Credit Agreement, (f) the date on which the Obligations become due and payable pursuant to this Agreement, whether by acceleration or otherwise, (g) the date of consummation of a sale of all or substantially all of the Debtors’ assets under section 363 of the Bankruptcy Code, (h) the date the Loan Parties’ file a motion seeking to convert any or all of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (i) (1) the date of conversion of any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code or (2) the appointment or election of a trustee under Chapter 11 of the Bankruptcy

Code or a responsible officer or examiner with enlarged powers relating to the operation of the Loan Parties' business (powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code) under section 1106 of the Bankruptcy Code, (j) the date the Loan Parties' file a motion seeking a dismissal of any or all of the Chapter 11 Cases, or (k) the date of dismissal of any of the Chapter 11 Cases.

“Measurement Period” means, at any date of determination, the most recently completed four (4) fiscal quarters of the Borrower.

“Moody's” means Moody's Investors Service, Inc. and any successor thereto.

“Mortgaged Property” means all Real Property owned by a Loan Party with respect to which such Loan Party has delivered a Mortgage (as defined in the Prepetition Term Loan Agreement) and all Mortgaged Property Support Documents.

“Mortgaged Property Support Documents” means, with respect to any Mortgaged Property:

(a) the Orders;

(b) such assignments of leases, estoppel letters, attornment agreements, consents, waivers and releases as Collateral Agent may reasonably require with respect to other Persons having an interest in the Real Property;

(c) with respect to any Real Property, except as otherwise expressly agreed by Agent in writing, the Collateral Agent shall have received a survey complying with certain requirements of the American Land Title Association in form consistent with those delivered at the Closing, for which all necessary fees (where applicable) have been paid, certified to the Collateral Agent and the issuer of the Mortgage policies by a land surveyor duly registered and licensed in the state in which the property described in such survey is located and otherwise of a similar scope as those provided at the Closing;

(d) the applicable Loan Party shall have delivered to the Collateral Agent evidence of flood insurance naming the Collateral Agent as mortgagee as required by the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as amended and in effect (or, in the case of the Australian Real Property, any comparable statute under the laws of Australia), which shall be reasonably satisfactory in form and substance to the Collateral Agent;

(e) without limiting clause (d), as to (i) whether such Real Property is a Flood Hazard Property, and (ii) if such Real Property is a Flood Hazard Property, (A) whether the community in which such Real Property is located is participating in the National Flood Insurance Program, (B) the applicable Loan Party's written acknowledgment of receipt of written notification from the Collateral Agent (1) as to the fact that such Real Property is a Flood Hazard Property, and (2) as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program, and (C) copies of insurance policies or certificates of insurance of the Loan Parties and each Subsidiary evidencing flood insurance sufficient for compliance with Flood Laws and otherwise satisfactory to the Collateral Agent and Lenders and naming the Collateral Agent and its successors and/or assigns as sole loss payee on behalf of the Secured Parties;

(f) [Reserved];

(g) the Collateral Agent shall have received a Phase I Environmental Site Assessment in accordance with ASTM Standard E1527-05, in form and substance satisfactory to the Collateral Agent, from an environmental consulting firm reasonably acceptable to the Collateral Agent, which report shall identify recognized environmental conditions and the Collateral Agent shall be satisfied with the nature of any such matters and Collateral Agent may, upon the receipt of a Phase I Environmental Site Assessment, require the delivery of further environmental assessments or reports to the extent such further assessments or reports are recommended in the Phase I Environmental Site Assessment or Collateral Agent determines that such further environmental assessments or reports are required, it being agreed that the Loan Parties shall be responsible for all costs and expenses associated with such assessments and reports;

(h) an Environmental Agreement and such other documents, instruments or agreements as the Collateral Agent may reasonably require with respect to any environmental risks regarding such Real Property; and

(i) the applicable Loan Party shall have delivered such other information and documents as may be reasonably requested by the Collateral Agent.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five (5) plan years, has made or been obligated to make contributions.

“Multiple Employer Plan” means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

“Net Cash Proceeds” means the aggregate cash or Cash Equivalents proceeds received by any Loan Party or any Subsidiary in respect of any Disposition, Equity Issuance, Debt Issuance or Involuntary Disposition, net of (a) direct costs incurred in connection therewith (including, without limitation, legal, accounting and investment banking fees and sales commissions), (b) taxes paid or payable as a result thereof and (c) in the case of any Disposition or any Involuntary Disposition, the amount necessary to retire any Indebtedness secured by a Permitted Lien (ranking senior to any Lien of the Administrative Agent) on the related property; it being understood that “Net Cash Proceeds” shall include, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received by any Loan Party or any Subsidiary in any Disposition, Equity Issuance, Debt Issuance or Involuntary Disposition.

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 11.01 and (b) has been approved by the Required Lenders.

“Note” means a promissory note made by the Borrower in favor of a Lender evidencing Term Loans made by such Lender, substantially in the form of Exhibit E.

“Notice of Loan Prepayment” means a notice of prepayment with respect to a Term Loan, which shall be substantially in the form of Exhibit I or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer.

“Obligations” means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Term Loan, and (b) all costs and expenses incurred in connection with enforcement and collection of the foregoing, including the fees, charges and disbursements of counsel, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, expenses and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof pursuant to any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, expenses and fees are allowed claims in such proceeding.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Officer’s Certificate” means a certificate substantially the form of Exhibit F or any other form approved by the Administrative Agent.

“Operating Facilities” means, at any time, a collective reference to the facilities and Real Properties owned, leased or operated by Borrower or any of its Subsidiaries.

“Order” means (i) until entry of the Final Order, the Interim Order and (ii) after entry of the Final Order, the Final Order, or the Interim Order and the Final Order as the “Orders”.

“Ordinary Course of Business” means the ordinary course of business of the Borrower, any other Loan Party or, with respect to the Designated Disbursement Account, any Subsidiary of the Borrower, undertaken in good faith and consistent with applicable Law and past practices.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws, or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction; (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement or limited liability company agreement (or equivalent or comparable documents with respect to any non-U.S. jurisdiction); (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization (or equivalent or comparable documents with respect to any non-U.S. jurisdiction) and (d) with respect to all entities, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization (or equivalent or comparable documents with respect to any non-U.S. jurisdiction).

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Term Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.07(b)).

“Outstanding Amount” means with respect to Term Loans, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Term Loans, occurring on such date. From and after the effective repayment of the Prepetition Term Loans with the Rollup Term Loans pursuant to the Interim Order (or Final Order, when applicable), the Outstanding Amount of such Rollup Term Loans shall be zero.

“Participant” has the meaning specified in Section 11.06(d).

“Participant Register” has the meaning specified in Section 11.06(d).

“Patent License” means any written agreement providing for the grant by or to a Grantor of any right to manufacture, use or sell any invention covered by a Patent.

“Patents” means (a) all letters patent of the United States and all reissues and extensions thereof, and (b) all applications for letters patent of the United States and all divisions, continuations and continuations-in-part thereof.

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Act” means the Pension Protection Act of 2006.

“Pension Funding Rules” means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

“Permitted Discretion” means a determination made in good faith in the exercise of reasonable (from the perspective of an asset-based secured lender) business judgment.

“Permitted Investments” means, at any time, Investments by the Borrower or any of its Subsidiaries permitted to exist at such time pursuant to the terms of Section 7.02.

“Permitted Liens” has the meaning specified in Section 7.01.

“Permitted Transfers” means (a) Dispositions of Inventory in the Ordinary Course of Business; (b) Dispositions of property to the Borrower or any Subsidiary; provided, that if the transferor of such property is a Loan Party then the transferee thereof must be a Loan Party; (c) Dispositions of accounts receivable in connection with the collection or compromise thereof; (d) non-exclusive licenses and sublicenses of Intellectual Property entered into in the Ordinary Course of Business; and (e) the sale or disposition of Cash Equivalents for fair market value.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Petition Date” has the meaning assigned to such term in the Recitals.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Borrower or any ERISA Affiliate or any such Plan to which the Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

“Pledge Agreement” means has the meaning specified for such term in the Prepetition ABL Credit Agreement.

“Pledged Collateral” has the meaning specified in the Pledge Agreement.

“Postpetition” means the time period commencing immediately upon the filing of the applicable Chapter 11 Case.

“Prepetition” means the time period ending immediately prior to the filing of the applicable Chapter 11 Case.

“Prepetition ABL Agent” means Bank of America, N.A., in its capacity as administrative agent under any of the Prepetition ABL Loan Documents.

“Prepetition ABL Credit Agreement” that certain Credit Agreement, dated as of December 31, 2018, among the Borrower, the guarantors signatory thereto, the Prepetition ABL Agent, and certain financial institutions party thereto as lenders, as amended, restated, supplemented or otherwise modified through the date hereof.

“Prepetition ABL Lenders” means the “Lenders” as defined in the Prepetition ABL Credit Agreement.

“Prepetition ABL Loan Documents” means the “Loan Documents” as defined in the Prepetition ABL Credit Agreement.

“Prepetition ABL Obligations” means “Obligations” (as defined in the Prepetition ABL Credit Agreement).

“Prepetition ABL Priority Collateral” means the “ABL Priority Collateral” as such term is defined in the Prepetition Intercreditor Agreement.

“Prepetition AUS Term Loan” means “AUS Term Loan” as defined in the Prepetition Term Loan Agreement.

“Prepetition Intercreditor Agreement” means that certain Amended and Restated Intercreditor Agreement among the Prepetition ABL Agent and the Prepetition Term Loan Agent, and acknowledged by the Loan Parties and AUS Armstrong, dated as of December 30, 2021.

“Prepetition Term Loan Agent” has the meaning assigned to such term in the Recitals.

“Prepetition Term Loan Agreement” has the meaning assigned to such term in the Recitals.

“Prepetition Term Loan Documents” means the “Loan Documents” as defined in the Prepetition Term Loan Agreement, as amended, supplemented, restated, refinanced, replaced or otherwise modified from time to time in accordance with Section 5.2(b) of the Prepetition Intercreditor Agreement.

“Prepetition Term Loan Lenders” means the “Lenders” as defined in the Prepetition Term Loan Agreement.

“Prepetition Term Loan Obligations” means “Obligations” as defined in the Prepetition Term Loan Agreement.

“Prepetition Term Loan Priority Collateral” has the meaning assigned to the term “Term Loan Priority Collateral” in the Prepetition Intercreditor Agreement.

“Prepetition US Term Loans” means “US Term Loans” as defined in the Prepetition Term Loan Agreement.

“Prior Week” means, as of any date of determination, the immediately preceding week ended on a Saturday and commencing on the prior Sunday.

“Professional Fee Reserve” has the meaning assigned to such term in the Interim Order (or the Final Order, when applicable).

“Property” means any interest of any kind in any property or asset, whether real, personal or mixed, or tangible or intangible.

“Protective Advance” has the meaning specified in Section 2.02.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Purchase Money Liens” has the meaning specified in Section 7.01(i).

“Qualifying Control Agreement” means an agreement, among a Loan Party, a depository institution or securities intermediary, the Prepetition ABL Agent, and the Prepetition Term Loan Agent, which agreement is in form and substance acceptable to the Administrative Agent and which provides the Administrative Agent with “control” (as such term is used in Article 9 of the UCC) over the deposit account(s) or securities account(s) described therein.

“Real Property” shall mean any estates or interests in real property now owned or hereafter acquired by any Borrower or its Subsidiaries and the improvements thereto.

“Real Property Appraisal” means, as to any Real Property Collateral, an appraisal (based on Appraised Value) of such Real Property Collateral conducted a third party appraiser engaged by the Administrative Agent which shall assume a marketing time of twelve (12) months and otherwise be in form and substance reasonably satisfactory to the Administrative Agent.

“Real Property Contracts” shall mean all contracts necessary for the use, maintenance, construction, and operation of the Mortgaged Property Collateral.

“Recipient” means the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

“Register” has the meaning specified in Section 11.06(c).

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Remedies Notice Period” has the meaning assigned to such term in the Interim Order (or Final Order, when applicable).

“Removal Effective Date” has the meaning specified in Section 9.06(b).

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders; provided, that the Total Credit Exposures of Defaulting Lenders shall be disregarded in determining Required Lenders; provided, further, that if there are only two (2) Lenders that are not Defaulting Lenders, Required Lenders shall mean all Lenders that are not Defaulting Lenders.

“Required Milestones” means the covenants set forth on Schedule 6.28.

“Rescindable Amount” has the meaning as defined in Section 2.12(b)(ii).

“Resignation Effective Date” has the meaning specified in Section 9.06(a).

“Resolution Authority” means the EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Loan Party, the Chief Transformation Officer, solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, the secretary or any assistant secretary of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. To the extent requested by the Administrative Agent, each Responsible Officer will provide an incumbency certificate and to the extent requested by the Administrative Agent, appropriate authorization documentation, in form and substance satisfactory to the Administrative Agent.

“Restricted Payment” means (a) any dividend or other distribution, direct or indirect, on account of any shares (or equivalent) of any class of Equity Interests of the Borrower or any of its Subsidiaries, now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares (or equivalent) of any class of Equity Interests of the Borrower or any of its Subsidiaries, now or hereafter outstanding, and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Equity Interests of any Loan Party or any of its Subsidiaries, now or hereafter outstanding.

“Rollup Term Loan(s)” shall mean \$24,000,000 of Term Loans funded hereunder on the Effective Date deemed pursuant to the Interim Order (or Final Order, when applicable) to repay a portion of the Prepetition Term Loans in such amount.

“Rollup Term Loan Commitment” means, with respect to each Term Loan Lender, its commitment to make Rollup Term Loans to the Borrower in an aggregate principal amount not to exceed the amount set forth opposite such Term Lender’s name on Schedule 1.01(b).

“S&P” means Standard & Poor’s Financial Services LLC and any successor thereto.

“Sale and Leaseback Transaction” means, with respect to any Loan Party or any Subsidiary, any arrangement, directly or indirectly, with any Person whereby such Loan Party or such Subsidiary shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred, provided that the rent payable pursuant to any such lease is on market terms.

“Sanction(s)” means any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury (“HMT”) or other relevant sanctions authority.

“Secured Parties” means, collectively, the Administrative Agent, Collateral Agent, the Lenders, the Indemnitees and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05.

“Security Agreement” has the meaning specified for such term in the Prepetition Term Loan Agreement.

“Solvent” and “Solvency” mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital, and (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the Ordinary Course of Business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is at the time beneficially owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Successor Cases” means, with respect to the Chapter 11 Cases, any subsequent proceedings under chapter 7 of the Bankruptcy Code.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property (including Sale and Leaseback Transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the application of any Debtor Relief Laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Loan(s)” has the meaning specified in Section 2.01.

“Term Loan Availability” means, as of any date of determination, the sum of (i) the Term Loan Commitments (exclusive of Rollup Term Loan Commitments), plus (ii) from and after the date of funding of the remaining undrawn portion of the Term Loan Commitment to the DIP Term Loan Proceeds Account pursuant to Section 2.01(b)(i), cash on deposit in the Term Loan Proceeds Account, minus (iii) the CV Reserve, minus (iv) the Back End Carve Out Reserve.

“Term Loan Cash Collateral Account” has the meaning assigned to the term “Term Loan Cash Collateral Account” in the Intercreditor Agreement.

“Term Loan Commitment” means, with respect to each Lender, its obligation to make advances of the Term Loans (inclusive of Rollup Term Loans) up to the maximum principal amount shown on Schedule 1.01(b).

“Threshold Amount” means \$5,000,000; provided that, for purposes of Section 8.01(e) with respect to the China Facility, the Threshold Amount shall be \$15,000,000.

“Total Credit Exposure” means, as to any Lender at any time, the Outstanding Amount of all Term Loans of such Lender at such time.

“Trademark License” means any written agreement providing for a grant by or to a Grantor of any right to use any Trademark.

“Trademarks” means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States or any state thereof, and (b) all renewals thereof.

“UCC” means the Uniform Commercial Code as in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, “UCC” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“United States” and “U.S.” mean the United States of America.

“U.S. Loan Party” means any Loan Party that is organized under the laws of one of the states of the United States and that is not a CFC.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(e)(ii)(B)(3).

“U.S. Trustee” means the United States Trustee responsible overseeing the administration of the Chapter 11 Cases.

“Value” means, on any date of determination: (a) for Inventory, its value determined on the basis of the lower of cost or market, calculated on a first-in, first-out basis, and excluding any portion of cost attributable to intercompany profit among the Borrower and its Affiliates (provided that it is understood and agreed that the information contained therein with respect to the Inventory may be calculated on a roll-forward basis and, other than in the case of numbers reported as of the most recent month-end, shall be subject to assumptions and estimates); and (b) for an Account, its face amount, net of any returns, rebates, discounts (calculated on the shortest terms), credits, allowances or Taxes (including sales, excise or other taxes) that have been or could be claimed by the Account Debtor or any other Person.

“Voting Stock” means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right to so vote has been suspended by the happening of such contingency.

“Work” means any work that is subject to copyright protection pursuant to Title 17 of the United States Code.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.02 Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including the Loan Documents and any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, modified, extended, restated, replaced or supplemented from time to time (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document and, to the extent applicable, the Intercreditor Agreement), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto,” “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Preliminary Statements, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Preliminary Statements, Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified, extended, restated, replaced or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references to Value, Term Loans, other Obligations and other amounts herein shall be denominated in Dollars, unless expressly provided otherwise, and all determinations (including calculations of financial covenants) made from time to time under the Loan Documents shall be made in light of the circumstances existing at such time. ABL Borrowing

Base calculations shall be consistent with historical methods of valuation and calculation, and otherwise satisfactory to the Administrative Agent in its Permitted Discretion (and not necessarily calculated in accordance with GAAP).

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a Division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any Division of a limited liability company shall constitute a separate Person hereunder (and each Division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements delivered under the Prepetition Term Loan Agreement, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If at any time any change in GAAP, any change in the Loan Parties’ accounting policies, or any change in the application of GAAP by the Loan Parties, in any case, would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with the definition of “Capital Leases”, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

(c) Pro Forma Treatment. Each Disposition of all or substantially all of a line of business and each acquisition by the Borrower and its Subsidiaries that is consummated during any Measurement Period shall, for purposes of determining compliance with the financial covenants set forth in Section 7.11, be given pro forma effect as of the first day of such Measurement Period.

1.04 Rounding.

Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.06 [Reserved].

1.07 UCC Terms.

Terms defined in the UCC in effect on the Effective Date and not otherwise defined herein shall, unless the context otherwise indicates, have the meanings provided by those definitions. Subject to the foregoing, the term “UCC” refers, as of any date of determination, to the UCC then in effect.

1.08 Rates.

The Administrative Agent and the Lenders do not warrant, nor accept responsibility, nor shall the Administrative Agent or any of the Lenders have any liability with respect to the administration, submission or any other matter related to the rates in the definition of “Eurodollar Rate” or with respect to any rate that is an alternative or replacement for or successor to any of such rate (including, without limitation, any Benchmark Replacement) or the effect of any of the foregoing, or of any Benchmark Replacement Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Benchmark Replacement) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Benchmark Replacement) (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

ARTICLE II

TERM LOANS

2.01 Term Loans.

(a) Term Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make one or more loans (each, a “Term Loan” and collectively, the “Term Loans”) to the Borrower, in Dollars, in an aggregate amount not to exceed Term Loan Availability. On the Effective Date, subject to satisfaction of the conditions set forth in Section 4.01, (i) the Term Lenders having a Rollup Term Loan Commitment are deemed to have advanced the Rollup Term Loans in an aggregate amount equal to \$24,000,000 pursuant to such Lender’s Pro Rata Share of the aggregate Rollup Term Loan Commitments set forth on Schedule 1.01(b), and (ii) the Term Loan Lenders are deemed to have advanced the sum of \$1,333,333 constituting the Closing Fee (as such term is defined in the Fee Letter), pursuant to each such Lender’s Pro Rata Share of its Term Loan Commitment set forth on Schedule 1.01(b), all of which amounts shall be deemed Term Loans hereunder. Thereafter, subject to the satisfaction of the conditions set forth in Section 4.02, Term Loans will be advanced from time to time (i) prior to establishment of the DIP Term Loan Funding Account, as requested by the Borrower by written request, as contemplated by Section 2.01(b)(i), and (ii) following establishment and funding of the DIP Term Loan Proceeds Account, in the manner contemplated by Section 2.01(b)(ii). Upon the advance of any Term Loan hereunder (including, without limitation, the Term Loans advanced on the Effective Date as described above in this Section 2.01(a), the Term Loan Commitments (including the Rollup Term Loan Commitments) shall be permanently reduced by the amount of such advance. Term Loans that are repaid or prepaid (to the extent permitted hereunder) may not be reborrowed. Amounts available for borrowing hereunder, whether a Term Loan advanced by the Administrative Agent or the Lenders pursuant to Section 2.01(b)(i), or a drawing of funds by the Borrower from the Term Loan Proceeds Account pursuant to Section 2.01(b)(ii), shall not exceed the Term Loan Availability.

(b) Term Loan Funding.

(i) Subject to satisfaction of the conditions set forth in this Section 2.01(b)(i) and Section 4.02, prior to the establishment of the DIP Term Loan Proceeds Account as contemplated by Section 2.01(b)(ii) below, the Lenders shall make advances of the Term Loan to the Borrower as the Borrower may from time to time request by delivery of a DIP Term Loan Funding Request no later than one (1) Business Day prior to the requested date of funding of such Term Loan. Unless otherwise agreed by the Administrative Agent, DIP Term Loan Fundings under this Section 2.01(b)(i) shall be available not more than once each week, and only on the date of, or within one Business Day after, delivery by the Borrower to the DIP ABL Agent of the most recent weekly ABL Borrowing Base Report. Each DIP Term Loan Funding Request submitted pursuant to this Section 2.01(b)(i) shall be accompanied by the most recent ABL Borrowing Base Report delivered by the Borrower to the ABL Administrative Agent together with evidence reasonably satisfactory to the Administrative Agent of the Borrower’s compliance with the Minimum Formula Availability Amount covenant set forth in Section 7.11 of this Agreement. Within one (1) Business Day following establishment of the DIP Term Loan Proceeds Account as a Controlled Account, the Lenders shall fund a Term Loan in an aggregate amount equal to the then remaining balance of the Term Loan Commitments into the DIP Term Loan Proceeds Account.

(ii) Subject to satisfaction of the conditions set forth in this Section 2.01(b)(ii) and Section 4.02, from and after the establishment of the DIP Term Loan Proceeds Account

as a Controlled Account, proceeds of the Term Loans on deposit in the DIP Term Loan Proceeds Account shall be made available to the Borrowers from time to time upon delivery of a DIP Term Loan Funding Request. Unless otherwise agreed by the Administrative Agent, DIP Term Loan Fundings in the form of withdrawals or disbursements of Term Loan proceeds from the DIP Term Loan Proceeds Account shall be available not more than once each week, and only on the date of, or within one Business Day after, delivery by the Borrower to the DIP ABL Agent of the most recent weekly ABL Borrowing Base Report. Each DIP Term Loan Funding Request submitted pursuant to this Section 2.01(b)(ii) shall be accompanied by the most recent ABL Borrowing Base Report delivered by the Borrower to the ABL Administrative Agent together with evidence reasonably satisfactory to the Administrative Agent of the Borrower's compliance with the Minimum Formula Availability Amount covenant set forth in Section 7.11 of this Agreement. Proceeds on deposit in the DIP Term Loan Funding Account shall only be available to the Borrower strictly in accordance with the terms of this Agreement and the Order. All proceeds on deposit in the DIP Term Loan Funding Account shall constitute Collateral securing the Obligations. Without limiting the terms of Section 4.02 hereof, the Borrower shall not have access to the proceeds on deposit in the DIP Term Loan Proceeds Account and no DIP Term Loan Funding Request shall be submitted or honored, at any time that a Default or Event of Default has occurred and continues to exist. Notwithstanding anything to the contrary herein, the Borrower's access to funds on deposit in the DIP Term Loan Proceeds Account shall terminate, without further action of any party, upon the Maturity Date (including any acceleration of the Maturity Date hereunder) or any earlier termination of this Agreement.

2.02 Protective Advances.

The Administrative Agent is authorized by the Borrower and the Lenders, from time to time in the Administrative Agent's discretion, to make, at any time and from time to time, a disbursement or advance which: (a) is made to maintain, protect or preserve the Collateral and/or the Secured Parties' rights under the Loan Documents or which is otherwise for the benefit of the Secured Parties; or (b) is made to enhance the likelihood of, or to maximize the amount of, repayment of any Obligation; and (c) is made to pay any amount chargeable to any Loan Party hereunder (collectively, "Protective Advances"). All Protective Advances shall be repayable on demand of the Administrative Agent and, together with all interest thereon, constitute Obligations secured by the Collateral. Protective Advances shall not constitute Term Loans but shall otherwise constitute Obligations for all purposes hereunder. Interest on Protective Advances shall be payable at the LIBO Rate in effect from time to time, plus the Applicable Margin and shall be payable on demand of the Administrative Agent. Each Lender agrees that it shall pay to Administrative Agent, upon Administrative Agent's demand, in immediately available funds, an amount equal to such Lender's pro rata share of each such Protective Advance. The making of any such Protective Advance on any one occasion shall not obligate the Administrative Agent or any Lender to make or permit any Protective Advance on any other occasion or to permit such Protective Advances to remain outstanding. The Administrative Agent shall have no liability for, and no Loan Party or Secured Party shall have the right to, or shall, bring any claim of any kind whatsoever against the Administrative Agent with respect to any Protective Advance.

2.03 [Reserved].

2.04 [Reserved].

2.05 Prepayments.

(a) Optional Prepayments. The Borrower may, at any time or from time to time following the Effective Date, upon delivery to the Administrative Agent of a Notice of Loan Prepayment, voluntarily prepay the Term Loans in whole or in part; provided that, unless otherwise agreed by the Administrative Agent, such notice must be received by the Administrative Agent not later than 11:00 a.m. on the date of prepayment of the Term Loans. Each such notice shall specify the date and amount of such prepayment. The Administrative Agent will promptly notify each Lender of its receipt of any such notice and the amount of such Lender's ratable portion of such prepayment (based on such Lender's Applicable Percentage in respect of the Facility). If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of principal shall be accompanied by all accrued interest on the principal amount prepaid. Each prepayment of the outstanding Term Loans pursuant to this Section 2.05(a) shall be paid to the Lenders in accordance with their respective Applicable Percentages of the Term Loans.

(b) Mandatory Prepayments.

(i) Dispositions and Involuntary Dispositions. Subject to the terms of the Prepetition Intercreditor Agreement and the Orders (including the Carve Out), immediately upon the receipt by any Loan Party or any Subsidiary of the Net Cash Proceeds from any Disposition (other than a Permitted Transfer) or Involuntary Disposition, the Borrower shall first prepay the Prepetition Term Loan Obligations as provided in the Prepetition Term Loan Agreement in an aggregate amount equal to 100% of such Net Cash Proceeds, until paid in full, and then apply any remaining proceeds to the prepayment of the Term Loans and other Obligations hereunder.

(ii) [Reserved].

(iii) Equity Issuance. Subject to the terms of the Prepetition Intercreditor Agreement and the Orders (including the Carve Out), immediately upon the receipt by any Loan Party or any Subsidiary of the Net Cash Proceeds of any Equity Issuance by (A) the Borrower or (B) any Subsidiary of the Borrower to any Person that is not the Borrower or another Subsidiary of the Borrower, and excluding any Equity Issuance to any Loan Party's officers, directors or employees that is permitted under Section 7.06, the Borrower shall prepay the Prepetition Term Loan Obligations as provided in the Prepetition Term Loan Agreement in an aggregate amount equal to 100% of such Net Cash Proceeds, unless such proceeds are applied to prepay the Prepetition ABL Obligations under the terms of the Prepetition ABL Documents.

(iv) Debt Issuance. Subject to the terms of the Prepetition Intercreditor Agreement and the Orders (including Carve Out), immediately upon the receipt by any Loan Party or any Subsidiary of the Net Cash Proceeds of any Debt Issuance, the Borrower shall prepay the Prepetition Term Loan Obligations as provided in the Prepetition Term Loan Agreement in an aggregate amount equal to 100% of such Net Cash Proceeds unless such proceeds are applied to prepay the Prepetition ABL Obligations under the terms of the Prepetition ABL Documents.

(v) Extraordinary Receipts. Subject to the terms of the Prepetition Intercreditor Agreement and the Orders, immediately upon receipt by any Loan Party or any Subsidiary of any Extraordinary Receipt received by or paid to or for the account of any Loan Party or any of its Subsidiaries, and not otherwise included in clause (i), (ii), (iii), or (iv) of this Section, the Borrower shall prepay the Prepetition Term Loan Obligations as provided in the Prepetition Term Loan Agreement an aggregate principal amount equal to 100% of all Net Cash Proceeds received therefrom, unless such proceeds are applied to prepay the Prepetition ABL Obligations under the terms of the Prepetition ABL Documents.

(vi) Application of Payments. Each prepayment of the Term Loans pursuant to the foregoing provisions of Section 2.05(b)(i)-(v) shall be paid by such Loan Party to Administrative Agent for the ratable benefit of Lenders in accordance with their respective pro rata percentages under the Prepetition Term Loan Agreement, as a mandatory prepayment of the Prepetition Term Loan Obligations and shall be applied to repay the Prepetition Term Loan Obligations first against the Prepetition Term Loan Obligations in respect of the Prepetition US Term Loans thereunder until paid in full, and then against the Prepetition Term Loan Obligations in respect of the Prepetition AUS Term Loans thereunder, and as otherwise provided in the Prepetition Term Loan Agreement.

(vii) DIP Term Loan Proceeds Account. Upon the Maturity Date or any earlier termination of this Agreement (including the occurrence of any DIP Termination Event under and as defined in the Interim Order or Final Order, when applicable), any amounts on deposit in the DIP Term Loan Proceeds Account received by the Administrative Agent or the Collateral Agent shall be applied to repay the outstanding balance of the Term Loans and other Obligations hereunder, to each Lender in accordance with its respective Applicable Percentage thereof.

All prepayments under this Section 2.05(b) shall be and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06 [Reserved].

2.07 Repayment of Term Loans. The Borrower shall repay to the Lenders on the Maturity Date the aggregate amount of all Term Loans and all other Obligations outstanding on such date.

2.08 Interest and Default Rate.

(a) Interest. Subject to the provisions of Section 2.08(b) and (c), all Obligations, including the Term Loans, shall bear interest at a rate per annum equal to the LIBO Rate in effect from time to time, plus the Applicable Margin, and shall accrue from the date of funding of each applicable Term Loan hereunder until payment in full of all Obligations by the Borrower.

(b) Default Rate.

(i) While any Event of Default exists (including a payment default), all outstanding Obligations shall accrue at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest Payments. Interest on each Term Loan shall be due and payable in arrears in cash (i) on each Interest Payment Date, (ii) on any date of prepayment, with respect to the principal amount of Term Loans being prepaid, and (iii) at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law. Interest accrued on any other Obligations under the Loan Documents shall be due and payable as provided in the Loan Documents and, if no payment date is specified, shall be due and payable on demand. Notwithstanding the foregoing, interest accrued at the Default Rate shall be due and payable on demand, and all accrued but unpaid interest on the Obligations (including PIK Interest) shall be due and payable in full on the Maturity Date (or if earlier, the Facility Termination Date).

2.09 Fees.

The Loan Parties shall pay all fees set forth in the Fee Letter and any other fee letter executed in connection with this Agreement and such fees are compensation for services and are not, and shall not be deemed to be, interest or any other charge for the use, forbearance or detention of money. The Loan Parties shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees.

All computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365 day year). Interest shall accrue on the Term Loans for the day on which such Term Loans are made, and shall accrue for the day on which such Term Loan or any portion thereof is paid. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

(a) Maintenance of Accounts. The Term Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the Ordinary Course of Business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Term Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Term Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, amount and maturity of its Term Loans and payments with respect thereto.

(b) Maintenance of Records. In addition to the accounts and records referred to in Section 2.11(a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in any Term Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of

such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 **Payments Generally; Administrative Agent's Clawback.**

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) [Reserved].

(c) [Reserved].

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Term Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Term Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Term Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Term Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Term Loan in any particular place or manner.

(f) Pro Rata Treatment. Except to the extent otherwise provided herein: (i) each Term Loan shall be made by the Lenders on a pro rata basis in accordance with their respective Commitment, (ii) each payment of fees under Section 2.09 shall be made for account of the appropriate Lenders on a pro rata basis; (iii) each payment or prepayment of principal of Term Loans by the Borrower shall be made for account of the Lenders on a pro rata basis in accordance with the respective unpaid principal amounts of the Term Loans held by them; and (iv) each payment of interest on the Term Loans by the Borrower shall be made for account of the Lenders on a pro rata basis in accordance with the amounts of interest on such Term Loans then due and payable to the Lenders.

2.13 **Sharing of Payments by Lenders.**

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of (a) any Obligations due and payable to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations

due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (b) Obligations owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing (but not due and payable) to such Lender at such time to (ii) the aggregate amount of the Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time obtained by all of the Lenders at such time, then, in each case under clauses (a) and (b) above, the Lender receiving such greater proportion shall (A) notify the Administrative Agent of such fact, and (B) purchase (for cash at face value) participations in the Term Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of Obligations then due and payable to the Lenders or owing (but not due and payable) to the Lenders, as the case may be, provided that:

(1) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(2) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement, (y) the application of Cash Collateral provided for in Section 2.14, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Term Loans to any assignee or participant, other than an assignment to any Loan Party or any Affiliate thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Cash Collateral.

(a) Certain Credit Support Events. If the Borrower shall be required to provide Cash Collateral pursuant to 8.02(c), the Borrower shall within one (1) Business Day following any request by the Administrative Agent, provide Cash Collateral in an amount required by the definition of Cash Collateral hereunder.

(b) Grant of Security Interest. The Borrower hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, and agrees to maintain a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as Cash Collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, other than Permitted Liens, or that the total amount of such Cash Collateral is less than the amount determined by the Administrative Agent, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in the Term Loan Cash

Collateral Account. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14 or 8.02 shall be held and applied to the satisfaction of the Obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to secure Obligations shall be released promptly following (i) the elimination of such Obligations giving rise thereto, or (ii) the determination by the Administrative Agent that there exists excess Cash Collateral; provided, however, (A) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (B) the Person providing Cash Collateral and the Administrative Agent may agree that Cash Collateral shall not be released but instead held to support future anticipated Obligations.

2.15 Defaulting Lenders

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 11.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 11.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; third, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and fourth, to such Defaulting Lender or as otherwise as may be required under the Loan Documents in connection with any Lien conferred thereunder or directed by a court of competent jurisdiction.

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held on a pro rata basis by the Lenders in

accordance with their Applicable Percentages, whereupon such Lender will cease to be a Defaulting Lender; provided that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.16 Effect of Termination.

Until the Facility Termination Date, all undertakings of the Loan Parties contained in the Loan Documents shall continue, and the Administrative Agent shall, subject to Section 9.10 hereof, retain its Liens in the Collateral and all of its rights and remedies under the Loan Documents.

2.17 Prepetition Term Loan Obligations.

(a) Continuation of Liens. Subject to the terms of the Interim Order or the Final Order, as applicable, until (i) the indefeasible payment in full in cash of the Guaranteed Obligations and the Prepetition Term Loan Obligations, (ii) all objections and challenges (including, without limitation, any Challenge Proceeding (as defined in the Order)) to (A) the liens, security interests and claims of the Prepetition Term Loan Agent (including, without limitation, liens granted for adequate protection purposes) and/or (B) the Prepetition Term Loan Obligations have been waived, denied or barred, and (iii) all of the Debtors' Stipulations (as defined in the Order) have become binding on their estates and parties in interest in accordance with the Order, all liens, security interests and claims of the Prepetition Term Loan Agent (including, without limitation, liens granted for adequate protection purposes) shall remain valid and enforceable with the same continuing priority as described herein and the Prepetition Term Loan Documents shall remain in full force and effect; provided, however, that, subject to the results of any applicable Challenge Proceeding (as defined in the Order), to the extent that Prepetition Term Loan Obligations have been paid pursuant to this Agreement and/or the Order and have become and are Obligations hereunder, such Prepetition Term Loan Obligations shall not be due or owing separately under the Prepetition Term Loan Documents; provided, further, however, that nothing in the foregoing proviso shall alter or diminish, or be deemed to alter or diminish, the Adequate Protection (as defined in the Order) of the Prepetition Term Loan Agent and the Prepetition Term Loan Lenders.

(b) Avoided Payments. In the event that Prepetition Term Loan Agent or any of the Prepetition Term Loan Lenders are required to repay or disgorge to any Loan Party or any representatives of the Loan Parties' estate (as agents, with derivative standing or otherwise) all or any portion of the Prepetition Term Loan Obligations authorized and directed to be repaid pursuant to the Interim Order or the Final Order, or any payment on account of the Prepetition Term Loan Obligations made to Prepetition Term Loan Agent or any Prepetition Term Loan Lender is rescinded for any reason whatsoever, including, but not limited to, as a result of any Avoidance Action, or any other action, suit, proceeding or claim brought under any other provision of any applicable Bankruptcy Code or other applicable debtor relief law or any applicable state law, or any other similar provisions under any other state or federal statutory or common law (all such amounts being hereafter referred to as the "Avoided Payments"), then, in such event unless otherwise expressly ordered by the Bankruptcy Court, the Loan Parties shall prepay the Term Loans, in an amount equal to 100% of such Avoided Payments immediately upon receipt of the Avoided Payments by any Loan Party or any representative of the Loan Parties' estate.

2.18 Super-Priority Nature of Obligations and Administrative Agent's Liens; Payment of Obligations.

(a) The priority of Administrative Agent's Liens on the Collateral, claims and other interests shall be as set forth in the Interim Order and Final Order, when applicable.

(b) Upon the maturity (whether by acceleration or otherwise) of any of the Obligations, the Administrative Agent and Lenders shall be entitled to immediate payment of such Obligations without further application to or order of the Court.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Loan Party, then the Administrative Agent or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party or the Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Loan Party or the Administrative Agent shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in

accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. Each of the Loan Parties shall also, and does hereby, jointly and severally indemnify the Administrative Agent, and shall make payment in respect thereof within ten (10) days after demand therefor, for any amount which a Lender for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender shall, and does hereby, severally indemnify and shall make payment in respect thereof within ten (10) days after demand therefor, (A) the Administrative Agent against any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (B) the Administrative Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (C) the Administrative Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender that are payable or paid by the Administrative Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority, as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested

by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign

corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies (or originals, as required) of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds

paid for the account of such Lender. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to such Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that each Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to such Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality.

If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Lending Office to perform any of its obligations hereunder or to make, maintain or fund or charge interest with respect to any Term Loan or to determine or charge interest rates based upon the LIBO Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to charge interest rates based upon the LIBO Rate shall be suspended until such Lender notifies the Administrative Agent that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice the Administrative Agent, in consultation with the Borrower, shall establish an alternative rate applicable to the Obligations as contemplated by Section 3.03 hereof.

3.03 Inability to Determine Rates.

(a) Subject to Section 3.04, if in connection with any Term Loan accruing interest based on the LIBO Rate, (i) Administrative Agent determines that adequate and reasonable means do not exist for determining the LIBO Rate or (ii) the Administrative Agent or the Required Lenders reasonably determine that for any reason the LIBO Rate does not adequately and fairly reflect the cost to such Lenders of funding the Term Loans, the Administrative Agent will promptly so notify the Borrowers and each Lender. Thereafter, the obligation of the Lenders to maintain Term Loans using the LIBO Rate shall be suspended.

(b) Subject to Section 3.04, if, notwithstanding the foregoing, if Administrative Agent has made the determination described in clause (a)(i) or (a)(ii) of this Section, or if any Lender has delivered a notice pursuant to Section 3.02, Administrative Agent, in consultation with the

Borrower and the Lenders, may establish an alternative interest rate for the Term Loans, in which case, such alternative rate of interest shall apply with respect to the Term Loans until (i) Administrative Agent revokes the notice delivered under clause (a) of this Section, (ii) Administrative Agent or the Required Lenders notify Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of maintaining the Term Loans, or (iii) any Lender determines that any applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Term Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides Administrative Agent and the Borrower written notice thereof.

3.04 LIBOR Successor Rate.

Notwithstanding anything to the contrary herein or in any other Loan Document:

(a) On March 5, 2021 the Financial Conduct Authority (“**FCA**”), the regulatory supervisor of LIBOR’s administrator (“**IBA**”), announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, 1-week, 1-month, 2-month, 3-month, 6-month and 12-month U.S. dollar LIBOR tenor settings. On the earliest of (A) the date that all Available Tenors of U.S dollar LIBOR have permanently or indefinitely ceased to be provided by IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative, (B) June 30, 2023 and (C) the Early Opt-in Effective Date in respect of a SOFR Early Opt-in, if the then-current Benchmark is LIBOR, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document.

(b) (x) Upon (A) the occurrence of a Benchmark Transition Event or (B) a determination by the Administrative Agent that neither of the alternatives under clause (1) of the definition of Benchmark Replacement are available, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders (and any such objection shall be conclusive and binding absent manifest error); provided that solely in the event that the then-current Benchmark at the time of such Benchmark Transition Event is not a SOFR-based rate, the Benchmark Replacement therefor shall be determined in accordance with clause (1) of the definition of Benchmark Replacement unless the Administrative Agent determines that neither of such alternative rates is available.

(y) On the Early Opt-in Effective Date in respect of an Other Rate Early Opt-in, the Benchmark Replacement will replace LIBOR for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all

subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document.

(c) At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower's receipt of notice from the Administrative Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During the period referenced in the foregoing sentence, the component of Base Rate based upon the Benchmark will not be used in any determination of Base Rate.

(d) In connection with the implementation and administration of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(e) The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Administrative Agent pursuant to this Section 3.04, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 3.04.

(f) At any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including Term SOFR or LIBOR), then the Administrative Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (B) the Administrative Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

Definitions.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

“**Benchmark**” means, initially, LIBOR; provided that if a replacement of the Benchmark has occurred pursuant to Section 3.04 then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to “Benchmark” shall include, as applicable, the published component used in the calculation thereof.

“**Benchmark Replacement**” means:

(1) For purposes of Section 3.04(a), the alternative set forth below:

the sum of: (i) Term SOFR and (ii) 0.11448% (11.448 basis points) for an Available Tenor of one-month’s duration, 0.26161% (26.161 basis points) for an Available Tenor of three-months’ duration, 0.42826% (42.826 basis points) for an Available Tenor of six-months’ duration, and 0.71513% (71.513 basis points) for an Available Tenor of twelve-months’ duration; and

(2) For purposes of Section 3.04(b), the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent and the Borrower as the replacement Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by a Relevant Governmental Body, for U.S. dollar-denominated syndicated credit facilities at such time;

provided that, if the Benchmark Replacement as determined pursuant to clause 0 or 0 above would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement and the other Loan Documents.

Any Benchmark Replacement shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such Benchmark Replacement shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

“**Benchmark Replacement Conforming Changes**” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“**Benchmark Transition Event**” means, with respect to any then-current Benchmark other than LIBOR, the occurrence of a public statement or publication of

information by or on behalf of the administrator of the then-current Benchmark or a Governmental Authority with jurisdiction over such administrator announcing or stating that all Available Tenors are or will no longer be representative, or made available, or used for determining the interest rate of loans, or shall or will otherwise cease, provided that, at the time of such statement or publication, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide any representative tenors of such Benchmark after such specific date.

“Early Opt-in Effective Date” means, with respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

“Early Opt-in Election” means the occurrence of:

a determination by the Administrative Agent, or a notification by the Borrower to the Administrative Agent that the Borrower has made a determination, that U.S. dollar-denominated syndicated credit facilities currently being executed, or that include language similar to that contained in Section 3.04, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR, and

the joint election by the Administrative Agent and the Borrower to replace LIBOR with a Benchmark Replacement and the provision by the Administrative Agent of written notice of such election to the Lenders.

“Other Rate Early Opt-in” means the Administrative Agent and the Borrower have elected to replace LIBOR with a Benchmark Replacement other than a SOFR-based rate pursuant to (1) an Early Opt-in Election and (2) Section 3.04(b) and paragraph (2) of the definition of “Benchmark Replacement”.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“SOFR Early Opt-in” means the Administrative Agent and the Borrower have elected to replace LIBOR pursuant to (1) an Early Opt-in Election and (2) Section 3.04(a) and paragraph (1) of the definition of “Benchmark Replacement”.

“Term SOFR” means, for the applicable corresponding tenor (or if any Available Tenor of a Benchmark does not correspond to an Available Tenor for the applicable Benchmark Replacement, the closest corresponding Available Tenor and if such Available Tenor corresponds equally to two Available Tenors of the applicable Benchmark Replacement, the corresponding tenor of the shorter duration shall be applied), the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

3.05 Increased Costs; Reserves on LIBO Rate Loans

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.05(d));

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting any Lender's Term Loan or this Agreement;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Term Loan, or to increase the cost to such Lender to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Term Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Reserves. The Borrower shall pay to each Lender, (i) as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of such Lender's Term Loan equal to the actual costs of such reserves allocated to such Term Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), and (ii) as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance or the funding of the Term Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Term Loan

by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which in each case shall be due and payable on each date on which interest is payable on such Term Loan, provided the Borrower shall have received at least ten (10) days' prior notice (with a copy to the Administrative Agent) of such additional interest or costs from such Lender. If a Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

(e) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of such Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

3.06 [Reserved].

3.07 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender, or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of the Borrower, such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Term Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.07(a), the Borrower may replace such Lender in accordance with Section 11.13.

3.08 Survival.

All of the Borrower's obligations under this Article III shall survive termination of the Commitments, repayment of all other Obligations hereunder, resignation of the Administrative Agent and the Facility Termination Date.

ARTICLE IV

CONDITIONS PRECEDENT TO TERM LOANS

4.01 Conditions of the Term Loans.

Except to the extent specifically included as a post-closing obligation under Section 6.17 hereof, the obligation of each Lender to fund its Term Loan hereunder on the Effective Date is subject to satisfaction or waiver of the following conditions precedent:

(a) Execution of Agreement; Loan Documents. The Administrative Agent shall have received originals or electronic copies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of each signing Loan Party, dated the Effective Date (or, in the case of certificates of governmental officials, a recent date before the Effective Date) and in form and substance satisfactory to the Administrative Agent and each of the Lenders:

(i) counterparts of this Agreement, executed by a Responsible Officer of each Loan Party and a duly authorized officer of each Lender;

(ii) for the account of each Lender requesting a Note, a Note executed by a Responsible Officer of the Borrower; and

(iii) counterparts of any other Loan Document executed by a Responsible Officer of the applicable Loan Party and a duly authorized officer of each other Person party thereto.

(b) Officer's Certificate. The Administrative Agent shall have received an Officer's Certificate dated the Effective Date, certifying as to (i) the Organization Documents of each Loan Party (which, to the extent filed with a Governmental Authority, shall be certified as of a recent date by such Governmental Authority), (ii) the resolutions of the governing body of each Loan Party authorizing execution and delivery of, and performance of the obligations under, the Loan Documents is true and complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to the Facility, (iii) a certificate of good standing, existence or its equivalent of each Loan Party issued by the Secretary of State or other appropriate official of such Loan Party's jurisdiction of organization, and (iv) the incumbency (including specimen signatures) of the Responsible Officers of each Loan Party. Any Agent may conclusively rely on this certificate until it is otherwise notified by the applicable Loan Party in writing.

(c) Approved Budget. The Administrative Agent shall have received the Approved Budget.

(d) Liability, Casualty, Property, Terrorism and Business Interruption Insurance. The Administrative Agent shall have received satisfactory evidence that all liability, casualty, property, terrorism and business interruption insurance meeting the requirements set forth herein or in the Collateral Documents or as required by the Administrative Agent continues in full force and effect as of the Effective Date through the Maturity Date.

(e) Closing Condition Certificate. The Administrative Agent shall have received a certificate from the Borrower, signed by a Responsible Officer of the Borrower, certifying (A) that the conditions specified in Sections 4.01(m) been satisfied, (B) since the Petition Date, other than those events or circumstances arising from MAE Exceptions there has been no event or circumstance, either individually or in the aggregate, that has or would reasonably to be expected to have a Material Adverse Effect, (C) as to the absence of any action, suit, investigation or proceeding pending or, to the knowledge of the Loan Parties after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any Subsidiary or against any of their properties or revenues that

(1) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or thereby, or (2) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, and (D) that upon giving pro forma effect to the initial funding of the Loans, concurrent funding of the loans under the DIP ABL Facility and the payment by the Borrower of all fees and expenses incurred in connection herewith and due on the Effective Date, the Borrower is in compliance with the financial covenants set forth in Section 7.11.

(f) ABL Borrowing Base Report. The Administrative Agent shall have received the ABL Borrowing Base Report as of the close of business on May 6, 2022 (provided that it is understood and agreed that the information contained therein with respect to Inventory may be calculated as of April 30, 2022), together with such supporting information and backup documentation as the Administrative Agent may reasonably request.

(g) Reserved.

(h) Fees and Expenses. The Administrative Agent and the Lenders shall have received all fees and expenses, if any, due and owing pursuant to the Fee Letter and Section 2.09.

(i) Representations and Warranties. The representations and warranties of the Borrower and each other Loan Party contained herein and in any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date the funding of any Term Loan, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date (other than if such representations and warranties are subject to “materiality” or “Material Adverse Effect” or similar language, in which case they shall be true and correct in all respects).

(j) Security Interest. The Administrative Agent and each Lender shall be satisfied that the Loan Documents and the Interim Order shall be effective to create in favor of the Administrative Agent for the benefit of the Secured Parties a legal, valid, perfected and enforceable security interest and Lien upon the Collateral, with the priority set forth in the Interim Order and the terms thereof.

(k) First Day Orders. The Administrative Agent and the Required Lenders shall have received in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders that the Bankruptcy Court has approved and entered all “first day” orders, including the Cash Management Order and the Interim Order, each of which shall be in form and substance satisfactory to the Administrative Agent and the Required Lenders.

(l) DIP ABL Credit Facility. After entry of the Interim Order, the Administrative Agent and each Lender shall have received fully executed copies of the DIP ABL Credit Agreement and the other material DIP ABL Loan Documents, in form and substance reasonably satisfactory to Administrative Agent in its sole discretion.

(m) No Material Adverse Effect.

(i) Since the Petition Date, other than those events or circumstances arising from the MAE Exceptions, there has been no event or circumstance, either individually or in the aggregate, that has or would reasonably be expected to have a Material Adverse Effect.

(ii) Except for actions, suits, investigations, proceedings, claims or disputes stayed by section 362 of the Bankruptcy Code, no orders, injunctions or pending litigation exists which would reasonably be expected to have a Material Adverse Effect or which challenges this Agreement, the Loan Documents or the credit facilities contemplated hereunder.

(iii) Since the Petition Date, there has been no material increase in the liabilities, liquidated or contingent, of the Borrower and the Guarantors taken as a whole, or material decrease in the assets of the Borrower and the Guarantors taken as a whole (other than the incurrence of the Indebtedness pursuant to the DIP ABL Credit Agreement).

(iv) Except for any defaults or events of default arising solely as a result of the MAE Exceptions, any defaults or events of default under the Prepetition Term Loan Agreement or any defaults or events of default under any lease or subleases contemplated by Section 5.08(c), no Default or Event of Default shall have occurred and be continuing or shall arise hereunder immediately after giving effect to this Agreement and the transactions contemplated hereby to occur on or before the Effective Date.

(v) Other than those resulting from the MAE Exceptions, since the Petition Date, there shall have been no adverse change in the ability of the Administrative Agent and the Lenders to enforce the Loan Documents and the Obligations of the Borrower and the Guarantors hereunder.

(n) Insolvency Matters – Chapter 11 Cases. The Bankruptcy Court shall have entered an Interim Order by no later than five (5) days after the Petition Date, and the Bankruptcy Court shall have approved and entered all “first day” orders, including, without limitation, the Cash Management Order.

Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

4.02 Conditions to each DIP Term Loan Funding.

Each advance of a Term Loan pursuant to Section 2.01(b)(i) and each disbursement or withdrawal of funds on deposit in the DIP Term Loan Funding Account pursuant to Section 2.01(b)(ii), is subject to satisfaction of the following conditions precedent:

(a) Representations and Warranties. The representations and warranties of the Borrower and each other Loan Party contained in Article II, Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Term Loan.

(b) Default. No Default shall exist, or would result from such proposed withdrawal of Term Loan proceeds or from the application of such proceeds.

(c) ABL Availability. As at the time of such DIP Term Loan Funding or after giving effect to any contemporaneous borrowing under the DIP ABL Facility, ABL Availability shall not be greater than \$100,000 (or such lesser amount as determined by the DIP ABL Agent and the Borrower pursuant to Section 2.02(a) of the DIP ABL Facility).

(d) DIP Term Loan Funding Request. The Administrative Agent shall have received (i) a DIP Term Loan Funding Request in accordance with the requirements hereof, (ii) a certificate of a Responsible Officer of the Borrower Agent certifying as to the matters described in clauses (a), (b) and (c) of this Section 4.02, (iii) with respect to the week in which such DIP Term Loan Funding is to be made, (A) the Budget Compliance Certificate for such week required to be delivered to the Administrative Agent pursuant to Section 6.27(d) (attaching the Approved Budget Variance Report for the Prior Week) and (B) the 7-week cash flow forecast for such week required to be delivered to the Administrative Agent pursuant to Section 6.27(f) and (v) the most recent ABL Borrowing Base Report delivered by the Borrower to the DIP ABL Agent together with evidence reasonably satisfactory to the Administrative Agent of the Borrower's compliance with the Minimum Formula Availability Amount covenant set forth in Section 7.11 of this Agreement.

(e) The Interim Order or the Final Order, as applicable, shall not have been vacated, stayed, reversed, modified, or amended without the Administrative Agent's prior written consent and shall otherwise be in full force and effect and no motion for reconsideration of the Interim Order or the Final Order, as applicable, shall have been timely filed by a Debtor of any of its Subsidiaries.

(f) If the requested DIP Term Loan Funding is to be used to fund payments to critical vendors during the CV Reserve Reduction Period, the Company shall have consulted with the Administrative Agent and the CV Reserve Reduction Conditions have been satisfied.

(g) After giving effect to such proposed DIP Term Loan Funding, (i) no Protective Advance shall be outstanding, (ii) there shall not exist or have occurred since the Petition Date, any condition, even or act that could reasonably be expected to have a Material Adverse Effect, and (iii) Term Loan Availability shall not be less than zero.

(h) With respect the Term Loan contemplated to be advanced pursuant to the last sentence of Section 2.01(b)(i) above and thereafter, any withdrawal or disbursement of Term Loan Proceeds from the DIP Term Loan Proceeds Account pursuant to Section 2.01(b)(ii), the Borrower shall have established the DIP Term Loan Proceeds Account and such account shall be subject to a Control Agreement in favor of the Administrative Agent.

Each DIP Term Loan Funding Request submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a), (b), (c), (e) and (g)(iii) have been satisfied on and as of the date of the applicable DIP Term Loan Funding.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

To induce each Agent and Lenders to enter into this Agreement and to make available the Term Loans hereunder, each Loan Party represents and warrants to each Agent and the Lenders, as of the date made or deemed made, that:

5.01 Existence, Qualification and Power.

Each Loan Party and each of its Subsidiaries (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) subject to the Bankruptcy Code, the Bankruptcy Rules, entry of the Interim Order or the Final Order, as applicable, and such other orders as have been or may hereafter be entered by the Bankruptcy Court in the Chapter 11 Cases, has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), (A) where the failure to so qualify is the result of the status of the Loan Parties as debtors in possession in the Chapter 11 Cases, and (B) to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. The copy of the Organization Documents of each Loan Party provided to the Administrative Agent pursuant to the terms of this Agreement is a true and correct copy of each such document, each of which is valid and in full force and effect.

5.02 Authorization; No Contravention.

Subject to entry of the Interim Order or the Final Order, as applicable, the execution, delivery and performance by each Loan Party of each Loan Document to which such Person is or is to be a party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) except as otherwise excused by the Bankruptcy Code, conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation not subject to the Automatic Stay imposed as a result of the Chapter 11 Cases to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law (including, without limitation, Regulation U or Regulation X issued by the FRB); except in each case referred to in clause (b) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.03 Governmental Authorization; Other Consents.

Subject to entry of the Interim Order or Final Order, as applicable, no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person (other than the entry of the Orders) is necessary or required in connection with (a) the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, (b) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (c) the perfection or maintenance of the Liens created under the Collateral Documents (including the first priority nature thereof) or (d) the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents, other than (i) authorizations, approvals, actions, notices and filings which have been duly obtained, (ii) filings to perfect the Liens created by the Collateral Documents and (iii) consent or approval of the Bankruptcy Court.

5.04 Binding Effect.

Subject to the Orders, and the terms thereof, this Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto and, subject to entry of the Interim Order or Final Order, as applicable, constitutes, and each

other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, judicial management, insolvency, examinership, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

5.05 No Material Adverse Effect.

Since the Petition Date, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect other than arising out of the MAE Exceptions.

5.06 Litigation.

There are no actions, suits, proceedings, claims, investigations, or disputes pending or, to the knowledge of the Loan Parties, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any Subsidiary or against any of their properties or revenues either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, except for the Chapter 11 Cases.

5.07 No Default.

Except for any defaults or events of default arising solely as a result of the commencement of the Chapter 11 Cases and any default or events of default arising under the Prepetition Term Loan Agreement or the Prepetition ABL Credit Agreement to the extent the Prepetition ABL Obligations have not been converted to DIP ABL Obligations in accordance with the DIP ABL Credit Agreement, neither any Loan Party nor any Subsidiary thereof is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document. Except for any defaults or events of default arising solely as a result of the commencement of the Chapter 11 Cases, any default or event of default arising under the Prepetition Term Loan Agreement or the Prepetition ABL Credit Agreement to the extent the Prepetition ABL Obligations have not been converted to DIP ABL Obligations in accordance with the DIP ABL Credit Agreement, to the Borrower's knowledge, the Borrower is not in default under any Real Property Contract.

5.08 Ownership of Property.

Each Loan Party and each of its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, or other legally enforceable rights to use all Real Property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.09 Environmental Compliance.

Except as could not reasonably be expected to have a Material Adverse Effect:

- (a) Each of the Operating Facilities and all operations at the Operating Facilities are in compliance with all applicable Environmental Laws, and there is no violation of any Environmental Law with respect to the Operating Facilities or the Businesses, and there are no

conditions relating to the Operating Facilities or the Businesses that could give rise to liability under any applicable Environmental Laws.

(b) None of the Operating Facilities contains, or has previously contained, any Hazardous Materials at, on or under the Operating Facilities in amounts or concentrations that constitute or constituted a violation of Environmental Laws.

(c) Neither Borrower nor any Subsidiary has received any written or verbal notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Operating Facilities or the Businesses, nor does any Responsible Officer of any Loan Party have knowledge or reason to believe that any such notice will be received or is being threatened.

(d) Hazardous Materials have not been transported or disposed of from the Operating Facilities, or generated, treated, stored or disposed of at, on or under any of the Operating Facilities or any other location, in each case by or on behalf Borrower or any Subsidiary in violation of, or in a manner that would be reasonably likely to give rise to liability under, any applicable Environmental Law.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Responsible Officers of the Loan Parties, threatened, under any Environmental Law to which Borrower or any Subsidiary is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to Borrower, any Subsidiary, the Operating Facilities or the Businesses.

(f) There has been no release or, threat of release of Hazardous Materials at or from the Operating Facilities, or arising from or related to the operations (including, without limitation, disposal) of Borrower or any Subsidiary in connection with the Operating Facilities or otherwise in connection with the Businesses, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws.

5.10 Insurance.

The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies that are not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party or the applicable Subsidiary operates. The general liability, casualty, property, terrorism and business interruption insurance coverage of the Loan Parties as in effect on the Effective Date, and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is outlined as to carrier, policy number, expiration date, type, amount and deductibles on Schedule 5.10 and such insurance coverage complies with the requirements set forth in this Agreement and the other Loan Documents.

5.11 Taxes.

Each Loan Party and its Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) those which are being contested in good faith by appropriate proceedings

diligently conducted and for which adequate reserves have been provided in accordance with GAAP, and (b) to the extent excused or enforcement in respect of which is stayed as a result of the Chapter 11 Cases. There is no proposed tax assessment against any Loan Party or any Subsidiary that would, if made, have a Material Adverse Effect, nor is there any tax sharing agreement applicable to the Borrower or any Subsidiary.

5.12 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or is subject to a favorable opinion letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS. To the best knowledge of the Loan Parties, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and no Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan or Multiemployer Plan; (ii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and no Loan Party nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iii) no Loan Party nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (iv) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (v) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) The Borrower represents and warrants that as of the Effective Date, the Borrower is not and will not be using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Term Loans or the Commitments.

5.13 Margin Regulations; Investment Company Act.

(a) Margin Regulations. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Term Loan, not more than twenty-five percent (25%) of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a Consolidated basis) subject to the provisions of Section 7.01 or

Section 7.05 or subject to any restriction contained in any agreement or instrument between the Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 8.01(e) will be margin stock.

(b) Investment Company Act. None of the Borrower, any Person Controlling the Borrower, or any Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

5.14 Disclosure.

The Borrower has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries or any other Loan Party is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally), initial Approved Budget by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, each Loan Party represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.15 Compliance with Laws.

Except as excused by the Bankruptcy Code, each Loan Party and each Subsidiary thereof is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.16 Reserved.

5.17 Casualty, Etc.

Neither the businesses nor the properties of any Loan Party or any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.18 Sanctions Concerns and Anti-Corruption Laws; EEA Financial Institutions.

(a) Sanctions Concerns. No Loan Party, nor any Subsidiary, nor, to the knowledge of the Loan Parties and their Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC’s List of Specially Designated Nationals, HMT’s Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction. The Borrower and its Subsidiaries have conducted their businesses in compliance in all material respects with all applicable Sanctions and

have instituted and maintained policies and procedures designed to promote and achieve compliance with such Sanctions.

(b) Anti-Corruption Laws; Sanctions. The Loan Parties and their Subsidiaries and, to the knowledge of the Loan Parties and their Subsidiaries, their Affiliates, officers and directors have conducted their business in compliance in all material respects with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other applicable anti-corruption legislation in other jurisdictions and with all applicable Sanctions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws and Sanctions.

5.19 Responsible Officers.

Set forth in the incumbency certificate delivered as of the Effective Date are Responsible Officers, holding the offices indicated next to their respective names, as of the Effective Date and such Responsible Officers are the duly elected and qualified officers of such Loan Party and are duly authorized to execute and deliver, on behalf of the respective Loan Party, any Loan Documents entered into by any applicable Loan Party from time to time.

5.20 Subsidiaries; Equity Interests; Loan Parties.

(a) Subsidiaries, Joint Ventures, Partnerships and Equity Investments. Set forth on Schedule 5.20(a), is the following information which is true and complete in all respects as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13: (i) a complete and accurate list of all Subsidiaries, joint ventures and partnerships and other equity investments of the Loan Parties as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, (ii) the number of shares of each class of Equity Interests in each Subsidiary outstanding, (iii) the number and percentage of outstanding shares of each class of Equity Interests owned by the Loan Parties and their Subsidiaries, (iv) the class or nature of such Equity Interests (i.e. voting, non-voting, preferred, etc.) and (v) the certificate number and percentage ownership of outstanding shares of each class of Equity Interests. The outstanding Equity Interests in all Subsidiaries are validly issued, fully paid and non-assessable and are owned free and clear of all Liens other than Liens in favor of the Administrative Agent under the Collateral Documents, Liens created under the Prepetition Term Loan Documents, Liens created under the DIP ABL Credit Agreement and Liens created under the Prepetition ABL Loan Documents. There are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to the Equity Interests of any Loan Party or any Subsidiary thereof, except as contemplated in connection with the Loan Documents.

(b) Loan Parties. Set forth on Schedule 5.20(b) is a complete and accurate list of all Loan Parties, showing as of the Effective Date, or as of the last date such Schedule was required to be updated in accordance with Section 6.13, (as to each Loan Party) (i) the exact legal name, (ii) any former legal names of such Loan Party in the four (4) months prior to the Effective Date, (iii) the jurisdiction of its incorporation or organization, as applicable, (iv) the type of organization, (v) the jurisdictions in which such Loan Party is qualified to do business, (vi) the address of its chief executive office, (vii) the address of its principal place of business, (viii) its U.S. federal taxpayer identification number or, in the case of any non-U.S. Loan Party that does not have a U.S. taxpayer identification number, its unique identification number issued to it by the jurisdiction of its incorporation or organization, (ix) the organization identification number, (x) ownership

information (e.g. publicly held or if private or partnership, the owners and partners of each of the Loan Parties) and (xi) the industry or nature of business of such Loan Party.

5.21 Collateral Representations.

(a) Collateral Documents. Subject to entry of the Orders, the provisions of the Collateral Documents are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties a legal, valid and enforceable first priority Lien (subject, as to priority, (i) to the extent encumbering Prepetition ABL Priority Collateral, Permitted Liens described in Section 7.01(l), (ii) to the extent having priority by operation of law, to other Permitted Liens, and (iii) such other exceptions set forth in the Interim Order and Final Order, when applicable) on all right, title and interest of the respective Loan Parties in the Collateral described therein.

(b) Intellectual Property. Set forth on Schedule 5.21(b), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a list of (i) all registered or issued Intellectual Property (including all applications for registration and issuance and including, to the best knowledge of the Loan Parties, all domain names) owned by each of the Loan Parties (including the name/title, current owner, registration or application number, and registration or application date, as applicable, and such other information as reasonably requested by the Administrative Agent), and (ii) all material Licenses of Intellectual Property to which Borrower is a party as Licensor or licensee; provided that such Schedule delivered as of the Effective Date may be updated to correct or supplement information as agreed by the Borrower and the Administrative Agent. Each Loan Party owns, licenses or possesses the right to use, all of the trademarks, service marks, trade names, domain names, copyrights, patents, patent rights, technology, software, know-how database rights, design rights and other intellectual property rights (collectively, “IP Rights”) that are necessary for the operation of their respective businesses as currently conducted, without infringement, misappropriation or other violation of the rights of any Person, except to the extent that such failure to own, license or possess the right to use, or infringement, misappropriation or other violation of such rights, either individually or in the aggregate, could not reasonably be expected to cause a material diminution in the value of the Intellectual Property. No use of any IP Rights, advertising, product, process, method, substance, part or other material used by any Loan Party or any Subsidiary in the operation of their respective businesses as currently conducted infringes upon any intellectual property or other similar proprietary rights held by any Person, except for such infringements, individually or in the aggregate, which could not reasonably be expected to cause a material diminution in the value of the Intellectual Property. No claim or litigation regarding any of the IP Rights, is pending or, to the knowledge of Borrower, threatened against any Loan Party or Subsidiary, which, either individually or in the aggregate, could reasonably be expected to cause a material diminution in the value of the IP Rights.

(c) Documents, Instrument, and Tangible Chattel Paper. Set forth on Schedule 5.21(c), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a description of all Documents, Instruments, and Tangible Chattel Paper of the Loan Parties (including the Loan Party owning such Document, Instrument and Tangible Chattel Paper and such other information as reasonably requested by the Administrative Agent).

(d) Deposit Accounts, Electronic Chattel Paper, Letter-of-Credit Rights, and Securities Accounts.

(i) Set forth on Schedule 5.21(d)(i), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a description of all Deposit Accounts and Securities Accounts of the Loan Parties, including the name of (A) the applicable Loan Party, (B) in the case of a Deposit Account, the depository institution and whether such account is a zero balance account or a payroll account, payroll tax account or other employee benefit account, and (C) in the case of a Securities Account, the Securities Intermediary or issuer, as applicable.

(ii) Set forth on Schedule 5.21(d)(ii), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a description of all Electronic Chattel Paper (as defined in the UCC) and Letter-of-Credit Rights (as defined in the UCC) of the Loan Parties, including the name of (A) the applicable Loan Party, (B) in the case of Electronic Chattel Paper (as defined in the UCC), the account debtor and (C) in the case of Letter-of-Credit Rights (as defined in the UCC), the issuer or nominated person, as applicable.

(e) Commercial Tort Claims. Set forth on Schedule 5.21(e), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a description of all Commercial Tort Claims (as defined in the UCC) of the Loan Parties (detailing such Commercial Tort Claim in such detail as reasonably requested by the Administrative Agent).

(f) Pledged Collateral. Set forth on Schedule 5.21(f), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a list of (i) all Pledged Collateral and (ii) all other Equity Interests required to be pledged to the Collateral Agent pursuant to the Collateral Documents, in each case, detailing the Pledgor (as defined in the Pledge Agreement), the Person whose Equity Interests are pledged, the number of shares of each class of Equity Interests, the certificate number and percentage ownership of outstanding shares of each class of Equity Interests and the class or nature of such Equity Interests (i.e. voting, non-voting, preferred, etc.).

(g) Properties. Each Loan Party has good and marketable title to (or valid leasehold interests in) all of its Real Property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the use or value of such Real Property, and good title to all of its tangible personal Property, including all Property reflected in any financial statements delivered to Administrative Agent or Lenders (and which has not be disposed of since the date of such financial statement in transaction permitted under this Agreement), in each case free of Liens except for Permitted Liens. Set forth on Schedule 5.21(g), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a list of (i) each headquarter location of the Loan Parties, (ii) each other location where any significant administrative or governmental functions are performed, (iii) each other location where the Loan Parties maintain any books or records (electronic or otherwise), (iv) each location where any personal property Collateral is located at any premises owned or leased by a Loan Party with a Collateral value in excess of \$1,000,000, (v) all Real Property owned by a Loan Party (in each case, including (A) an indication if such location is leased or owned, (B), if leased, the name of the lessor, and if owned, the name of the Loan Party owning such property and (C) the address of such property (including, the city, county, state and zip code). Each such lease of Real Property under which any

Loan Party is the lessee is, to the knowledge of the Borrower, enforceable against the lessor thereof in accordance with its terms and is in full force and effect and the Loan Parties are not in default in any material respect of the terms thereof.

(h) Material Contracts. Set forth on Schedule 5.21(h), as of the Effective Date and as of the last date such Schedule was required to be updated in accordance with Section 6.13, is a complete and accurate list of all Material Contracts of the Borrower and its Subsidiaries.

(i) Accounts. The Borrower warrants, with respect to each Account shown as an Eligible Account in an ABL Borrowing Base Report, that: (i) it is genuine and in all respects what it purports to be; (ii) it arises out of a completed, *bona fide* sale and delivery of goods or rendition of services in the Ordinary Course of Business, and substantially in accordance with any purchase order, contract or other document relating thereto; (iii) it is for a sum certain, maturing as stated in the applicable invoice a copy of which has been furnished or is available to the Administrative Agent on request; (iv) it is not subject to any offset, Lien (other than the Liens in favor of the Prepetition Term Loan Agent, the Prepetition ABL Agent, the Collateral Agent and the DIP ABL Agent), deduction, defense, dispute, counterclaim or other adverse condition except as arising in the Ordinary Course of Business and disclosed to the Administrative Agent or reflected in the amount thereof in the ABL Borrowing Base Report; and it is absolutely owing by the Account Debtor, without contingency of any kind; (v) no purchase order, agreement, document or applicable Law restricts assignment of the Account to the Administrative Agent (except to the extent, under the UCC, the restriction is ineffective), and the Borrower is the sole payee or remittance party shown on the invoice; (vi) no extension, compromise, settlement, modification, credit, deduction or return has been authorized or is in process with respect to the Account, except discounts or allowances granted in the Ordinary Course of Business for prompt payment that are reflected on the face of the invoice related thereto and in the reports submitted to the Administrative Agent hereunder; and (vii) to the best of the Borrower's knowledge, (i) there are no facts or circumstances that are reasonably likely to impair the enforceability or collectability of such Account; (ii) the Account Debtor had the capacity to contract when the Account arose, continues to meet the Borrower's customary credit standards, is Solvent, is not contemplating or subject to a proceeding under any Debtor Relief Law, and has not failed, or suspended or ceased doing business; and (iii) there are no proceedings or actions threatened or pending against any Account Debtor that could reasonably be expected to have a material adverse effect on the Account Debtor's financial condition.

(j) Eligible Inventory. All Eligible Inventory is of good and merchantable quality, free from known defects. As to any Inventory that is identified by Borrower as Eligible Inventory in an ABL Borrowing Base Report submitted to Administrative Agent, such Inventory is not excluded as ineligible by virtue of one or more of the excluding criteria set forth in the definition of "Eligible Inventory" set forth in the DIP ABL Credit Agreement. Each Loan Party keeps records which are correct and accurate in all material respects itemizing and describing the type, quality, and quantity of its and its Subsidiaries' Inventory and the book value thereof.

5.22 Labor Matters.

There are no collective bargaining agreements or Multiemployer Plans covering the employees of the Borrower or any of its Subsidiaries as of the Effective Date and neither the Borrower nor any Subsidiary has suffered any strikes, walkouts, work stoppages or other labor difficulty within the last five (5) years preceding the Effective Date that could reasonably be expected to have a Material Adverse Effect.

5.23 Certificate of Beneficial Ownership.

As of the Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

5.24 Surety Obligations.

Neither the Borrower nor any other Loan Party is obligated as surety or indemnitor under any bond or other contract that assures payment or performance of any obligation of any Person, except as permitted hereunder.

5.25 [Reserved].**5.26 [Reserved].****5.27 Regulation H.**

No Mortgaged Property is a Flood Hazard Property unless the Collateral Agent shall have received the following: (a) the applicable Loan Party's written acknowledgment of receipt of written notification from the Collateral Agent (i) as to the fact that such Mortgaged Property is a Flood Hazard Property, and (ii) as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program, (b) such other flood hazard determination forms, notices and confirmations thereof as reasonably requested by the Collateral Agent, and (c) copies of insurance policies or certificates of insurance of the applicable Loan Party evidencing flood insurance sufficient for compliance with Flood Laws and otherwise satisfactory to the Collateral Agent and naming the Collateral Agent as loss payee on behalf of the Lenders. All flood hazard insurance policies required hereunder have been obtained and remain in full force and effect, and the premiums thereon have been paid in full.

5.28 Affected Financial Institutions; Covered Entities.

No Loan Party is an Affected Financial Institution. No Loan Party is a Covered Entity.

5.29 Approved Budget.

Each of the initial Approved Budget, attached hereto as Annex A, which was delivered to the Administrative Agent on or prior to the Effective Date, and the then applicable Approved Budget, was prepared in good faith upon assumptions the Borrower believed to be reasonable on the date of delivery of the then-applicable Approved Budget or update thereto. To the knowledge of the Borrower, no facts exist that (individually or in the aggregate) would result in any material change in the then-applicable Approved Budget.

5.30 Chapter 11 Cases.

(a) The Chapter 11 Cases were commenced on the Petition Date in accordance with applicable Law and proper notice thereof was given for (i) the motion seeking approval of the Loan Documents, the DIP ABL Loan Documents and the Interim Order and Final Order, (ii) the hearing for the entry of the Interim Order, and (iii) the hearing for the entry of the Final Order. The Debtors shall give, on a timely basis as specified in the Interim Order or the Final Order, as applicable, all notices required to be given to all parties specified in the Interim Order or Final Order, as applicable.

(b) After the entry of the Interim Order, and pursuant to and to the extent permitted in the Interim Order and the Final Order, the Obligations will constitute allowed administrative expense claims in the Chapter 11 Cases having priority over all administrative expense claims and unsecured claims against the Debtors now existing or hereafter arising, of any kind whatsoever, including all administrative expense claims of the kind specified in sections 105, 326, 330, 331, 365, 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1114 or any other provision of the Bankruptcy Code or otherwise, as provided under section 364(c)(1) of the Bankruptcy Code, subject to (i) the Carve Out and (ii) such other exceptions, if any, set forth in the Interim Order or Final Order, as applicable.

(c) After the entry of the Interim Order and pursuant to and to the extent provided in the Interim Order and the Final Order, as applicable, the Obligations will be secured by a valid and perfected first priority Lien on all of the Collateral subject, as to priority, only to (i) the Carve Out, (ii) the Liens permitted pursuant to Section 7.02(g) and (h), and (iii) such other exceptions set forth in the Interim Order and the Final Order, as applicable.

(d) The Interim Order (with respect to the period on and after entry of the Interim Order and prior to entry of the Final Order) or the Final Order (with respect to the period on and after entry of the Final Order), as the case may be, is in full force and effect and has not been reversed, stayed (whether by statutory stay or otherwise), vacated, or, without the Administrative Agent's consent, modified or amended. The Loan Parties are in compliance in all material respects with the applicable Order.

(e) Notwithstanding the provisions of section 362 of the Bankruptcy Code, and subject to the applicable provisions of the Interim Order or the Final Order, as the case may be, upon the Maturity Date (whether by acceleration or otherwise) of any of the Obligations, the Administrative Agent and Lenders shall be entitled to immediate payment of such Obligations and to enforce the remedies provided for hereunder or under applicable Law, without further notice, motion or application to, hearing before, or order from, the Bankruptcy Court.

ARTICLE VI

AFFIRMATIVE COVENANTS

Each of the Loan Parties hereby covenants and agrees that on the Effective Date and thereafter until the Facility Termination Date, such Loan Party shall, and shall cause each of its Subsidiaries (except in the case of the covenants set forth in Sections 6.01, 6.02 and 6.03) to:

6.01 Financial Statements.

Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders:

(a) [Reserved].

(b) [Reserved].

(c) Monthly Financial Statements. As soon as available, but in any event within thirty (30) days after the end of each month, Consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as at the end of such month, and the related Consolidated and consolidating statements of income or operations, changes in cash flows for such month and for the

portion of the Borrower's fiscal year then ended, setting forth in comparative form the figures for the corresponding period or periods and the corresponding figures contained in the applicable Approved Budget, all in reasonable detail and prepared in accordance with GAAP, such Consolidated and consolidating statements to be certified by a Responsible Officer of the Borrower as fairly presenting the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries, subject only to normal year-end audit adjustments and the absence of footnotes.

6.02 Certificates; Other Information.

Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders:

(a) [Reserved].

(b) [Reserved].

(c) ABL Borrowing Base Reports. No later than the third Business Day of each week, the ABL Borrowing Base Report as of the close of business of the previous week (provided that it is understood and agreed that the information contained therein with respect to Inventory may be calculated as of the most recent month-end), together with all such supporting information and backup documentation as delivered to the DIP ABL Agent in connection therewith. All information (including all calculations of ABL Availability and Formula Availability Amount) in an ABL Borrowing Base Report shall be certified by the Borrower.

(d) Liquidity Report. As soon as available and in any event not later than 5:00 p.m. on Wednesday of each week, the Borrower shall deliver to the Administrative Agent a report setting forth the Liquidity (and component parts thereof) as of each day in the prior week.

(e) Other Notices. Substantially contemporaneously with the delivery thereunder, all notices, certifications or other information or deliverables provided to the DIP ABL Agent and/or the DIP ABL Lenders under the DIP ABL Credit Agreement pursuant to the terms thereof.

(f) Changes in Entity Structure. Within ten (10) days prior to any merger, consolidation, dissolution or other change in entity structure of any Loan Party or any of its Subsidiaries permitted pursuant to the terms hereof, provide notice of such change in entity structure to the Administrative Agent, along with such other information as reasonably requested by the Administrative Agent. Provide notice to the Administrative Agent, not less than ten (10) days prior (or such extended period of time as agreed to by the Administrative Agent) of any change in any Loan Party's legal name, state of organization, or organizational existence.

(g) SEC Notices. Promptly, and in any event within five (5) Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof.

(h) Accounts.

(i) On or before the third Business Day of each week, (A) a detailed aged trial balance of all Accounts as of the end of the preceding month, specifying each Account's

Account Debtor name and address, amount, invoice date and due date, showing any discount, allowance, credit, authorized return or dispute, and including such proof of delivery, copies of invoices and invoice registers, copies of related documents, repayment histories, status reports, and (B) other information as the Administrative Agent may reasonably request; and

(ii) Each Business Day, prepared as of the end of the most recent Business Day, a report listing (A) all Accounts of Borrower, (B) the amount and age of each Account on an original invoice date aging basis, (C) the name of each Account Debtor, (D) all Accounts which do not constitute Eligible Accounts, and (E) such other information as the Administrative Agent may request.

(j) Trade Payables. Promptly following any request therefor, a listing of the Borrower's trade payables, specifying the trade creditor and balance due, and a detailed trade payable aging, all in form reasonably satisfactory to the Administrative Agent.

(k) Environmental Notice. Promptly after the assertion or occurrence thereof, notice of any action or proceeding against or of any noncompliance by any Loan Party or any of its Subsidiaries with any Environmental Law or Environmental Permit that could reasonably be expected to have a Material Adverse Effect.

(l) Beneficial Ownership Regulation. Promptly following any request therefor, provide information and documentation required by bank regulatory authorities under applicable Laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules related to terrorism financing or money laundering, including any applicable provision of the PATRIOT Act and The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act." 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959) (including any applicable "know your customer" rules and regulations and the PATRIOT Act) and the Beneficial Ownership Regulation.

(m) Additional Information. Promptly, such additional information regarding the business, financial, legal or corporate affairs of any Loan Party or any Subsidiary thereof, including AUS Armstrong, or compliance with the terms of the Loan Documents or the Prepetition Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request, which information shall be provided promptly following the request therefor (and in any event, with respect to any information requested from AUS Armstrong within five (5) Business Days from receipt of such request); provided that so long as the Loan Parties do not (x) request or require that third parties agree to confidentiality provisions prohibiting disclosure to the Administrative Agent or Secured Parties in any document, information or other matter described in this clause (l)(ii) and/or (y) seek to cause any such documents to be subject to attorney-client privilege solely for the purpose of avoiding compliance with this clause (l)(ii), then no Loan Party nor any Subsidiary of a Loan Party will be required to disclose any document, information or other matter pursuant to this clause (l)(ii) (x) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives) is prohibited by law or any binding agreement (other than any binding agreement entered into for the purpose of avoiding such disclosure) or (ii) that is subject to attorney client or similar privilege or constitutes attorney work product; provided, further, that the Borrower shall notify the Administrative Agent if it is withholding any such document or information pursuant to the foregoing proviso and shall use commercially reasonable efforts to deliver a redacted copy of or detailed summary of such document or information that can be disclose without breach or violation of law or contract or loss of privilege.

6.03 Notices.

Promptly, but in any event within two (2) Business Days, notify the Administrative Agent and each Lender of:

- (a) of the occurrence of any Default or Event of Default or any “Default” or “Event of Default” under the DIP ABL Credit Agreement or any DIP ABL Loan Document, in each case specifying the nature and extent thereof;
- (b) any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect;
- (c) the occurrence of any ERISA Event;
- (d) any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary thereof or the discharge of or any withdrawal or resignation by the Borrower’s independent accountants;
- (e) any (i) agreement to consummate a Disposition that, upon consummation, would result in a Change of Control and (ii) any event or condition requiring a mandatory prepayment pursuant to Section 2.05(b) including without limitation, Dispositions of Prepetition Term Loan Priority Collateral, DIP Term Loan Priority Collateral, Prepetition ABL Priority Collateral, or DIP ABL Priority Collateral, in each case, together with an update to the ABL Borrowing Base Report most recently delivered to the Administrative Agent reflecting the result of such casualty, condemnation event or disposition, as applicable, on the calculations of the ABL Borrowing Base;
- (f) any change in the information provided in any Beneficial Ownership Certification, if applicable, that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification;
- (g) any pending or threatened labor dispute, strike or walkout, or the expiration of any material labor contract;
- (h) any default under or termination of a Material Contract;
- (i) any judgment in an amount exceeding \$750,000;
- (j) any opening of a new office or place of business, at least 30 days prior to such opening;
- (k) any material casualty or other damage to any portion of the Prepetition Term Loan Priority Collateral, DIP Term Loan Priority Collateral, Prepetition ABL Priority Collateral, or DIP ABL Priority Collateral, or the commencement of any action or proceeding for the taking of any interest in a portion of the Term Loan Priority Collateral or ABL Priority Collateral or any part thereof or interest therein under power of eminent domain or by condemnation or similar proceeding;
- (l) the filing of any Lien against any Loan Party of which the Borrower is aware for (i) unpaid Taxes which Lien has or could have priority over any Lien in favor of the Collateral Agent for the benefit of the Secured Parties to secure the Obligations or (ii) any other material Taxes; and

(m) (i) as soon as practicable in advance of filing with the Bankruptcy Court or delivering to the Committee appointed in a Chapter 11 Case, if any, or to the U.S. Trustee, as the case may be, the Final Order, all other material proposed orders and pleadings related to (x) the Chapter 11 Cases (all of which must be in form and substance reasonably satisfactory to the Administrative Agent) and (y) the Prepetition Term Loan Agreement, this Agreement and the credit facilities contemplated hereby and thereby, the DIP ABL Credit Facility and/or any sale contemplated in accordance with the Required Milestones and/or any disclosure statement related thereto (all of which must be in form and substance reasonably satisfactory to the Administrative Agent), and (ii) substantially simultaneously with the filing with the Bankruptcy Court or delivering to the Committee appointed in any Chapter 11 Case, if any, or to the U.S. Trustee, as the case may be, monthly written operating reports and all other written notices, filings, motions, pleadings or other written information concerning the financial condition of the Loan Parties or their Subsidiaries that may be filed with the Bankruptcy Court or delivered to the Committee appointed in any Chapter 11 Case, if any, or to the U.S. Trustee, in each case, excluding any such reports, notices, filings, motions, pleadings or other information subject to privilege (provided, that the Loan Parties may redact any confidential information contained in any such report, notice, filing, motion, pleading or information if it provides a summary of the nature of the information redacted to the Administrative Agent).

Each notice pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and to the extent applicable, stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Obligations.

Subject to the Orders and the terms thereof, pay and discharge as the same shall become due and payable, all its material obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets incurred after the Petition Date (but tax liabilities, assessments and governmental charges or levies which are required to be paid in accordance with the Orders or any other order of the Bankruptcy Court shall be permitted to be paid), all in accordance with and subject to the Approved Budget (and the permitted variances provided for therein); (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness, in each case all in accordance with and subject to the Approved Budget (and the permitted variances provided for therein) in each case unless (i) the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary or (ii) such payment or discharge is subject to the Automatic Stay imposed as a result of the Chapter 11 Cases.

6.05 Preservation of Existence, Etc.

(a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05;

(b) preserve, renew and maintain in full force and effect its good standing under the Laws of the jurisdiction of its organization, except to the extent to do so could not reasonably be expected to have a Material Adverse Effect;

(c) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and

(d) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.06 Maintenance of Properties.

(a) Maintain, preserve and protect all of its material tangible properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted;

(b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and

(c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

6.07 Maintenance of Insurance.

(a) Maintenance of Insurance. Maintain with financially sound and reputable insurance companies not Affiliates of the Borrower, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, including, without limitation, (i) terrorism insurance and (ii) flood hazard insurance on all Mortgaged Properties that are Flood Hazard Properties, on such terms and in such amounts in accordance with the Flood Laws or as otherwise satisfactory to all Lenders. From time to time upon request, the Loan Parties shall deliver to the Administrative Agent the originals or certified copies of its insurance policies and updated flood plain searches.

(b) Evidence of Insurance. Cause the Collateral Agent to be named as lenders' loss payable, loss payee or mortgagee, as its interest may appear, and/or additional insured with respect of any such insurance providing liability coverage or coverage in respect of any Collateral, and cause, unless otherwise agreed to by the Collateral Agent, each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Collateral Agent that it will give the Collateral Agent thirty (30) days prior written notice before any such policy or policies shall be altered or cancelled (or ten (10) days prior notice in the case of cancellation due to the nonpayment of premiums). Annually, upon expiration of current insurance coverage, the Loan Parties shall provide, or cause to be provided, to the Collateral Agent, such evidence of insurance as required by the Collateral Agent, including, but not limited to: (i) certified copies of such insurance policies, (ii) evidence of such insurance policies (including, without limitation and as applicable, ACORD Form 28 certificates (or similar form of insurance certificate), and ACORD Form 25 certificates (or similar form of insurance certificate)), (iii) declaration pages for each insurance policy and (iv) lender's loss payable endorsement of the Collateral Agent for the benefit of the Secured Parties is not on the declarations page for such policy. As requested by the Collateral Agent, the Loan Parties agree to deliver to the Administrative Agent an Authorization to Share Insurance Information.

(c) Designation. Each Loan Party shall promptly notify the Collateral Agent of any Mortgaged Property that is, or becomes, a Flood Hazard Property.

6.08 Compliance with Laws.

Comply with (a) the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (i) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (ii) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect; or such compliance is stayed by the Chapter 11 Cases; and (b) the Bankruptcy Code, the Bankruptcy Rules, the Orders, and any other order of the Bankruptcy Court in all material respects.

6.09 Books and Records.

(a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Loan Party or such Subsidiary, as the case may be; and

(b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over such Loan Party or such Subsidiary, as the case may be.

6.10 Inspection Rights.

(a) The Borrower will permit the Administrative Agent (including, without limitation, the Administrative Agent's employees, agents, and designated representatives) and, if reasonably requested by any Lender, each such Lender (at each such Lender's expense and only in connection with an examination or appraisal by the Administrative Agent) to conduct, and will reimburse the Administrative Agent for all charges, costs and expenses of the Administrative Agent in connection with (i) examinations of any Loan Party's books and records or any other financial or Collateral matters as Agent deems appropriate, (ii) appraisals of Inventory, (iii) Real Property Appraisals, and (iv) appraisals of Equipment; provided, that, the Borrower shall not be obligated to pay the charges, costs and expenses of the Administrative Agent in connection with more than one examination, two Inventory Appraisals, one Equipment appraisal and one Real Property Appraisal during any calendar year; provided, however, that (x) if requested by the Administrative Agent in its sole discretion, the Borrower shall permit the Administrative Agent (including, without limitation, the Administrative Agent's employees, agents and designated representatives) and, if reasonably requested by any Lender, each such Lender (at each such Lender's expense and only in connection with an examination or appraisal by the Administrative Agent) to conduct one additional examination or appraisal by the Administrative Agent) to conduct additional examinations and one additional Inventory appraisal, Equipment appraisal and Real Property Appraisal during any calendar year, and (y) additional examinations or appraisals may be initiated at any time during a Default or Event of Default and all charges, costs and expenses relating thereto shall be reimbursed by Borrowers without regard to such limits. Notwithstanding the foregoing, provided that the DIP ABL Agent is conducting all commercial examinations and Inventory appraisals permitted under the DIP ABL Credit Agreement as in effect on the Effective Date and providing the Administrative Agent with the results of the same in the manner required by the Prepetition Intercreditor Agreement, the Administrative Agent shall not exercise its right to conduct and be reimbursed for separate commercial field examinations and Inventory appraisals under this Section 6.10(a).

(b) In connection with any entry into the Real Property Collateral, and upon reasonable request in writing (electronic mail deemed an acceptable form of request with respect to this Section 6.10(b)) and, so long as no Default exists or is continuing, reasonable advance written notice from Administrative Agent and/or Agent's representatives, the Borrower shall accord Administrative Agent and such representatives access during the Borrower's normal business hours to inspect the Real Property and all books and records relating to the use, operation, construction, or management thereof, subject in each case to the rights of tenants under written leases, and in connection with such access, will permit Administrative Agent and such representatives to conduct appraisals, to conduct environmental site assessments of every nature including without limitation sub-soil testing and/or examination, verify any information contained therein or relating thereto, and verify the Borrower's compliance with the provisions of this Agreement, the applicable Mortgage or of any other agreement between the Borrower and Administrative Agent, any Loan Documents and any instrument to be furnished by the Borrower to Administrative Agent, in each case relating to the Term Loans.

(c) The Administrative Agent shall have no duty to the Borrower to make any inspection, nor to share any results of any inspection, appraisal or report with the Borrower. The Borrower acknowledges that all inspections, appraisals and reports are prepared by the Administrative Agent for it and the Lenders for their purposes, and the Borrower shall not be entitled to rely upon them.

6.11 Use of Proceeds.

(c) The proceeds of the Term Loans will be used on and after the Effective Date only (i) to fund the Chapter 11 Cases in accordance with the Approved Budget (subject to variances permitted under Section 6.27), (ii) for the financing of the Borrower's and its Subsidiaries' ordinary working capital and other general corporate needs including certain fees and expenses of professionals retained by the Loan Parties, subject to the Carve Out, in each case, to the extent permitted under this Agreement and in accordance with the Approved Budget, and (iii) for certain other Prepetition and pre-filing expenses and payments that are approved by the Bankruptcy Court and permitted by the Approved Budget. The Loan Parties shall not be permitted to use the proceeds of the Term Loans in contravention of the provisions of the applicable Order or the Bankruptcy Code, including any restrictions or limitations on the use of proceeds contained therein. Any Postpetition payment of Prepetition Term Loan Obligations, including principal, interest, fees, penalties or recoverable costs, due and payable in connection with the Prepetition Term Loan Agreement with the proceeds of the Collateral (as defined herein) or Collateral (as defined in the Prepetition Term Loan Agreement) shall be made in accordance herewith and with the Orders.

(d) No part of the proceeds of any Term Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase, acquire or carry any Margin Stock or (ii) for any purpose that entails a violation of any of the regulations of the FRB, including Regulations T, U, and X. The Borrower will not request any Term Loan, and the Borrower shall not use, and shall ensure that each Loan Party, their respective Subsidiaries and their respective directors, officers, employees and agents shall not use, the proceeds of any Term Loan (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or (B) in any manner that would result in the violation of any Anti-Money Laundering Laws, applicable Sanctions or any Anti-Terrorism Laws by any Person (including the Administrative Agent or any Lender).

6.12 Material Contracts.

Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect and enforce each such Material Contract in accordance with its terms.

6.13 Covenant to Guarantee Obligations.

The Loan Parties will cause each of their Material Domestic Subsidiaries whether newly formed, after acquired or otherwise existing (including, without limitation, upon the formation of any Subsidiary that is a Delaware Divided LLC) to promptly (and in any event within thirty (30) days after such Material Domestic Subsidiary is formed or acquired (or such longer period of time as agreed to by the Administrative Agent in its reasonable discretion)) become a Guarantor hereunder by way of execution of a Joinder Agreement. In connection therewith, the Loan Parties shall give notice to the Administrative Agent not less than ten (10) days prior to creating a Subsidiary (or such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion), or acquiring the Equity Interests of any other Person. In connection with the foregoing, the Loan Parties shall deliver to the Administrative Agent, with respect to each new Guarantor to the extent applicable, substantially the same documentation required pursuant to Sections 4.01(b) – (f) and 6.14 and such other documents or agreements as the Administrative Agent may reasonably request, including without limitation, updated Schedules 1.01(c), 5.10, 5.20(a), 5.20(b), 5.21(b), 5.21(c), 5.21(d)(i), 5.21(d)(ii), 5.21(e), 5.21(f), 5.21(g) and 5.21(h).

6.14 Covenant to Give Security.

Except with respect to any property which, subject to the terms of Section 7.03(e), is subject to a Lien pursuant to documents that prohibit such Loan Party from granting any other Liens in such property, and subject to Section 6.17 and entry of the Orders:

(a) Equity Interests and Personal Property. Each Loan Party will cause the Pledged Collateral and all of its tangible and intangible personal property now owned or hereafter acquired by it to be subject at all times to a first priority, perfected Lien (subject to Permitted Liens to the extent permitted by the Loan Documents) in favor of the Collateral Agent for the benefit of the Secured Parties to secure the Obligations pursuant to the terms and conditions of the Collateral Documents. Each Loan Party shall provide any filings and deliveries reasonably necessary in connection therewith to perfect the security interests therein, all in form and substance reasonably satisfactory to the Administrative Agent. Notwithstanding anything to the contrary in any of the Loan Documents, the Loan Parties shall not have any obligation to perfect any security interest or lien in any Intellectual Property included in the Collateral in any jurisdiction other than the United States of America.

(b) [Reserved].

(c) Account Control Agreements. Each of the Loan Parties shall not open, maintain or otherwise have any deposit or other accounts (including securities accounts) at any bank or other financial institution, or any other account where money or securities are or may be deposited or maintained with any Person, other than (a) deposit accounts that are maintained at all times with depository institutions as to which the Administrative Agent shall have received a Qualifying Control Agreement, (b) securities accounts that are maintained at all times with financial institutions as to which the Administrative Agent shall have received a Qualifying Control Agreement, (c) deposit accounts established solely to fund payroll, payroll Taxes and similar employment Taxes or employee benefits and other zero balance accounts and (d) other deposit

accounts, so long as at any time the balance in any such account does not exceed \$100,000 and the aggregate balance in all such accounts does not exceed \$250,000. The Loan Parties shall be the sole account holders of each Deposit Account and Securities Account set forth on Schedule 5.21(d)(i) and shall not allow any Person (other than any Agent, the DIP ABL Agent, the Prepetition Term Loan Agent, the Prepetition ABL Agent, and the depository bank) to have control over their Deposit Accounts, Securities Accounts or any Property deposited therein.

(d) [Reserved].

(e) Further Assurances. At any time upon the reasonable request of the Administrative Agent, promptly execute and deliver any and all further instruments and documents and take all such other action as the Administrative Agent reasonably may deem necessary or desirable to maintain in favor of the Administrative Agent, for the benefit of the Secured Parties, Liens and insurance rights on the Collateral that are duly perfected in accordance with the requirements of, or the obligations of the Loan Parties under, the Loan Documents and all applicable Laws.

6.15 Further Assurances.

Promptly upon request by the Administrative Agent, or any Lender through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable Law, subject any Loan Party's or any of its Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (iii) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (iv) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

6.16 Anti-Corruption and Anti-Terrorism Laws.

Conduct its businesses in compliance in all material respects with the PATRIOT Act, the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such laws.

6.17 Post-Closing Deliverables.

Satisfy all the requirements set forth on Schedule 6.17 within the time period specified therein, or such longer time period as acceptable to Administrative Agent.

6.18 Accounts.

(a) The Borrower shall keep accurate and complete records of its Accounts, including all payments and collections thereon, and shall submit to the Administrative Agent all materials and notices provided to the ABL Agent pursuant to Section 6.18 of the ABL Credit Agreement.

(b) If an Account of the Borrower includes a charge for any Taxes and an Event of Default has occurred and is continuing, the Administrative Agent is authorized, in its discretion, to pay the amount thereof to the proper taxing authority for the account of the Borrower and to charge the Borrower therefor; provided, that neither Agent nor Lenders shall be liable for any Taxes that may be due from the Borrower or relate to any Collateral.

(c) [Reserved].

(d) The Loan Parties shall at all times comply with the provisions of Section 6.18 of the DIP ABL Credit Agreement, as in effect on the date hereof. The Borrower shall maintain Dominion Accounts pursuant to lockbox or other arrangements acceptable to the Administrative Agent. The Borrower shall obtain an agreement (in form and substance satisfactory to the Administrative Agent) from each lockbox servicer and Dominion Account bank, establishing the Administrative Agent's control over and Lien in the lockbox or Dominion Account requiring immediate deposit of all remittances received in the lockbox to a Dominion Account, and waiving offset rights of such servicer or bank, except for customary administrative charges. At any time following the termination of the DIP ABL Facility, the Administrative Agent may require immediate transfer of all funds in such account to a Dominion Account. The Administrative Agent and Lenders assume no responsibility to the Borrower for any lockbox arrangement or Dominion Account, including any claim of accord and satisfaction or release with respect to any payment items accepted by any bank.

(e) The Borrower shall request in writing and otherwise take all necessary steps to ensure that all payments on Accounts or otherwise relating to Collateral are made directly to a Dominion Account (or a lockbox relating to a Dominion Account) and applied to the ABL Loans in the manner required by the ABL Credit Agreement. If the Borrower or any other Loan Party receives cash or payment items with respect to any Collateral, it shall hold same in trust for the ABL Agent and, subject to the Intercreditor Agreement, the Administrative Agent and promptly (not later than the next Business Day) deposit same into a Dominion Account in accordance with the provisions of the ABL Credit Agreement.

6.19 Inventory.

(a) The Borrower shall keep accurate and complete records of its Inventory, including costs and daily withdrawals and additions, and shall submit to the Administrative Agent inventory and reconciliation reports in form satisfactory to the Administrative Agent, on such periodic basis as the Administrative Agent may reasonably request. The Borrower shall conduct a physical inventory at least once per calendar year (and on a more frequent basis if requested by the Administrative Agent when an Event of Default exists) and periodic cycle counts consistent with historical practices and shall provide to the Administrative Agent a report based on each such inventory and count promptly upon completion thereof, together with such supporting information as the Administrative Agent may request. The Administrative Agent may participate in and observe each physical count.

(b) The Borrower shall not return any Inventory to a supplier, vendor or other Person, whether for cash, credit or otherwise, unless (a) such return is in the Ordinary Course of Business; (b) no Default or Event of Default exists or would result therefrom; (c) the Administrative Agent is promptly notified if the aggregate Value of all Inventory returned in any month exceeds \$250,000; and (d) any payment received by a Borrower for a return is promptly remitted to the Administrative Agent for application to the Obligations.

(c) The Borrower shall not acquire or accept any Inventory on consignment or approval and shall take all steps to assure that all Inventory is produced in accordance with applicable Law, including the FLSA. The Borrower shall not sell any Inventory on consignment or approval or any other basis under which the customer may return or require the Borrower to repurchase such Inventory. The Borrower shall use, store and maintain all Inventory with reasonable care and caution, in accordance with applicable standards of any insurance and in conformity with all applicable Law, and shall make current rent payments (within applicable grace periods provided for in leases) at all locations where any Collateral is located.

(d) The Borrower shall deliver, on or before the third Business Day of each week, prepared as of the last day of the most recent week, a report listing (A) all Inventory and all Eligible Inventory of Borrower, (B) the cost thereof, (C) raw materials, work-in-process, and finished goods, and (D) all Inventory which has not been timely sold in the ordinary course of business.

6.20 Equipment.

(a) The Borrower shall keep accurate and complete records of its Equipment, including kind, quality, quantity, cost, acquisitions and dispositions thereof (including, without limitation, a designation as to the location of its Equipment), and shall submit to the Administrative Agent at such times as the Administrative Agent may reasonably request, a current schedule thereof, in form satisfactory to the Administrative Agent. Promptly upon request, the Borrower shall deliver to the Administrative Agent evidence of their ownership or interests in any Equipment.

(b) The Borrower shall not sell, lease or otherwise dispose of any Equipment, without the prior written consent of Agent, other than (a) a Disposition permitted by Section 7.05; and (b) replacement of Equipment that is worn, damaged or obsolete with Equipment of like function and value, if the replacement Equipment is acquired substantially contemporaneously with such disposition and is free of Liens.

(c) The Equipment is in good operating condition and repair, and all necessary replacements and repairs have been made so that its value and operating efficiency are preserved at all times, reasonable wear and tear excepted. The Borrower shall ensure that the Equipment is mechanically and structurally sound, and capable of performing the functions for which it was designed, in accordance with manufacturer specifications. The Borrower shall not permit any Equipment to become affixed to Real Property unless any landlord or mortgagee delivers a Lien Waiver.

6.21 Location of Collateral.

All tangible items of Collateral, other than Inventory in transit, shall at all times be kept by the Loan Parties at the business locations set forth in Schedule 5.21(g), except that the Loan Parties may (a) make sales or other dispositions of Collateral in accordance with Section 7.05; and (b) move Collateral to another location in the United States, upon 30 Business Days prior written notice to the Administrative Agent. Upon request, provide the Administrative Agent with copies of all existing agreements, and promptly after execution thereof provide the Administrative Agent with copies of all future agreements, between a Loan Party and any landlord, warehouseman, processor, shipper, bailee or other Person that owns any premises at which any Collateral may be kept or that otherwise may possess or handle any Collateral.

6.22 Insurance of Collateral; Condemnation Proceeds; Protection of Collateral.

(a) The Loan Parties shall maintain insurance with respect to the Collateral, covering casualty, hazard, theft, malicious mischief, flood and other risks, in amounts, with endorsements and with insurers (with a Best rating of at least A+, unless otherwise approved by Agent in its discretion) satisfactory to the Administrative Agent; provided, that if Real Property secures any Obligations, flood hazard diligence, documentation and insurance for such Real Property shall comply with all Flood Laws or shall otherwise be satisfactory to all Lenders. In addition to the insurance required hereunder with respect to Collateral, maintain insurance with insurers (with a Best rating of at least A+, unless otherwise approved by the Administrative Agent in its discretion) satisfactory to the Administrative Agent, (a) with respect to the Properties and business of the Loan Parties of such type (including product liability, workers' compensation, larceny, embezzlement, or other criminal misappropriation insurance), in such amounts, and with such coverages and deductibles as are customary for companies similarly situated; and (b) business interruption insurance in an amount not less than \$25,000,000 with deductibles and subject to an endorsement or assignment reasonably satisfactory to the Administrative Agent. All proceeds under each policy shall, subject to the Intercreditor Agreement, be payable to the Administrative Agent and, if no Default or Event of Default exists, shall be paid by the Administrative Agent into a Dominion Account. From time to time upon request, the Loan Parties shall deliver to the Administrative Agent the originals or certified copies of its insurance policies and updated flood plain searches. Unless the Administrative Agent shall agree otherwise, each policy shall include satisfactory endorsements (i) showing the Administrative Agent as lender's loss payee; (ii) requiring 30 days prior written notice to the Administrative Agent in the event of cancellation of the policy for any reason whatsoever; and (iii) specifying that the interest of the Administrative Agent shall not be impaired or invalidated by any act or neglect of the Borrower or the owner of the Property, nor by the occupation of the premises for purposes more hazardous than are permitted by the policy. If any Loan Party fails to provide and pay for any insurance, the Administrative Agent may, in its discretion, procure the insurance and charge the Borrower therefor. Each Loan Party agrees to deliver to the Administrative Agent, promptly as rendered, copies of all reports made to insurance companies. While no Event of Default exists, the Loan Parties may settle, adjust or compromise any insurance claim, as long as the proceeds are delivered to the Administrative Agent. If an Event of Default exists, only the Administrative Agent may settle, adjust and compromise such claims.

(b) Subject to Section 6.22(a) and to the terms of the Intercreditor Agreement, any proceeds of insurance (other than workers' compensation) and awards from condemnation of Collateral shall be paid directly to the Administrative Agent for application to the Obligations.

(c) If requested by the Borrower in writing within 15 days after the Administrative Agent's receipt of any insurance proceeds or condemnation awards relating to any loss or destruction of Equipment or Real Property (unless previously applied to the Term Loans pursuant to Section 2.05(b)), the Borrower may use such proceeds or awards to repair or replace such Equipment or Real Property (and until so used, the proceeds shall be held by the Administrative Agent as Cash Collateral) as long as (i) no Default or Event of Default exists; (ii) such repair or replacement is promptly undertaken and concluded, in accordance with plans reasonably satisfactory to the Administrative Agent; (iii) replacement buildings are constructed on the sites of the original casualties and are of comparable size, quality and utility to the destroyed buildings; (iv) the repaired or replaced Property is free of Liens, other than Permitted Liens that are not Purchase Money Liens; (v) the Borrower complies with disbursement procedures for such repair or replacement as the Administrative Agent may reasonably require; (vi) the aggregate amount of such proceeds or awards from any single casualty or condemnation does not exceed \$2,000,000; (vii) the casualty, condemnation or damage has not occurred during the last year of the term of the Term Loans; and (viii) the restoration of the Real Property is estimated to require less than one year to complete from the date of the occurrence.

(d) All expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping any Collateral, all Taxes payable with respect to any Collateral (including any sale thereof), and all other payments required to be made by the Administrative Agent to any Person to realize upon any Collateral, shall be borne and paid by the Borrower. The Administrative Agent shall not be liable or responsible in any way for the safekeeping of any Collateral, for any loss or damage thereto (except for reasonable care in its custody while Collateral is in the Administrative Agent's actual possession), for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency or other Person whatsoever, but the same shall be at the Borrower's sole risk.

6.23 Defense of Title.

Each Loan Party shall defend its title to Collateral and the Administrative Agent's Liens therein against all Persons, claims and demands, except Permitted Liens.

6.24 Intellectual Property.

(a) Each Loan Party will, and will cause each Subsidiary to, (i) maintain its ownership of all Intellectual Property owned by such Loan Party and each Subsidiary, and shall not knowingly do any act, or omit to do any act, whereby any owned Intellectual Property may lapse, become abandoned or cancelled, or dedicated to the public, except in each case for immaterial Intellectual Property which is no longer used or useful in any material respect in the Business of the Loan Parties, and (ii) take such actions as it shall deem appropriate under the circumstances in the United States Patent and Trademark Office and the United States Copyright Office to pursue any application and maintain any registration of each trademark, patent, and copyright owned by such Loan Party or Subsidiary of such Loan Party, except in each case for immaterial Intellectual Property which is no longer used or useful in any material respect in Business of the Loan Parties and (iii) without limiting the foregoing, register any material domain name(s) under the name of such Loan Party or Subsidiary of such Loan Party, in each of clause (i) through (iii) above except as could not reasonably be expected to have, either individually or in the aggregate, a material adverse effect on the value of the Loan Parties' and their Subsidiaries' Intellectual Property taken as a whole.

(b) Each Loan Party shall keep each material License affecting any Collateral (including the manufacture, distribution or disposition of Inventory) or any other material Property of the Loan Parties in full force and effect; promptly notify the Administrative Agent of any proposed modification to any such License, or entry into any new License, in each case at least 30 days prior to its effective date; pay all royalties and other amounts when due under any License; and notify the Administrative Agent of any default or breach asserted by any Person to have occurred under any License.

6.25 Engagement and Retention of Chief Transformation Officer, Investment Bank and Consultants.

(a) The Loan Parties shall continue to retain the Chief Transformation Officer and such additional advisors as may be reasonably requested by the Administrative Agent and on terms and conditions reasonably satisfactory to Administrative Agent. The Loan Parties and their representatives will cooperate with any such advisors and consultants (including the Chief Transformation Officer) and grant them access to the books and records of the Loan Parties. The Loan Parties hereby (i) authorize the Administrative Agent (or its agents or advisors) to communicate directly with the Chief Transformation Officer regarding any and all matters related

to the Loan Parties and their Affiliates, including, without limitation, all financial reports and projections developed, reviewed or verified by the Chief Transformation Officer and all additional information, reports and statements reasonably requested by the Administrative Agent (provided, that (A) representatives of the Loan Parties shall be given the opportunity to participate in any such communications and (B) if an issue is to be discussed or otherwise arises which, in the good faith judgment of the Loan Parties, cannot be discussed in the presence of such advisors and consultants in order to preserve an attorney-client or accountant-client privilege, then such issue may be discussed without such advisor or consultant being present and may be redacted as necessary to preserve such privilege from any materials being distributed in connection with such communications), and (ii) authorize and direct the Chief Transformation Officer to provide the Administrative Agent (or its agents or advisors) with copies of reports and other information or materials prepared or reviewed by the Chief Transformation Officer as the Administrative Agent may reasonably request (in each case, subject to protection as necessary in respect of bona fide attorney-client privilege). The Loan Parties shall host periodic telephonic conference calls with the Administrative Agent, the Lenders and the Administrative Agent's Advisors, if requested by the Administrative Agent, to discuss such matters as the Administrative Agent may reasonably request (which may include calls with the Chief Transformation Officer to discuss the contents of variance reports). Notwithstanding anything to the contrary contained in this Section 6.25 or any other provision contained herein or in any other Loan Document, none of the Loan Parties will be required to disclose or permit access to any document, information or other matter (i) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding agreement or (ii) that is subject to attorney client or similar privilege or constitutes attorney work product.

(b) At all times, the Loan Parties shall continue to retain the Investment Bank, or any replacement thereof from time to time that is satisfactory to the Required Lenders and engaged promptly after the resignation or dismissal of the existing Investment Bank, as their investment banker pursuant to the scope of the engagement previously entered into on or before the Effective Date (the "Investment Bank Engagement Letter"), or a replacement in scope of engagement upon substantially similar terms as the Investment Bank Engagement Letter or otherwise acceptable to the Administrative Agent.

6.26 Lender Meetings; Sale Process.

(a) At least once every calendar week, or more frequently as requested by the Administrative Agent, the Borrower shall conduct or cause to be conducted update conference calls with the Investment Bank, the Chief Transformation Officer, the Administrative Agent and the Lenders (and the Borrower's and the Administrative Agent's respective counsel) regarding the Chapter 11 Cases and provide updates to the Administrative Agent and the Lenders regarding the planned disposition or liquidation of any assets of the Borrower and any proposed changes to the Borrower's business or operations in connection with such transactions. The Borrower shall cause the Chief Transformation Officer to deliver to it any deliverables required under the Chief Transformation Officer's engagement letter and, as soon as practicable (but in no event later than three days after receipt) after receiving any deliverables required under the Chief Transformation Officer's engagement letter, the Borrower shall deliver or cause to be delivered copies of such deliverables to the Administrative Agent for distribution to the Lenders.

(b) No later than May 27, 2022, the Borrower's management shall provide a presentation to the Administrative Agent, the Lenders and the DIP ABL Agent (and the Borrower's, the Administrative Agent's and the DIP ABL Agent's respective counsel) regarding the Australia and China businesses.

(c) The Loan Parties shall, and shall cause the Investment Bank to, continue to market for sale the assets of the Loan Parties on both a going concern basis and liquidation basis (i.e. marketing separately working capital assets, real estate (as a whole and by property), machinery and Equipment, Intellectual Property and stock of foreign Subsidiaries (collectively and by Subsidiary), and shall cause the Investment Bank to target all appropriate buyers of such assets including strategic buyers as well as nationally known liquidation firms.

(d) Any “stalking horse bid” status that the Borrower wishes to designate on a bid must be reasonably acceptable to the Administrative Agent and the DIP ABL Agent. Any dispute among the parties with respect to the designation of a stalking horse bidder shall be settled by the Bankruptcy Court, and all parties shall be bound by the Bankruptcy Court’s ruling.

6.27 Approved Budget.

(a) The use of proceeds of the Term Loans by the Loan Parties under this Agreement and the other Loan Documents shall be limited in accordance with the Approved Budget (subject to variances permitted under this Section 6.27) and the terms hereof. The initial Approved Budget shall depict, on a weekly basis, cash receipts, operating disbursements, operating cash flow, debt payments, bankruptcy related disbursements, net cash flow, beginning and ending cash and debt balances, excess availability, total liquidity, ABL Borrowing Base calculations and the other items set forth therein, for the first seven (7) week period from the Effective Date (it being acknowledged and agreed that the initial Approved Budget attached hereto as Annex A is approved by and satisfactory to the Administrative Agent and the Required Lenders). The Borrower may request from time to time that the then effective Approved Budget be updated, modified or supplemented (each, a “Budget Modification”). Any Budget Modification must be in form and substance reasonably satisfactory to the Administrative Agent, and no Budget Modification shall be effective without the prior written consent (which may be provided via email transmission) of the Administrative Agent; provided, however, that in the event the Administrative Agent, on the one hand, and the Borrower, on the other hand, cannot agree as to any proposed Budget Modification, then the existing Approved Budget shall continue in effect. Each Budget Modification request delivered to the Administrative Agent shall be accompanied by such supporting documentation as reasonably requested by the Administrative Agent and the Required Lenders. Upon the Administrative Agent’s written consent to any Budget Modification, the Approved Budget shall be deemed updated to include the update, modification and/or supplements described in such Budget Modification. The Approved Budget and each Budget Modification thereto shall be prepared in good faith based upon assumptions which the Borrower believes to be reasonable at the time made.

(b) For the third calendar week following the Petition Date, the Borrower shall not permit: (i) the Actual Cash Receipts for the Cumulative Two-Week Period to be greater than 15.0% less than the Budgeted Total Receipts for the Cumulative Two-Week Period; (ii) the Actual Cash Disbursements for the Cumulative Two-Week Period to be greater than or equal to 15.0% more than the Budgeted Total Disbursements for the Cumulative Two-Week Period; or (iii) the Actual Net Cash Flow for the Cumulative Two-Week Period to be greater than 10.0% less than the Budgeted Net Cash Flow for the Cumulative Two-Week Period.

(c) Commencing with the fourth calendar week following the Petition Date and for each calendar week thereafter, the Borrower shall not permit: (i) the Actual Cash Receipts for the Cumulative Three-Week Period to be greater than 15.0% less than the Budgeted Total Receipts for the Cumulative Three-Week Period; (ii) the Actual Cash Disbursements for the Cumulative Three-Week Period to be greater than or equal to 15.0% more than the Budgeted Total Disbursements for the Cumulative Three-Week Period; or (iii) the Actual Net Cash Flow for the Cumulative Three-

Week Period to be greater than 10.0% less than the Budgeted Net Cash Flow for the Cumulative Three-Week Period.

(d) The Borrowers shall deliver to the Administrative Agent on or before 12:00 p.m. on Thursday (or such later time as approved by the Administrative Agent in its sole discretion) of each week, commencing on May 19, 2022, a Budget Compliance Certificate and such Budget Compliance Certificate shall include such detail as is reasonably satisfactory to the Administrative Agent, signed by a Responsible Officer of the Borrower Agent (i) certifying that (A) the Borrowers are in compliance with the covenant contained in clause (b) or clause (c) of this Section 6.27, as applicable, and (B) no Default or Event of Default has occurred or, if such a Default or Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, and (ii) attaching an Approved Budget Variance Report.

(e) The Administrative Agent and the Lenders (i) may assume that the Loan Parties will comply with the Approved Budget, (ii) shall have no duty to monitor such compliance and (iii) shall not be obligated to pay (directly or indirectly from the Collateral) any unpaid expenses incurred or authorized to be incurred pursuant to any Approved Budget. The line items in the Approved Budget for payment of interest, expenses and other amounts to the Administrative Agent and the Lenders are estimates only, and the Loan Parties remain obligated to pay any and all Obligations in accordance with the terms of the Loan Documents and the applicable Order regardless of whether such amounts exceed such estimates. Nothing in any Approved Budget (including any estimates of a loan balance in excess of borrowing base restrictions) shall constitute an amendment or other modification of any Loan Document or any of the borrowing base restrictions or other lending limits set forth therein.

(f) The Borrowers shall deliver by no later than 12:00 p.m. on Thursday after the end of each calendar week (commencing on the Thursday following the Effective Date), a rolling 7-week cash flow forecast for the Loan Parties and their Subsidiaries, commencing with such week, consistent with the form and level of detail set forth in the Approved Budget.

6.28 Required Milestones.

The Loan Parties shall comply with each of the covenants contained on Schedule 6.28 upon the terms and at the times provided for therein (as such times may be extended by the Administrative Agent up to five (5) Business Days, or longer with the consent of the Required Lenders).

6.29 Administrative Agent's Advisors.

The Administrative Agent, on behalf of itself and the Lenders, shall be entitled to retain or to continue to retain (either directly or through counsel) any financial advisor, auditor or any other consultant as it may deem reasonably necessary (collectively, the "Administrative Agent's Advisors") to provide advice, analysis and reporting for the benefit of the Administrative Agent and the Lenders. The Loan Parties shall pay all reasonable and documented fees and expenses of each Administrative Agent's Advisor and all such reasonable and documented fees and expenses shall constitute Obligations and be secured by the Collateral. The Loan Parties and their advisors (including the Chief Integration Officer) shall grant access to, and cooperate with, the Administrative Agent, the Lenders, the Administrative Agent's Advisors, and any other representatives of the foregoing and provide all information that such parties may request in a timely manner (subject to the last sentence of Section 6.25(a)).

6.30 Order.

Notwithstanding anything herein to the contrary, no portion or proceeds of the Term Loans or the Collateral, and no disbursements set forth in the Approved Budget, shall be used for the payments or purposes which would violate the terms of the Order.

6.31 Debtor-in-Possession Obligations.

Comply in a timely manner with its obligations and responsibilities as a debtor-in-possession under the Bankruptcy Code, the Bankruptcy Rules, and any other order of the Bankruptcy Court.

6.32 DIP ABL Credit Facilities.

The Loan Parties shall keep and maintain the DIP ABL Credit Agreement in full force and effect and use the proceeds of advances thereunder solely for purposes and in amounts set forth in the Approved Budget (subject to variances permitted under Section 6.27) and as permitted by the DIP ABL Credit Agreement, the DIP ABL Loan Documents and the Orders. The Borrower shall not deliver a DIP Term Loan Funding Request at any time that ABL Availability (determined after giving effect to any contemporaneous borrowing under the DIP ABL Credit Agreement) is greater than \$100,000 (or such lesser amount as determined by the DIP ABL Agent and the Borrower pursuant to Section 2.02(a) of the DIP ABL Facility).

6.33 Sale Process.

The Borrower shall cause the Investment Bank to market and seek bids for the Borrower and its Subsidiaries both on a going concern basis and for their various assets, including bids for Real Property (including for individual properties), machinery and equipment, inventory and accounts receivable, intellectual property and the Capital Stock of all foreign Subsidiaries.

ARTICLE VII

NEGATIVE COVENANTS

Each of the Loan Parties hereby covenants and agrees that on the Effective Date and thereafter until the Facility Termination Date, no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

7.01 Liens.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, and whether real property or personal property, except for the following (the “Permitted Liens”):

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the Petition Date and listed on Schedule 7.01 and any renewals or extensions thereof, provided, that (i) the property or asset covered thereby has not changed, (ii) the outstanding principal amount thereof secured by such property or asset does not increase, and (iii) the Borrower or Subsidiary liable with respect thereto has not changed;

(c) Liens for Taxes that are not yet due for a period of more than thirty (30) days and that are being contested in good faith and by appropriate proceedings diligently conducted, if

adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen, repairmen, construction contractors and suppliers and other Liens imposed by law or pursuant to customary reservations or retentions of title arising in the Ordinary Course of Business;

(e) (i) pledges or deposits in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA, and (ii) pledges and deposits of cash in the Ordinary Course of Business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to the Borrower or any Subsidiary;

(f) deposits to secure the performance of bids, trade contracts, governmental contracts and leases (other than Indebtedness for borrowed money), statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the Ordinary Course of Business;

(g) easements, rights-of-way, restrictions, encroachments, protrusions and other similar encumbrances and minor title defects affecting real property that, in the aggregate, do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) that do not result in an Event of Default under Section 8.01(h);

(i) Liens (other than Liens on Accounts and Inventory) securing Indebtedness permitted under Section 7.03(e); provided, that (i) such Liens do not at any time encumber any Property other than the Property financed by such Indebtedness, (ii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the Property subject to such Lien and (iii) such Liens attach to such Property concurrently with or within two hundred seventy (270) days after the acquisition, construction, replacement, repair or improvement thereof ("Purchase Money Liens");

(j) leases, licenses, subleases or sublicenses granted to others that constitute Permitted Transfers;

(k) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under leases or licenses entered into by the Borrower or any Subsidiary in the Ordinary Course of Business and covering only the assets so leased, subleased, licensed or sublicensed and Liens arising from precautionary Uniform Commercial Code financing statements or similar filings (or equivalent filings, registrations or agreements in foreign jurisdictions) in connection with any such applicable leases or subleases;

(l) Liens in favor of the Prepetition ABL Agent securing Indebtedness permitted by Section 7.03(h), subject at all times to the terms of the Prepetition Intercreditor Agreement and the Orders;

(m) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions not arising in connection with the issuance or repayment of Indebtedness;

(n) Liens of a collection bank arising under Section 4-210 of the UCC on items in the course of collection;

(o) [reserved];

(p) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(q) [reserved];

(r) [reserved];

(s) [reserved];

(t) [reserved];

(u) [reserved];

(v) Liens that are contractual rights of setoff (i) relating to pooled deposit or sweep accounts of the Borrower or its Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the Ordinary Course of Business of the Borrower and the Subsidiaries or (ii) relating to purchase orders and other agreements entered into with customers of the Borrower or any of the Subsidiaries in the Ordinary Course of Business;

(w) Liens solely on any cash earnest money deposits made by the Borrower or any of the Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder in an aggregate amount outstanding at any time of no more than \$250,000;

(x) [reserved];

(y) [reserved];

(z) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(aa) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of (i) the Borrower, individually, or (ii) the Borrower and its Subsidiaries, taken as a whole;

(bb) [reserved];

(cc) Liens consisting of an agreement to Dispose of any property in a Disposition permitted under Section 7.05, in each case, solely to the extent such Investment or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(dd) [reserved];

(ee) [reserved];

(ff) the modification, replacement, renewal or extension of any Lien permitted of this Section 7.01; provided that (i) the Lien does not extend to any additional property other than (A) after-acquired property that is affixed or incorporated into the property covered by such Lien or financed by Indebtedness permitted under Section 7.03(e), and (B) proceeds and products thereof, and (ii) the renewal, extension or refinancing of the obligations secured or benefited by such Liens is permitted by Section 7.03;

(gg) Liens on property of Foreign Subsidiaries of the Borrower (excluding Liens on the Australian Real Property (as defined in the Prepetition Term Loan Credit Agreement) securing Indebtedness of Foreign Subsidiaries permitted under Section 7.03(u);

(hh) [reserved];

(ii) Liens on assets securing Indebtedness under the DIP ABL Loan Documents, so long as such Liens are subject to the Prepetition Intercreditor Agreement and the Orders;

(jj) the Carve Out; and

(kk) the Adequate Protection Liens and Adequate Protection Superpriority Claims.

Notwithstanding anything in this Section 7.01 to the contrary, in no event shall Accounts or Inventory be pledged as collateral to secure any Indebtedness other than the Obligations hereunder and under the Prepetition Term Loan Agreement or, subject to the Prepetition Intercreditor Agreement, the Prepetition ABL Obligation and the DIP ABL Obligations. Further, the prohibition in this Section 7.01 specifically includes any effort by any Debtor, an official committee in any Chapter 11 Case or any other party in interest in the Chapter 11 Cases, as applicable, to prime or create pari passu to any claims, Liens or interests of (A) the Administrative Agent and the Lenders or (B) until the indefeasible payment in full in cash of the Prepetition Term Loan Obligations, the Prepetition Term Loan Agent and the Prepetition Term Loan Lenders, any Lien, in each case, other than as set forth in the applicable Order and irrespective of whether such claims, Liens or interests may be “adequately protected”.

7.02 Investments.

Make or hold any Investments, except:

(a) Investments held by the Borrower and its Subsidiaries in the form of cash or Cash Equivalents;

(b) Investments existing as of the Effective Date (other than those referred to in Section 7.02(c)(i) and (ii)) and set forth in Schedule 7.02;

(c) Investments (i) in any Person that is a Loan Party, (ii) by the Borrower and other Loan Parties in and to Borrower and the other Loan Parties, and (iii) by any Subsidiary that is not a Loan Party in Borrower or in any Subsidiary, foreign or domestic;

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

- (e) Guarantees permitted by Section 7.03;
- (f) [reserved];
- (g) [reserved];
- (h) [reserved];
- (i) [reserved];
- (j) [reserved];
- (k) Investments representing non-cash consideration received in connection with any Disposition permitted hereunder;
- (l) [reserved];
- (m) [reserved];
- (n) Investments (including debt obligations, Capital Stock and Capital Stock Equivalents) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers arising in the Ordinary Course of Business or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;
- (o) [reserved];
- (p) [reserved];
- (q) [reserved];
- (r) [reserved]; and
- (s) Investments consisting of Liens, Indebtedness, fundamental changes, Dispositions and Restricted Payments permitted under Sections 7.01, 7.03, 7.04, 7.05 and 7.06, respectively.

7.03 Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness, except:

- (a) Indebtedness under the Loan Documents;
- (b) Indebtedness of the Borrower and its Subsidiaries existing on the Effective Date and listed on Schedule 7.03 (and renewals, refinancings and extensions thereof on terms and conditions (i) not materially less favorable to the applicable debtor(s), (ii) the then outstanding principal amount such Indebtedness is not increased at the time thereof except by an amount equal to a reasonable amount paid, and fees and expenses reasonably incurred in connection therewith and by an amount of any commitments unutilized thereunder and (iii) otherwise at then prevailing market terms);
- (c) The AUS Intercompany Indebtedness (as defined in the Prepetition Term Loan Agreement) and other intercompany Indebtedness owing from a Subsidiary to Borrower or to any

other Subsidiary of Borrower to the extent permitted under Section 7.02; provided that, the AUS Intercompany Indebtedness (as defined in the Prepetition Term Loan Agreement) and any such other Indebtedness which is secured shall be expressly subordinated in right of payment to the Obligations, and if evidenced by an intercompany note, such note shall be pledged to the Collateral Agent to secure the Obligations (and, in the case of the AUS Intercompany Indebtedness (as defined in the Prepetition Term Loan Agreement), such Indebtedness shall constitute DIP Term Loan Priority Collateral);

(d) obligations (contingent or otherwise) of Borrower or any Subsidiary existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the Ordinary Course of Business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a “market view”, and (ii) such Swap Contract is not for speculative purposes.

(e) purchase money Indebtedness (including obligations in respect of Capital Leases or Synthetic Leases, but excluding Indebtedness, if any, with respect to Inventory) hereafter incurred by Borrower or any of its Subsidiaries to finance the purchase, acquisition, construction, repair, replacement or improvement of fixed or capital assets, and renewals, refinancings and extensions thereof, provided, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed \$15,000,000;

(f) subject to the terms of the Prepetition Intercreditor Agreement, the Prepetition ABL Obligations and the DIP ABL Obligations;

(g) so long as no Event of Default has occurred and is continuing and the Loan Parties are in compliance with Section 7.11 on a pro forma basis, other unsecured Indebtedness of the Borrower in an aggregate principal amount outstanding at any time not to exceed \$10,000,000;

(h) [reserved];

(i) Indebtedness arising under any performance, bid, appeal or surety bond or under any performance or completion guarantee or similar obligations entered into in the Ordinary Course of Business in an aggregate principal amount outstanding at any time not to exceed \$5,000,000;

(j) [reserved];

(k) Indebtedness to current or former officers, directors, managers, consultants and employees (or their respective spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees) to finance the purchase or redemption of Capital Stock and Capital Stock Equivalents of the Borrower or its Subsidiaries to the extent permitted by Section 7.02(h);

(l) [reserved];

(m) obligations under any Cash Management Agreement (as defined in the ABL Loan Agreement) and other Indebtedness in respect of netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and other cash management and similar arrangements in the Ordinary Course of Business;

(n) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements, in each case, in the Ordinary Course of Business;

(o) Indebtedness incurred by Borrower or any Subsidiary in respect of letters of credit, bank guarantees, bankers' acceptances, warehouse receipts or similar instruments issued or created in the Ordinary Course of Business, including in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims, provided that upon the drawing of such letter of credit, the reimbursement of obligations in respect of bankers' acceptances and the incurrence of such Indebtedness, such obligations are reimbursed within thirty (30) days following such drawing, reimbursement obligation or incurrence;

(p) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (o) above and clause (u) below;

(q) [reserved];

(r) so long as the AUS Subordination Agreement remains in full force and effect, Indebtedness of the Borrower to AUS Armstrong under and in accordance with the AUS Intercompany Note (as defined in the Prepetition Term Loan Agreement) in an aggregate principal amount not in excess of \$25,000,000 plus the closing fee referenced therein and interest that is capitalized or paid in kind under and in accordance with the AUS Intercompany Note (as defined in the Prepetition Term Loan Agreement) at any time outstanding;

(s) [reserved];

(t) Indebtedness of Foreign Subsidiaries of Borrower (i) outstanding as of the Petition Date and set forth on Schedule 7.03 attached hereto, and (ii) additional Indebtedness incurred by Foreign Subsidiaries from time to time, in an aggregate principal amount of all such Indebtedness under the foregoing clauses (i) and (ii) not in excess of \$10,500,000 at any time outstanding (including, without limitation, the China Facility);

(u) the Carve Out; and

(v) Guarantees with respect to Indebtedness permitted under this Section 7.03.

7.04 Fundamental Changes.

Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person (including, in each case, pursuant to a Delaware LLC Division); provided that, notwithstanding the foregoing provisions of this Section 7.04 but subject to the terms of Sections 6.13 and 6.14, and so long as no Default exists or would result therefrom, (a) the Borrower may merge or consolidate with any of its Subsidiaries provided that, the Borrower shall be the continuing or surviving Person, (b) subject to the proviso in clause (a) with respect to any such transaction involving the Borrower, any Loan Party may merge or consolidate with any other Loan Party, (c) any Foreign Subsidiary (other than AUS Armstrong) may be merged or consolidated with or into any Loan Party provided that such Loan Party shall be the continuing or surviving corporation, (d) any Foreign Subsidiary (other than AUS Armstrong) may be merged or consolidated with or into any other Foreign Subsidiary, (e) [reserved], (f)

any Subsidiary may dissolve, liquidate or wind up its affairs at any time if such Subsidiary is inactive or holds assets of a de minimis value, (g) any Loan Party and any Subsidiary may make any Permitted Investments and (h) any Loan Party and any Subsidiary may make any Disposition permitted under Section 7.05.

7.05 Dispositions.

Make any Disposition or enter into any agreement to make any Disposition (other than, to the extent notice has been provided pursuant to Section 6.03(e), any agreement to consummate a Disposition that, upon consummation, would result in a Change of Control), except:

(a) any Disposition of Property not constituting Prepetition Term Loan Priority Collateral and/or DIP Term Loan Priority Collateral (i) for which the total consideration shall be in an amount not less than the fair market value of the Property disposed of, (ii) that does not involve a sale or other disposition of receivables, and (iii) for which the aggregate net book value of all of the assets sold or otherwise disposed of by the Borrower and its Subsidiaries in all such transactions occurring after the Effective Date shall not exceed \$4,000,000 in the aggregate;

(b) Dispositions permitted by Sections 7.02, 7.04, 7.06 and Liens permitted by Section 7.01;

(c) Dispositions in the Ordinary Course of Business of (i) Equipment that is no longer used or useful in the conduct of business and (ii) so long as no Default or Event of Default then exists or would arise therefrom, other Equipment and subject to Section 2.05(b), to the extent that (A) such Disposition is made for fair market value, (B) the Net Cash Proceeds paid in cash for any such Disposition is not less than the Appraised Value as reflected in the most recent appraisal of such Equipment (or, if the Appraised Value is not detailed for such particular piece of Equipment, not less than the greater of (x) the then fair market value thereof and (y) book value), (C) the aggregate amount of all such Dispositions shall not exceed \$1,000,000 during any period of twelve consecutive months and (D) such sale is in accordance with the Approved Budget;

(d) as long as no Default or Event of Default then exists or would arise therefrom, sales of Real Property, to the extent that, (i) the Net Cash Proceeds paid in cash for any such sale is not less than, with respect to any Real Property Collateral, 90% of the Appraised Value of such Real Property Collateral as reflected in the most recent Real Property Appraisal (or, with respect to other Real Property Collateral for which there is no Real Property Appraisal, for not less than the greater of 90% of (x) the then fair market value thereof and (y) book value), (ii) the Net Cash Proceeds of such sale are utilized to repay the obligations under the Prepetition Term Loan Agreement pursuant to Section 2.05(b), and (iii) such sale is in accordance with the Approved Budget;

(e) the lapse, abandonment or cancellation of immaterial Intellectual Property which is no longer used or useful in any material respect in the Business of the Loan Parties;

(f) as contemplated in the Asset Sale Motion which is in form and substance acceptable to the Administrative Agent; and

(g) Involuntary Dispositions.

7.06 Restricted Payments.

Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so (other than, to the extent notice has been provided pursuant to Section 6.03(e), any obligation to consummate a Restricted Payment that, upon consummation, would result in a Change of Control), or accept any capital contributions, except that, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) [reserved];

(b) each Subsidiary may make Restricted Payments (directly or indirectly) to its parent or to any Loan Party (and, in the case of a Restricted Payment by a non-wholly-owned Subsidiary, to each owner of Capital Stock in such Subsidiary on a pro rata basis based on such owner's respective ownership interests);

(c) the Borrower and each Subsidiary may (i) declare and make dividend payments or other distributions payable solely in common Capital Stock of such Person or (ii) redeem in whole or in part any of its Capital Stock for another class of Capital Stock or rights to acquire its Capital Stock or with proceeds from substantially concurrent equity contributions or issuances of new Capital Stock;

(d) to the extent constituting Restricted Payments, the Borrower and the Subsidiaries may enter into and consummate transactions expressly permitted by any provision of Sections 7.02, 7.03, 7.04, 7.05, or 7.08;

(e) repurchases of Capital Stock in the Borrower deemed to occur upon exercise of stock options or warrants if such Capital Stock represent a portion of the exercise price of such options or warrants;

(f) to the extent not prohibited by the Loan Documents, the Borrower may pay for the repurchase, retirement or other acquisition or retirement for value of Capital Stock of the Borrower by any future, present or former employee, director or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) of the Borrower or any Subsidiary so long as such purchase is pursuant to and in accordance with the terms of any employee or director equity plan, employee or director stock option plan or any other employee or director benefit plan or any agreement (including any stock subscription or shareholder agreement) with any employee, director or consultant of the Borrower or any Subsidiary; and

(g) the Borrower or any of its Subsidiaries may pay cash in lieu of fractional Equity Interests in connection with any dividend, split or combination thereof;

provided, that in each subsection (a) through (g) above, payment of any dividend or distribution pursuant to this Section 7.06 may be made within sixty (60) days after the date of declaration thereof, if (x) at the date of declaration (i) such payment would have complied with the provisions of this Agreement and (ii) no Event of Default occurred and was continuing and (y) at the date of such payment of such dividend or distribution, no Event of Default shall have occurred and be continuing.

7.07 Change in Nature of Business.

Engage in any material line of business substantially different from those lines of business conducted by Borrower and its Subsidiaries on the Effective Date or any business related, incidental, complementary or ancillary thereto or reasonable developments or extensions thereof.

7.08 Transactions with Affiliates.

Enter into or permit to exist any transaction or series of transactions with any Affiliate of such Person, other than (a) advances of working capital to any Loan Party, (b) transactions among Loan Parties, (c) intercompany transactions expressly permitted by Section 7.02, Section 7.03, Section 7.04, Section 7.05 or Section 7.06, (d) transactions among Borrower and its wholly-owned domestic Subsidiaries that are Loan Parties, and (e) except as otherwise specifically limited in this Agreement, other transactions, in each case, which are entered into in the ordinary course of such Person's business on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an officer, director or Affiliate.

7.09 Burdensome Agreements.

Enter into, or permit to exist, any Contractual Obligation that (i) encumbers or restricts the ability of any such Person to (A) pay dividends or make any other distributions to any Loan Party on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, (B) pay any Indebtedness or other obligation owed to any Loan Party, (C) make loans or advances to any Loan Party or (ii) prohibits or otherwise restricts the existence of any Lien upon the Property, whether now owned or hereafter acquired, of any Loan Party in favor of the Administrative Agent (for the benefit of the Lenders) for the purpose of securing the Obligations or (D) grants a Lien on any real property or real property interest owned or leased by any Loan Party; provided, that the foregoing clauses (i) and (ii) shall not apply to Contractual Obligations which:

- (a) arise in connection with this Agreement and the other Loan Documents;
- (b) arise pursuant to customary restrictions and conditions contained in any agreement relating to the sale of any Property permitted under Section 7.05 pending the consummation of such sale;
- (c) are customary restrictions on leases, subleases, licenses or sublicenses or sales otherwise permitted hereby so long as such restrictions relate to the assets subject thereto;
- (d) are customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under this Agreement;
- (e) are customary provisions restricting assignment of any agreement entered into in the Ordinary Course of Business;
- (f) are restrictions on cash or other deposits imposed by customers under contracts entered into in the Ordinary Course of Business;
- (g) relate to cash or other deposits permitted under this Agreement;
- (h) (i) exist on the date hereof and (to the extent not otherwise permitted by this Section 7.09) are listed on Schedule 7.09 hereto and (ii) to the extent Contractual Obligations permitted by clause (i) are set forth in an agreement evidencing Indebtedness, are set forth in any agreement evidencing any permitted modification, replacement, renewal, extension or refinancing of such Indebtedness so long as such modification, replacement, renewal, extension or refinancing does not expand the scope of such Contractual Obligation;

(i) arise in connection with the Prepetition Term Loan Documents, the DIP ABL Loan Documents, the Prepetition ABL Documents or the AUS Subordination Agreement;

(j) arise in connection with restrictions and conditions on any Foreign Subsidiary organized under the laws of the People's Republic of China or any state or other political subdivision thereof;

(k) arise in connection with any document or instrument governing Indebtedness incurred pursuant to clauses (b), (d), (e), (g), (j) or (q) of Section 7.03, provided that any such restriction contained therein relates only to the asset to which such Indebtedness is related; and

(l) arise in connection with any Indebtedness of a Subsidiary which is not a Loan Party which is permitted by Section 7.03.

7.10 Use of Proceeds.

Use the proceeds of any Term Loan, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11 Financial Covenants.

(a) Minimum ABL Availability. Permit ABL Availability at any time during any month specified in the table below to be less than \$13,000,000.

(b) Minimum Formula Availability Amount. Permit the Formula Availability Amount, at any time during in any month specified in the table below to be less than the minimum Formula Availability Amount specified in the table below opposite such month; provided, that if the Minimum Formula Availability Amount reported in any weekly ABL Borrowing Base Report does not satisfy the requirement below, the Borrower may submit a replacement ABL Borrowing Base Report on Wednesday of the immediately following week, recalculating Formula Availability Amount from Monday of the prior week through Tuesday of such following week if such calculation would result in the Borrower satisfying the minimum Formula Availability Amount applicable to such prior week (provided, further, that if such replacement ABL Borrowing Base Report delivered in accordance with the preceding proviso would be delivered in the month occurring after the month in which the non-compliant weekly ABL Borrowing Base Report was delivered, the updated calculation of the Formula Availability Amount set forth in the replacement Borrowing Base Report must demonstrate compliance with the minimum Formula Availability Amount for the month in which the non-compliant weekly ABL Borrowing Base Report was delivered):

Applicable Month	Minimum Formula Availability Amount
May 2022	\$96,000,000
June 2022 and each month thereafter	\$94,000,000

(c) Minimum Gross Accounts Receivable and Inventory. Permit Gross Accounts Receivable and Inventory, at any time during any week specified in the table below, to be less than the minimum Gross Accounts Receivable and Inventory specified in the table below opposite such week:

At any time during the weeks ending	Minimum Aggregate Inventory and Accounts Receivable Level
5/29/2022	\$163.2 million
6/5/2022	\$160.6 million
6/12/2022	\$157.8 million
6/19/2022	\$155.5 million
6/26/2022 and thereafter	\$149.2 million

7.12 Amendments of Organization Documents; Fiscal Year; Legal Name, State of Formation; Form of Entity and Accounting Changes.

- (a) Amend any of its Organization Documents in a manner materially adverse to the Lenders;
- (b) change its fiscal year;
- (c) without providing ten (10) days prior written notice to the Administrative Agent (or such extended period of time as agreed to by the Administrative Agent), change its name, state of formation, form of organization or principal place of business;
- (d) make any change in accounting policies or reporting practices, except as required by GAAP and in accordance with Section 1.03; or
- (e) amend, supplement, modify (i) the Prepetition ABL Loan Documents except to the extent permitted under the Prepetition Intercreditor Agreement, or (ii) the DIP ABL Loan Documents except to the extent permitted by the Prepetition Intercreditor Agreement.

7.13 Sale and Leaseback Transactions.

Enter into any Sale and Leaseback Transaction.

7.14 Sanctions.

Directly or indirectly, use any proceeds of a Term Loan, or lend, contribute or otherwise make available such Term Loan proceeds to any Person, to fund, facilitate or finance any activities of or business or transaction with any Person, or in any Designated Jurisdiction, that, at the time of such funding, facilitation or financing is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Lender, the Administrative Agent, any other Agent, or otherwise) of Sanctions.

7.15 Anti-Corruption Laws.

Directly or indirectly, use any Term Loan proceeds for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions.

7.16 Amendments to Prepetition ABL Loan Documents, Prepetition Term Loan Documents, DIP ABL Loan Documents or AUS Intercompany Note.

Amend, modify, change, waive, or obtain any consent, waiver or forbearance with respect to, any of the terms or provisions of any agreement, instrument, document, indenture, or other writing evidencing (a) the Prepetition ABL Loan Documents except to the extent permitted by the Prepetition Intercreditor Agreement or the Orders, (b) the Prepetition Term Loan Documents except to the extent permitted by the Prepetition Intercreditor Agreement, (c) the DIP ABL Loan Documents except to the extent permitted by the Prepetition Intercreditor Agreement, or (d) the AUS Intercompany Note, except to the extent permitted by the AUS Subordination Agreement.

7.17 Prepayments, Etc. of Indebtedness.

Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Indebtedness, except (a) the prepayment of the Term Loans in accordance with the terms of this Agreement, (b) regularly scheduled or mandatory payments, redemptions or defeasances of Indebtedness under the (A) DIP ABL Credit Facility in accordance with the DIP ABL Loan Documents and the Orders made in accordance with the Approved Budget, or (B) the Prepetition Term Loan Documents and the Prepetition ABL Loan Documents in accordance with the Prepetition Intercreditor Agreement and made in accordance with the Approved Budget, (c) the conversion of the Prepetition ABL Facility to obligations under the DIP ABL Facility in accordance with the DIP ABL Loan Documents and the Order, (d) the conversion of the Prepetition Term Loans to Obligations under this Agreement in accordance with the terms hereof and the Order, and (e) regularly scheduled or required repayments or redemptions of Indebtedness set forth in Schedule 7.03 made in accordance with the Approved Budget.

Without limiting any other provision hereof, except pursuant to the Approved Budget, without express prior written consent of the Administrative Agent and pursuant to an order of the Bankruptcy Court (including any Order) after notice and a hearing, no Loan Party shall make any payment or transfer with respect to any Lien or Indebtedness incurred or arising prior to the Petition Date that is subject to the automatic stay provisions of the Bankruptcy Court whether by way of “adequate protection” under the Bankruptcy Code or otherwise.

7.18 Subsidiaries.

Form or acquire any Subsidiary, except in accordance with Sections 6.13, 7.02 and 7.04; or permit any existing Subsidiary to issue any additional Equity Interests except directors’ qualifying shares; or permit any Subsidiary to issue any Equity Interests that would result in such Subsidiary ceasing to be a wholly owned Subsidiary of the Borrower.

7.19 Tax Consolidation.

File or consent to the filing of any consolidated income tax return with any Person other than the Borrower and Subsidiaries.

7.20 Swaps.

Enter into any Swap Contract.

7.21 Plans.

Become party to any Multiemployer Plan or Foreign Plan, other than any in existence on the Effective Date.

7.22 Reclamation Claims.

Except as set forth in the Approved Budget, enter into any agreement to return any of its Inventory to any of its creditors for application against any Prepetition Indebtedness, Prepetition trade payables or other Prepetition claims under section 546(c) of the Bankruptcy Code or allow any creditor to take any setoff or recoupment against any of its Prepetition Indebtedness, Prepetition trade payables or other Prepetition claims based upon any such return pursuant to section 553(b)(1) of the Bankruptcy Code or otherwise.

7.23 Insolvency Proceeding Claims.

Incur, create, assume, suffer to exist or permit any other superpriority administrative claim which is *pari passu* with or senior to the claim of the Administrative Agent or the Lenders against the Debtors, except as set forth in the applicable Order.

7.24 Bankruptcy Actions.

Seek, consent to, or permit to exist, without the prior written consent of the Administrative Agent, any order granting authority to take any action that is prohibited by the terms of this Agreement, the Order or the other Loan Documents or refrain from taking any action that is required to be taken by the terms of this Agreement, the Order or any of the other Loan Documents.

7.25 Subrogation.

Assert any right of subrogation or contribution against any other Loan Party.

ARTICLE VIII**EVENTS OF DEFAULT AND REMEDIES****8.01 Events of Default.**

Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower or any other Loan Party fails to pay its Obligations when due (whether at stated maturity, on demand, upon acceleration or otherwise); or

(b) Specific Covenants. Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Sections 6.01, 6.02, 6.03, 6.05, 6.07, 6.08, 6.10, 6.11, 6.13, 6.14, 6.16, 6.17, 6.18, 6.19, 6.20, 6.21, 6.22, 6.23, 6.24, 6.25, 6.26, 6.27, Article VII or Article X; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in Section 8.01(a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (or in any respect in the case of any representation or warranty modified by a materiality or Material Adverse Effect qualifier) when made or deemed made; or

(e) Cross-Default. (i) Any Loan Party or any Subsidiary thereof (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of DIP ABL Obligations or any other Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded (other than an event which permits the Term Loans hereunder to be prepaid prior to or as an alternative to the purchase, payment, defeasance or redemption of such Indebtedness and, in any such case, the Term Loans hereunder are prepaid prior thereto); or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which a Loan Party or any Subsidiary thereof is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which a Loan Party or any Subsidiary thereof is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by such Loan Party or such Subsidiary as a result thereof is greater than the Threshold Amount; or (iii) there occurs any “Default” or “Event of Default” under and as defined in any DIP ABL Loan Document; or

(f) [Reserved].

(g) [Reserved].

(h) Judgments. There is entered against any Loan Party or any Subsidiary thereof (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer is rated at least “A” by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten (10) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or

thereunder or satisfaction in full of all Obligations arising under the Loan Documents, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document; or it is or becomes unlawful for a Loan Party to perform any of its obligations under the Loan Documents; or

(k) Collateral Documents. Any Collateral Document after delivery thereof pursuant to the terms of the Loan Documents shall for any reason cease to create a valid and perfected first priority Lien (subject to Permitted Liens) on the Collateral purported to be covered thereby, or any Loan Party shall assert the invalidity of such Liens; or

(l) Change of Control. There occurs any Change of Control (unless, in the case of a transaction or event described in clause (a) or (b) of the defined term “Change of Control”, any Lender elects, in its sole discretion, to permit its Term Loan to remain outstanding after giving effect thereto, on terms and conditions to be determined by such Lender and the Borrower and/or any party to any such transaction; it being understood that with respect to any Lender electing not to permit its Term Loan to remain outstanding following the occurrence of such Change of Control, the provisions of this Section 8.01(l) shall apply) with respect to any subsequent Change of Control); or

(m) Uninsured Loss. Any uninsured damage to or loss, theft or destruction of any assets of the Loan Parties or any of their Subsidiaries shall occur that is in excess of the Threshold Amount (excluding customary deductible thresholds established in accordance with historical past practices); or

(n) DIP Funding. If the DIP ABL Lenders fail to fund any loans or credit extensions under the DIP ABL Credit Facility following a request therefor by the Borrower and after satisfying each of the conditions precedent for such loan or credit extension; or

(o) Chapter 11 Defaults. The occurrence of any of the following in the Chapter 11 Cases:

(i) the bringing of a motion, taking of any action or the filing of any plan of reorganization or disclosure statement attendant thereto by any of the Loan Parties, in the Chapter 11 Cases: (A) to obtain additional financing under section 364(c) or section 364(d) of the Bankruptcy Code not otherwise permitted pursuant to this Agreement; (B) to grant any Lien other than Liens permitted pursuant to Section 7.01 upon or affecting any Collateral; (C) except as provided in the Interim Order or the Final Order, as the case may be, to use cash collateral of the Administrative Agent and the other Secured Parties under section 363(c) of the Bankruptcy Code without the prior written consent of the Administrative Agent; or (D) any other action or actions materially adverse to the Administrative Agent and the Lenders or their rights and remedies hereunder, under any other Loan Document, or their interest in the Collateral;

(ii) (A) the filing of any plan of reorganization or disclosure statement attendant thereto, or any direct or indirect amendment to such plan or disclosure statement, by a Loan Party that does not propose to indefeasibly repay in full in cash the Obligations under this Agreement and the Prepetition Term Loan Obligations, or by any other Person to which the Administrative Agent and the Required Lenders do not consent, or any of the Loan Parties or their Subsidiaries, to seek, support or fail to contest in good faith the filing

or confirmation of any such plan or entry of any such order, (B) the entry of any order terminating any Loan Party's exclusive right to file a plan of reorganization, or (C) the expiration of any Loan Party's exclusive right to file a plan of reorganization;

(iii) the entry of an order in any of the Chapter 11 Cases confirming a plan of reorganization that (A) is not reasonably acceptable to the Administrative Agent and the Required Lenders, or (B) does not contain a provision for termination of the commitments and infeasible repayment in full in cash of all of the Obligations under this Agreement and the infeasible payment in full in cash of all the Prepetition Term Loan Obligations on or before the effective date of such plan of reorganization;

(iv) (A) the entry of an order amending, supplementing, staying, vacating or otherwise modifying the Loan Documents or the Interim Order or the Final Order without the written consent of the Administrative Agent and the Required Lenders or the filing of a motion by the Loan Parties or their Affiliates for reconsideration with respect to the Interim Order or the Final Order without the prior written consent of the Administrative Agent, or the Interim Order or the Final Order shall otherwise not be in full force and effect without the prior written consent of the Administrative Agent and the Required Lenders or (B) any Loan Party or any Subsidiary shall fail to comply with any Order in any material respect;

(v) the payment of, or application for authority to pay, any Prepetition claim without the Administrative Agent's prior written consent unless in accordance with the Approved Budget or pursuant to an order of the Bankruptcy Court;

(vi) [reserved];

(vii) (A) the appointment of an interim or permanent trustee in the Chapter 11 Cases or the appointment of a trustee receiver or an examiner in the Chapter 11 Cases with expanded powers to operate or manage the financial affairs, the business, or reorganization of the Loan Parties; or (B) the sale without the Administrative Agent's and the Required Lenders' consent of all or substantially all of the Debtors' assets or all or substantially all of the Prepetition Term Loan Priority Collateral and/or DIP Term Loan Priority Collateral, either through a sale under section 363 of the Bankruptcy Code, through a confirmed plan of reorganization in the Chapter 11 Cases or otherwise that does not result in payment in full in cash of all of the Obligations under this Agreement and all obligations under the Prepetition Term Loan Agreement at the closing of such sale or initial payment of the purchase price or effectiveness of such plan, as applicable; provided, however, that such sale shall not include any sale pursuant to Approved Bid Procedures;

(viii) the dismissal of any Chapter 11 Case, or the conversion of any Chapter 11 Case from one under chapter 11 to one under chapter 7 of the Bankruptcy Code or any Loan Party shall file a motion or other pleading seeking the dismissal of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise or the conversion of the Chapter 11 Cases to chapter 7 of the Bankruptcy Code in each case, without the prior written consent of the Administrative Agent;

(ix) any Loan Party shall file a motion seeking, or the Bankruptcy Court shall enter an order granting, relief from or modifying the Automatic Stay (A) to allow any creditor (other than the Administrative Agent) to execute upon or enforce a Lien on any Collateral not approved by the Administrative Agent, (B) approving any settlement or other

stipulation not approved by the Administrative Agent with any secured creditor of any Loan Party providing for payments as adequate protection or otherwise to such secured creditor, (C) with respect to any Lien on or the granting of any Lien on any Collateral not approved by the Administrative Agent to any federal, state or local environmental or regulatory agency or authority, which in either case involves a claim that could have a Material Adverse Effect on the Debtors or their estates or (D) to permit other actions that could have a Material Adverse Effect on the Debtors or their estates;

(x) except for a Challenge Proceeding (as defined in the Interim Order and including any Challenge Proceeding by the Committee) the commencement of a suit or an action (but not including a motion for standing to commence a suit or an action) against the Administrative Agent or any Lender and, as to any suit or action brought by any Person other than a Loan Party or a Subsidiary, officer or employee of a Loan Party, the continuation thereof without dismissal for twenty (20) days after service thereof on the Administrative Agent or such Lender, that asserts or seeks by or on behalf of a Loan Party, any state or federal environmental protection or health and safety agency, any official committee in any Chapter 11 Case or any other party in interest in any Chapter 11 Cases, a claim or any legal or equitable remedy that would (A) have the effect of invalidating, subordinating or challenging any or all of the Obligations or Liens of the Administrative Agent or any Lender under the Loan Documents to any other claim, or (B) have a material adverse effect on the rights and remedies of the Administrative Agent or any Lender under any Loan Document or the collectability of all or any portion of the Obligations;

(xi) except for a Challenge Proceeding (as defined in the Interim Order and including any Challenge Proceeding by the Committee), the entry of an order in the Chapter 11 Cases avoiding or permitting recovery of any portion of the payments made on account of the Obligations owing under this Agreement or any other Loan Document or Prepetition Term Loan Agreement or any other Prepetition Term Loan Document;

(xii) the failure of any Loan Party to perform any of its material obligations under, or the occurrence of an event of default under or as defined in, the Interim Order or the Final Order;

(xiii) except for the Carve Out, the existence of any claims or charges, or the entry of any order of the Bankruptcy Court authorizing any claims or charges, other than in respect of this Agreement and the other Loan Documents, the DIP ABL Loan Documents, or as otherwise permitted under the applicable Loan Documents or permitted under the Orders, or as otherwise subsequently agreed by the Administrative Agent, entitled to superpriority administrative expense claim status in any Chapter 11 Case pursuant to section 364(c)(1) of the Bankruptcy Code pari passu with or senior to the claims of the Administrative Agent and the Secured Parties under this Agreement and the other Loan Documents, or there shall arise or be granted by the Bankruptcy Court (A) any claim having priority over any or all administrative expenses of the kind specified in clause (b) of section 503 or clause (b) of section 507 of the Bankruptcy Code or (B) any Lien on the Collateral having a priority senior to or pari passu with the Liens and security interests granted herein, except, in each case, as expressly provided in the Loan Documents or in the Orders then in effect (but only in the event specifically consented to by the Administrative Agent and the Required Lenders);

(xiv) the Orders shall cease to create a valid and perfected Lien on the Collateral or to be in full force and effect, shall have been reversed, modified, amended, stayed,

vacated, or subject to stay pending appeal, in the case of modification or amendment, without prior written consent of the Administrative Agent and the Required Lenders;

(xv) an order in the Chapter 11 Cases shall be entered charging any of the Collateral under section 506(c) of the Bankruptcy Code against the Administrative Agent, the Secured Parties or with respect to any Collateral (including, without limitation, an allowance of any claim thereunder), or the commencement of any other action that is materially adverse to the Administrative Agent, the Secured Parties or their respective rights and remedies under the Loan Documents in any of the Chapter 11 Cases or inconsistent with any of the Loan Documents;

(xvi) the Final Order does not include a waiver, in form and substance satisfactory to the Administrative Agent in its Permitted Discretion, of the right to surcharge the Collateral under section 506(c) of the Bankruptcy Code;

(xvii) without the Administrative Agent's and the Required Lenders' prior written consent, an order of the Bankruptcy Court shall be entered denying or terminating use of cash collateral by the Loan Parties;

(xviii) an order materially adversely impacting the rights and interests of the Administrative Agent and the Lenders, as reasonably determined by the Administrative Agent or the Required Lenders, shall have been entered by the Bankruptcy Court;

(xix) any Loan Party shall challenge, support or encourage a challenge of any payments made to the Administrative Agent or any Lender with respect to the Obligations, or without the prior written consent of the Administrative Agent, the filing of any motion by the Loan Parties seeking approval of (or the entry of an order by the Bankruptcy Court approving) adequate protection to the Prepetition ABL Agent or the Prepetition ABL Lenders that is inconsistent with the Order, provided that the Loan Parties' response to any information requests, diligence, requests for production or subpoenas by a party in interest shall not constitute "support";

(xx) without the Administrative Agent's prior written consent, the entry of any order by the Bankruptcy Court granting, or the filing by any Loan Party or any of its Subsidiaries of any motion or other request with the Bankruptcy Court (in each case, other than the Orders and motions seeking entry thereof or permitted amendments or modifications thereto) seeking, authority to use any cash proceeds of any of the Collateral in a manner inconsistent with the Loan Documents without the Administrative Agent's prior written consent or to obtain any financing under section 364 of the Bankruptcy Code other than the financing under the Loan Documents and the DIP ABL Loan Documents without the Administrative Agent's prior written consent;

(xxi) any Loan Party or any Person on behalf of any Loan Party shall file any motion except for the Asset Sale Motion (provided that the relief sought therein shall be modified to seek an Approved Bid Procedures Order in accordance with the Required Milestones) seeking authority to consummate a sale of assets of the Loan Parties or the Collateral to the extent having a value in excess of \$100,000 outside the ordinary course of business and not otherwise permitted hereunder (including under the Approved Budget) and without the Administrative Agent's prior written consent, not to be unreasonably withheld, delayed or conditioned;

(xxii) any Loan Party shall make any payment (whether by way of adequate protection or otherwise) of principal or interest or otherwise on account of any Prepetition Indebtedness or payables other than payments (A) in respect of accrued payroll and related expenses as of the commencement of the Chapter 11 Cases, (B) in respect of certain creditors as may be reasonably acceptable to the Administrative Agent and (C) in each case, to the extent authorized or required by one or more “first day” or “second day” orders or any of the Orders (or other orders with the consent of the Administrative Agent) and consistent with the Approved Budget;

(xxiii) if an order of the Bankruptcy Court shall be entered providing for a change of venue with respect to any of the Chapter 11 Cases and such order shall not be reversed or vacated within ten (10) days;

(xxiv) any Loan Party or any Subsidiary thereof shall file any motion or other request with the Bankruptcy Court seeking (A) to grant or impose, under section 364 of the Bankruptcy Code or otherwise, liens or security interests in any DIP Collateral (as defined in the Orders), whether senior, equal or subordinate to the Administrative Agent’s or the DIP ABL Agent’s liens and security interests; or (B) to modify or affect any of the rights of the Administrative Agent, the Lenders, the DIP ABL Agent or the DIP ABL Lenders under any Order, any Loan Document or any DIP ABL Loan Document by any plan of reorganization confirmed in the Chapter 11 Cases or subsequent order entered in the Chapter 11 Cases;

(xxv) except as otherwise expressly permitted herein, any Loan Party or any Subsidiary thereof shall take any action in support of any matter set forth in this Section 8.01(o); provided, that the Loan Parties’ and their Subsidiaries’ response to any information; requests, diligence, requests for production or subpoenas by a party in interest shall not constitute “support”;

(xxvi) the engagement of the Chief Transformation Officer shall cease to be in full force and effect for a period of five (5) Business Days without a replacement being appointed on terms and conditions (including scope of authority) acceptable to the Administrative Agent;

(xxvii) the assertion by any of the Loan Parties in any pleading filed in any court that any material provision of the Interim Order or the Final Order is not valid and binding for any reason;

(xxviii) any material provision of the Interim Order, the Final Order, or any other order of the Bankruptcy Court approving the use of cash collateral ceases to be valid and binding, without the Administrative Agent’s prior consent;

(xxix) the Loan Parties have failed to file an Approved Bid Procedures Order on or before May 18, 2022; or

(xxx) the occurrence of a DIP Termination Event (as defined in the Orders).

Without limiting the provisions of Article IX, if a Default shall have occurred under the Loan Documents, then such Default will continue to exist until it either is cured (to the extent specifically permitted) in accordance with the Loan Documents or is otherwise expressly waived by Administrative Agent, with the approval of requisite appropriate Lenders (in their sole discretion) as determined in

accordance with Section 11.01; and once an Event of Default occurs under the Loan Documents, then such Event of Default will continue to exist until it is expressly waived by the requisite Lenders or by the Administrative Agent with the approval of the requisite Lenders, as required hereunder in Section 11.01.

8.02 Remedies upon Event of Default.

If any Event of Default occurs and is continuing, subject to the Orders (including the Remedies Notice Period and related notice provisions) and the terms thereof and notwithstanding the provisions of section 362 of the Bankruptcy Code and without application or motion, hearing before, or order to the Bankruptcy Court, the Agent may, or shall, at the request of the Required Lenders, take any or all of the following actions:

- (a) terminate the right of the Borrower to make withdrawals of Term Loan Proceeds from the DIP Term Loan Proceeds Account and cause the depository holding any such remaining Term Loan Proceeds immediately to transfer all such funds to the Administrative Agent for the ratable account of the Term Lenders;
- (b) declare the unpaid principal amount of all Obligations, including outstanding Term Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower and the other Loan Parties to the fullest extent permitted by applicable Law;
- (c) require that the Borrower Cash Collateralize contingent Obligations that have been asserted in writing in good faith but are not yet due and payable;
- (d) exercise on behalf of itself, the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable Law or equity;
- (e) declare that the application of the Carve Out has occurred through the delivery of a Carve Out Trigger Notice (as defined in the Orders) to the Borrower Agent;
- (f) subject to the Remedies Notice Period, direct any or all of the Loan Parties to sell or otherwise dispose of any or all of the Collateral (subject to the Orders) on terms and conditions acceptable to the Administrative Agent pursuant to section 363, section 365 and other applicable provisions of the Bankruptcy Code (and, without limiting the foregoing, direct any Loan Party to assume and assign any lease or executory contract included in the Collateral (subject to the Orders) to the Administrative Agent's designees in accordance with and subject to section 365 of the Bankruptcy Code);
- (g) subject to the Remedies Notice Period, (i) exercise on behalf of itself and the Secured Parties all rights and remedies available to it and the Secured Parties under the Loan Documents or applicable Law or (ii) take any and all actions described in the Orders, including, without limitation, those actions specified in the Orders; and/or
- (h) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable Law.

Subject to the Orders, the automatic stay of section 362 of the Bankruptcy Code shall be modified and vacated to permit the Administrative Agent and the Lenders to exercise all rights and remedies under

this Agreement, the other Loan Documents or applicable Law, without further notice, motion or application to, hearing before, or order from, the Bankruptcy Court.

The Administrative Agent (together with its agents, representatives and designees) is hereby granted an irrevocable, non-exclusive license or other right to use, license or sub-license (without payment of royalty or other compensation to any Person) any or all Intellectual Property of the Loan Parties, computer hardware and software, trade secrets, brochures, customer lists, promotional and advertising materials, labels, packaging materials and other property, in advertising for sale, marketing, selling, collecting, completing manufacture of, or otherwise exercising any rights or remedies with respect to, any Collateral, in each case, after the occurrence and during the continuance of an Event of Default, subject to the rights, remedies and priorities of the DIP ABL Agent under the Orders. The Administrative Agent (together with its agents, representatives and designees) is hereby granted a non-exclusive right to have access to, and a rent-free right to use, any and all owned or leased locations (including, without limitation, warehouse locations and distribution centers) for the purpose of arranging for and effecting the sale or disposition of Collateral, subject to the Orders, including the production, completion, packaging and other preparation of such Collateral for sale or disposition, and to engage in bulk sales of Collateral, which rights shall be subject to the Orders. It is further understood and agreed that the Administrative Agent and its representatives (and persons employed on their behalf) may continue to operate, service, maintain, process and sell the Collateral, subject to the Orders. Upon the occurrence and the continuance of an Event of Default and the exercise by the Administrative Agent or Lenders of their rights and remedies under this Agreement and the other Loan Documents, the Loan Parties shall assist the Administrative Agent and Lenders in effecting a sale or other disposition of the Collateral upon such terms as are reasonably acceptable to the Administrative Agent, subject to the Orders.

8.03 Application of Funds.

After the exercise of remedies provided for in Section 8.02 (or after the Term Loans have automatically become immediately due and payable) or if at any time insufficient funds are received by and available to the Administrative Agent to pay fully all Obligations then due hereunder, any amounts received on account of the Obligations shall, subject to the provisions of Section 2.14 and subject to the Carve Out, be applied by the Administrative Agent in the following order:

First, to payment of all Protective Advances,

Second, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Third, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders, including fees, charges and disbursements of counsel to the respective Lenders arising under the Loan Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Fourth, to payment of amounts outstanding under the Prepetition Term Loan Agreement and other Prepetition Term Loan Documents, in the following order of priority, (i) first, to the outstanding balance of the Prepetition US Term Loans and all interest and fees in respect thereof, (ii) second, to the outstanding balance of the Prepetition AUS Term Loans and all interest and fees in respect thereof, and (iii) to any other obligations owing to the Agent and Prepetition Term Loan

Lenders under the Prepetition Term Loan Documents, in each case ratably among the Agent and the Lenders in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Term Loans, and other Obligations arising under the Loan Documents, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Sixth, to payment of the Term Loans, ratably among the Lenders in proportion to the respective amounts described in this clause Sixth held by them;

Seventh, to payment of any other Obligations then due and payable, including the Cash Collateralization of any asserted indemnity obligations as provided herein; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full in cash (other than contingent indemnification and expense reimbursement obligations not then due and payable), to the Borrower or as otherwise required by Law.

8.04 License.

The Administrative Agent is hereby granted an irrevocable, non-exclusive license or other right to use, license or sub-license (without payment of royalty or other compensation to any Person) any or all Intellectual Property of Loan Parties, computer hardware and software, trade secrets, brochures, customer lists, promotional and advertising materials, labels, packaging materials and other Property, in advertising for sale, marketing, selling, collecting, completing manufacture of, or otherwise exercising any rights or remedies with respect to, any Collateral. Each Loan Party's rights and interests under Intellectual Property shall inure to the Administrative Agent's benefit.

ARTICLE IX

ADMINISTRATIVE AGENT AND COLLATERAL AGENT

9.01 Appointment and Authority.

(a) Appointment. Each of the Lenders hereby irrevocably appoints, designates and authorizes Pathlight Capital LP to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, each Lender hereby authorizes the Administrative Agent to consent, on behalf of each Lender, to the Interim Order and the Final Order, each to be negotiated between the Loan Parties, the Administrative Agent, certain other parties and any statutory committees appointed pursuant to sections 327 and 1103 of the Bankruptcy Code. The provisions of this Article are solely for the benefit of each Agent and the Lenders, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions, except as set forth in Section 9.06. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to each Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Collateral Agent. Pathlight Capital LP shall act as the “collateral agent” under the Loan Documents, and each of the Lenders hereby irrevocably appoints and authorizes Pathlight Capital LP to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, Pathlight Capital LP, as “collateral agent” and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Article IX and Article XI (including Section 11.04(c), as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents) as if set forth in full herein with respect thereto. In this Agreement, any rights and remedies exercisable by, any documents to be delivered to, or any other indemnities or obligations in favor of the Collateral Agent shall be, as the case may be, exercisable by, delivered to, or be indemnities or other obligations in favor of the Collateral Agent (or any other Person acting in such capacity) in its capacity as Australian Security Trustee to the extent that the rights, remedies, deliveries, indemnities or other obligations relate to, Collateral Documents governed by the laws of Australia or the security thereby created. Any obligations of Collateral Agent (or any other Person acting in such capacity) in this Agreement shall be obligations of the Collateral Agent in its capacity as Australian Security Trustee or the security thereby created to the extent that such obligations relate to Collateral Documents governed by the laws of Australia or the security thereby created. Additionally, in its capacity as Australian Security Trustee, Agent (or any other Person acting in such capacity) shall have:

(i) all the rights, remedies and benefits in favor of the Agent contained in the provisions of the whole of this Section 9.

(ii) all the powers of an absolute owner of the security constituted by the Collateral Documents governed by the laws of Australia; and

(iii) all the rights, remedies and powers granted to it and be subject to all the obligations and duties owned by it under the Collateral Documents governed by the laws of Australia.

9.02 Rights as a Lender.

Each Person serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Person serving as an Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust, financial, advisory, underwriting or other business with any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not an Agent hereunder and without any duty to account therefor to the Lenders or to provide notice to or consent of the Lenders with respect thereto.

9.03 Exculpatory Provisions.

(a) Each Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, each Agent and its Related Parties:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that each Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that such Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable Law, including any action that may be in violation of the automatic stay under any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as an Agent or any of its Affiliates in any capacity.

(b) Neither Agent nor any of such Agent's Related Parties shall be liable for any action taken or not taken by such Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary), or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Each Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to such Agent by the Borrower or a Lender.

(c) Neither Agent nor any of such Agent's Related Parties have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent.

9.04 Reliance by Administrative Agent and Collateral Agent.

Each Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition

hereunder to the making of a Term Loan, that by its terms must be fulfilled to the satisfaction of a Lender, each Agent may presume that such condition is satisfactory to such Lender unless such Agent shall have received notice to the contrary from such Lender prior to the making of such Term Loan. Each Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the applicable Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objections.

9.05 Delegation of Duties.

Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities as well as activities as Agent. Neither Agent shall be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that such Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 Resignation of Administrative Agent or Collateral Agent.

(a) Notice. Each Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower not to be unreasonably withheld, conditioned or delayed (which Borrower consent shall not be required if an Event of Default has occurred and is continuing), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) Defaulting Lender. If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, with the consent of the Borrower not to be unreasonably withheld, conditioned or delayed (which Borrower consent shall not be required if an Event of Default has occurred and is continuing), appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) Effect of Resignation or Removal. With effect from the Resignation Effective Date (i) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through such Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Agent as provided for above. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Agent as of the Resignation Effective Date), and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring or removed Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Agent was acting as Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including, without limitation, (A) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Secured Parties and (B) in respect of any actions taken in connection with transferring the agency to any successor Agent.

9.07 Non-Reliance on Administrative Agent, Collateral Agent and Other Lenders.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 No Other Duties, Etc.

Anything herein to the contrary notwithstanding, none of the titles listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, the Collateral agent or a Lender hereunder.

9.09 [Reserved].

9.10 Collateral and Guaranty Matters.

Each of the Lenders irrevocably authorize the Collateral Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Collateral Agent under any Loan Document (i) upon the Facility Termination Date, (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other

disposition permitted hereunder or under any other Loan Document, or (iii) if approved, authorized or ratified in writing by the Required Lenders in accordance with Section 11.01;

(b) to subordinate or release any Lien on any property granted to or held by the Collateral Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(i); and

(c) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Collateral Agent at any time, the Required Lenders will confirm in writing the Collateral Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Collateral Agent will, at the Borrower's expense, (x) release any Lien on any Property held by it (including any such Lien granted pursuant to a Mortgage) in connection with any Disposition permitted hereunder and (y) execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

The Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Collateral Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

9.11 [Reserved].

9.12 Lender ERISA Representation.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each other Agent, and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Term Loans or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 8414 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Term Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 8414 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each other Agent, and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that:

(i) none of the Administrative Agent, or any other Agent or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least \$50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Term Loans, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent, or any other Agent or any their respective Affiliates for investment advice (as

opposed to other services) in connection with the Term Loans, the Commitments or this Agreement.

(c) The Administrative Agent and each other Agent hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Term Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Term Loans, the Commitments for an amount less than the amount being paid for an interest in the Term Loans, the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

9.13 Recovery of Erroneous Payments.

Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Lender Recipient Party, whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Lender Recipient Party receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Lender Recipient Party in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Lender Recipient Party irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Lender Recipient Party promptly upon determining that any payment made to such Lender Recipient Party comprised, in whole or in part, a Rescindable Amount.

ARTICLE X

CONTINUING GUARANTY

10.01 Guaranty.

Each Loan Party hereby absolutely and unconditionally, jointly and severally guarantees, as primary obligor and as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all Obligations (for each Loan Party, subject to the proviso in this sentence, its "Guaranteed Obligations"); provided that the liability of each Loan Party individually with respect to this Guaranty shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code or any comparable provisions of any applicable state law. Without limiting the generality of the foregoing, the Guaranteed Obligations shall include any such indebtedness, obligations, and liabilities, or portion thereof, which may be or hereafter become unenforceable or compromised or shall be an allowed or disallowed claim under any proceeding or case commenced by or against any debtor under

any Debtor Relief Laws. The Administrative Agent's books and records showing the amount of the Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon each Loan Party, and conclusive for the purpose of establishing the amount of the Obligations. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any instrument or agreement evidencing any Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Obligations which might otherwise constitute a defense to the obligations of the Loan Parties, or any of them, under this Guaranty, and each Loan Party hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

10.02 Rights of Lenders.

Each Loan Party consents and agrees that the Secured Parties may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Guaranty or any Obligations; (c) apply such security and direct the order or manner of sale thereof as the Administrative Agent and the Lenders in their sole discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Obligations. Without limiting the generality of the foregoing, each Loan Party consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of such Loan Party under this Guaranty or which, but for this provision, might operate as a discharge of such Loan Party.

10.03 Certain Waivers.

Each Loan Party waives (a) any defense arising by reason of any disability or other defense of the Borrower or any other Guarantor, or the cessation from any cause whatsoever (including any act or omission of any Secured Party) of the liability of the Borrower or any other Loan Party; (b) any defense based on any claim that such Loan Party's obligations exceed or are more burdensome than those of the Borrower or any other Loan Party; (c) the benefit of any statute of limitations affecting any Loan Party's liability hereunder; (d) any right to proceed against the Borrower or any other Loan Party, proceed against or exhaust any security for the Obligations, or pursue any other remedy in the power of any Secured Party whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by any Secured Party; and (f) to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by applicable Law limiting the liability of or exonerating guarantors or sureties. Each Loan Party expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Obligations.

10.04 Obligations Independent.

The obligations of each Loan Party hereunder are those of primary obligor, and not merely as surety, and are independent of the Obligations and the obligations of any other guarantor, and a separate action may be brought against each Loan Party to enforce this Guaranty whether or not the Borrower or any other person or entity is joined as a party.

10.05 Subrogation.

No Loan Party shall exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until all of the Obligations and any amounts payable under this Guaranty have been indefeasibly paid and performed in full and the Commitments and the Facility are terminated. If any amounts are paid to a Loan Party in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Secured Parties to reduce the amount of the Obligations, whether matured or unmatured.

10.06 Termination; Reinstatement.

This Guaranty is a continuing and irrevocable guaranty of all Obligations now or hereafter existing and shall remain in full force and effect until the Facility Termination Date. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of the Borrower or a Guarantor is made, or any of the Secured Parties exercises its right of setoff, in respect of the Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any of the Secured Parties in their discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Secured Parties are in possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of each Loan Party under this paragraph shall survive termination of this Guaranty.

10.07 Stay of Acceleration.

If acceleration of the time for payment of any of the Obligations is stayed, in connection with any case commenced by or against a Guarantor or the Borrower under any Debtor Relief Laws, or otherwise, all such amounts shall nonetheless be payable by each Loan Party, jointly and severally, immediately upon demand by the Secured Parties.

10.08 Condition of Borrower.

Each Loan Party acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Borrower and any other guarantor such information concerning the financial condition, business and operations of the Borrower and any such other guarantor as such Loan Party requires, and that none of the Secured Parties has any duty, and such Loan Party is not relying on the Secured Parties at any time, to disclose to it any information relating to the business, operations or financial condition of the Borrower or any other guarantor (each Loan Party waiving any duty on the part of the Secured Parties to disclose such information and any defense relating to the failure to provide the same).

10.09 Appointment of Borrower.

Each of the Loan Parties hereby appoints the Borrower to act as its agent for all purposes of this Agreement, the other Loan Documents and all other documents and electronic platforms entered into in connection herewith and agrees that (a) the Borrower may execute such documents and provide such authorizations on behalf of such Loan Parties as the Borrower deems appropriate in its sole discretion and each Loan Party shall be obligated by all of the terms of any such document and/or authorization executed on its behalf, (b) any notice or communication delivered by the Administrative Agent or a Lender to the Borrower shall be deemed delivered to each Loan Party and (c) the Administrative Agent or the Lenders

may accept, and be permitted to rely on, any document, authorization, instrument or agreement executed by Borrower on behalf of each of the Loan Parties.

10.10 Right of Contribution.

The Loan Parties agree among themselves that, in connection with payments made hereunder, each Loan Party shall have contribution rights against the other Loan Parties as permitted under applicable Law.

ARTICLE XI

MISCELLANEOUS

11.01 Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

- (a) waive any condition set forth in Section 4.01, without the written consent of each Lender;
- (b) [Reserved];
- (c) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant this Agreement) without the prior written consent of such Lender (it being understood and agreed that a waiver of any condition precedent in Section 4.01 or of any Default is not considered an extension or increase in Commitments of any Lender);
- (d) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder, including without limitation extending the Facility Termination Date, or under such other Loan Document without the written consent of each directly and adversely affected Lender;
- (e) reduce the principal of, or the rate of interest specified herein on, any Term Loan, or (subject to clause (ii) of the second proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to such amount; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of “Default Rate” or to waive any obligation of the Borrower to pay interest at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Term Loan or to reduce any fee payable hereunder;
- (f) change (i) Section 8.03 or Section 2.13 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender or (ii) the order of application of any prepayment of Term Loans from the application thereof set forth in the applicable provisions of Section 2.05(b) in any manner that materially and adversely affects the

Lenders without the written consent of the Required Lenders or (iii) Section 2.12(f) in a manner that would alter the pro rata application required thereby without the written consent of each Lender directly affected thereby;

(g) change any provision of this Section 11.01 or the definition of “Required Lenders” or any other provision of any Loan Document specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or thereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(h) except as contemplated in the Intercreditor Agreement, release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender;

(i) except as contemplated in the Intercreditor Agreement, release all or substantially all of the value of the Guaranty, without the written consent of each Lender, except to the extent the release of any Subsidiary from the Guaranty is permitted pursuant to Section 9.10 (in which case such release may be made by the Administrative Agent acting alone);

(j) release the Borrower or permit the Borrower to assign or transfer any of its rights or obligations under this Agreement or the other Loan Documents without the consent of each Lender;

(k) impose any greater restriction on the ability of any Lender under the Facility to assign any of its rights or obligations hereunder without the written consent of the Required Lenders; or

and provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (ii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, (A) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Term Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code supersedes the unanimous consent provisions set forth herein and (B) the Required Lenders shall determine whether or not to allow a Loan Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.

Notwithstanding anything to the contrary herein, (a) this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Borrower and the Administrative Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement, and (b) the Administrative Agent or the Collateral Agent, as applicable, may amend or modify this Agreement and any other Loan Document to (i) to cure any ambiguity, omission, mistake, defect or inconsistency therein or (ii) grant a new Lien for the benefit of the Secured Parties, extend an existing Lien over additional property for the benefit of the Secured Parties or join additional Persons as Loan Parties.

If any Lender does not consent to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender and that has been approved by the Required Lenders, the Borrower may replace such Non-Consenting Lender in accordance with Section 11.13;

provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this paragraph).

11.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or, except with respect to Borrower and the other Loan Parties, sent by fax transmission or e-mail transmission as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower or any other Loan Party, or the Administrative Agent, to the address, e-mail address or telephone number specified for such Person on Schedule 1.01(a); and

(ii) if to any other Lender, to the address, fax number, e-mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax transmission shall be deemed to have been given when sent (except that (x) if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient and (y) no such notice or communication shall be sent to Borrower or any other Loan Party via facsimile). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Administrative Agent and the Lenders may be delivered or furnished by electronic communication (including e-mail, and Internet or intranet websites established by the Administrative Agent) pursuant to procedures approved by the Administrative Agent. The Administrative Agent or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices and other communications posted to an Internet or intranet website shall be deemed received by the intended recipient upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail address or other written acknowledgement) indicating that such notice or communication is available and identifying the website address therefor; provided that for both clauses (i) and (ii), if such notice or other communication is not sent during the normal business hours of the recipient, such notice, email or

communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) [reserved].

(d) Change of Address, Etc. Each of the Borrower, and the Administrative Agent may change its address, fax number or telephone number or email address for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, fax number or telephone number or e-mail address for notices and other communications hereunder by notice to the Borrower and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, fax number and e-mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including, without limitation, telephonic or electronic notices, and Notice of Loan Prepayment) purportedly given by or on behalf of any Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Loan Party, except to the extent such losses, costs, expenses or liabilities resulted from the gross negligence or willful misconduct of the applicable Person. All telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.03 No Waiver; Cumulative Remedies; Enforcement.

No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) [reserved], (c) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters

set forth in clauses (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Loan Parties shall pay all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates in connection with this Agreement and the other Loan Documents, the Interim Order, the Final Order and any transaction contemplated thereby (whether or not the transactions contemplated hereby or thereby shall be consummated) and any refinancing of the obligations hereunder or any “exit financing” requested by the Loan Parties in connection with the Chapter 11 Cases or Successor Cases (whether or not the transactions contemplated hereby or thereby shall be consummated), including all (i) reasonable fees, charges and disbursements of all Administrative Agent advisors, (ii) reasonable out-of-pocket costs and expenses in connection with field examinations, appraisals and insurance reviews (including reasonable fees charged by a third party retained by the Administrative Agent or the internally allocated fees for each Person employed by the Administrative Agent with respect to field examinations, appraisals and insurance reviews), (iii) environmental site assessments, (iv) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents (including (A) any actions taken to perfect or maintain priority of Agent’s Liens on any Collateral, to maintain any insurance required hereunder or to verify Collateral and (B) subject to the limits of Section 6.10, any examination or appraisal with respect to any Loan Party or Collateral by the Administrative Agent’s personnel or a third party) or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (v) [reserved], and (vi) all out-of-pocket expenses incurred by the Administrative Agent, any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with Term Loans, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Term Loans.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Administrative Agent (and any sub-agent thereof) and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnatee”) against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnatee), incurred by any Indemnatee or asserted against any Indemnatee by any Person (including the Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of the Prepetition Term Loan Agreement, any other Prepetition Term Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the transactions contemplated thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of the Prepetition Term Loan Agreement and the other Prepetition Term Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby

or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01) and any refinancing of the obligations hereunder or any “exit financing” requested by the Loan Parties in connection with the Chapter 11 Cases or Successor Cases (whether or not the transactions contemplated hereby or thereby shall be consummated), (iii) any Term Loan or the use or proposed use of the proceeds therefrom, (iv) any actual or alleged presence or release of Hazardous Materials on or from any Real Property, or other property owned or operated by a Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to a Loan Party or any of its Subsidiaries, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE**; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for a material breach in bad faith of such Indemnitee’s obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), or such Related Party, as the case may be, such Lender’s pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender’s share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, no Loan Party shall assert, and each Loan Party hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the

transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e) shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05 Payments Set Aside.

To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Term Loans at the time owing to it); provided that (in each case with respect to the Facility) any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Term Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the principal outstanding balance of the Term Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 in the case of any assignment in respect of the Facility, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement and the other Loan Documents with respect to the Term Loans assigned.

(iii) [Reserved].

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person).

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and

interest accrued thereon) and (B) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 11.06(c) below of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment); provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) below of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Term Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, a Defaulting Lender or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Term Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.04(c) without regard to the existence of any participations.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any

amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01 and 3.05 (subject to the requirements and limitations therein, including the requirements under Section 3.01(e) (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 11.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Section 3.01, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Term Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note or Notes, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

11.07 Treatment of Certain Information; Confidentiality.

(a) Treatment of Certain Information. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its Affiliates, its auditors and its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (iv) to any other party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or

thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (B) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (vii) on a confidential basis to (A) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (B) the provider of any electronic delivery service used by the Administrative Agent to deliver Borrower Materials or notices to the Lenders or (C) [reserved], or (viii) with the consent of the Borrower or to the extent such Information (1) becomes publicly available other than as a result of a breach of this Section or (2) becomes available to the Administrative Agent, any Lender, or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. For purposes of this Section, “Information” means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents and the Commitments.

(b) Non-Public Information. Each of the Administrative Agent and the Lenders acknowledges that (i) the Information may include material non-public information concerning a Loan Party or a Subsidiary, as the case may be, (ii) it has developed compliance procedures regarding the use of material non-public information and (iii) it will handle such material non-public information in accordance with applicable Law, including United States federal and state securities Laws.

(c) Press Releases. The Loan Parties and their Affiliates agree that they will not in the future issue any press releases or other public disclosure using the name of the Administrative Agent or any Lender or their respective Affiliates or referring to this Agreement or any of the Loan Documents without the prior written consent of the Administrative Agent, unless (and only to the extent that) the Loan Parties or such Affiliate is required to do so under law and then, in any event the Loan Parties or such Affiliate will consult with such Person before issuing such press release or other public disclosure.

(d) Customary Advertising Material. The Loan Parties consent to the publication by the Administrative Agent or any Lender of customary advertising material relating to the transactions contemplated hereby using the name, product photographs, logo or trademark of the Loan Parties.

11.08 Right of Setoff.

If an Event of Default shall have occurred and be continuing, each Lender, and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent, to the fullest extent permitted by applicable Law (notwithstanding the

provisions of section 362 of the Bankruptcy Code, without any application, motion or notice to, hearing before, or order from, the Bankruptcy Court), to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or their respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured, secured or unsecured, or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (a) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, and the Lenders, and (b) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Interest Rate Limitation.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Term Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 Counterparts; Integration; Effectiveness.

This Agreement and each of the other Loan Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent or a Lender, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or any other Loan Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement or such other Loan Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under

the terms of any Loan Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

11.11 Survival of Representations and Warranties.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of the making of a Term Loan, and shall continue in full force and effect as long as any Term Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

11.12 Severability.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 Replacement of Lenders.

If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.07, or if any Lender is a Defaulting Lender or a Non-Consenting Lender or if any other circumstance exists hereunder that gives the Borrower the right to replace a Lender as a party hereto, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights (other than its existing rights to payments pursuant to Section 3.01) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to 100% of the outstanding principal of its Term Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

11.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, TO THE BANKRUPTCY CODE.

(b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN (i) THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF OR (ii) THE BANKRUPTCY COURT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT OR THE BANKRUPTCY COURT AND HEREBY AGREES TO WAIVE ANY RIGHTS IT MAY HAVE TO OBJECT TO ADJUDICATION BY A JUDGE OF THE BANKRUPTCY COURT ON THE BASIS OF A RIGHT TO HAVE MATTERS ADJUDICATED IN FRONT OF AN ARTICLE III JUDGE . EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 Subordination.

Each Loan Party (a “Subordinating Loan Party”) hereby subordinates the payment of all obligations and indebtedness of any other Loan Party owing to it, whether now existing or hereafter arising, including but not limited to any obligation of any such other Loan Party to the Subordinating Loan Party as subrogee of the Secured Parties or resulting from such Subordinating Loan Party’s performance under this Guaranty, to the indefeasible payment in full in cash of all Obligations. If the Secured Parties so request, any such obligation or indebtedness of any such other Loan Party to the Subordinating Loan Party shall be enforced and, if an Event of Default has occurred and is continuing, performance received by the Subordinating Loan Party as trustee for the Secured Parties and the proceeds thereof shall be paid over to the Secured Parties on account of the Obligations, but without reducing or affecting in any manner the liability of the Subordinating Loan Party under this Agreement. Without limitation of the foregoing, so long as no Default has occurred and is continuing, the Loan Parties may make and receive payments with respect to Intercompany Debt; provided, that in the event that any Loan Party receives any payment of any Intercompany Debt at a time when such payment is prohibited by this Section, such payment shall be held by such Loan Party, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to the Administrative Agent.

11.17 No Advisory or Fiduciary Responsibility.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) the arranging and other services regarding this Agreement provided by the Administrative Agent and any Affiliate thereof, the other Agents and the Lenders are arm's-length commercial transactions between the Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent and, as applicable, its Affiliates and the Lenders and their Affiliates (collectively, solely for purposes of this Section, the "Lenders"), on the other hand, (ii) each of the Borrower and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b) (i) the Administrative Agent and its Affiliates and each Lender each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and (ii) neither the Administrative Agent, any of its Affiliates nor any Lender has any obligation to the Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) the Administrative Agent and its Affiliates and the Lenders may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, any of its Affiliates nor any Lender has any obligation to disclose any of such interests to the Borrower, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and each other Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, any of its Affiliates or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

11.18 Electronic Execution.

The words "delivery," "execute," "execution," "signed," "signature," and words of like import in any Loan Document or any other document executed in connection herewith shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided further without limiting the foregoing, upon the request of the Administrative Agent, any electronic signature shall be promptly followed by such manually executed counterpart.

11.19 USA PATRIOT Act Notice.

Each Lender that is subject to the PATRIOT Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower and the other Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "PATRIOT Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other

information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the PATRIOT Act. The Borrower and the Loan Parties agree to, promptly following a request by the Administrative Agent or any Lender, provide all such other documentation and information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act.

11.20 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.

Solely to the extent any Lender that is an Affected Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

11.21 Time of the Essence.

Time is of the essence of the Loan Documents.

11.22 ENTIRE AGREEMENT.

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

11.23 Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the

regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 11.23, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

11.24 Intercreditor Agreement.

(a) EACH LENDER PARTY HERETO (I) UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT IT (AND EACH OF ITS SUCCESSORS AND ASSIGNS) AND EACH OTHER LENDER (AND EACH OF THEIR SUCCESSORS AND ASSIGNS) SHALL BE BOUND BY THE INTERCREDITOR AGREEMENT, (II) AUTHORIZES AND DIRECTS THE COLLATERAL AGENT TO ENTER INTO THE INTERCREDITOR AGREEMENT ON ITS BEHALF, AND (III) AGREES THAT ANY ACTION TAKEN BY AGENT PURSUANT TO THE INTERCREDITOR AGREEMENT SHALL BE BINDING UPON SUCH LENDER.

(b) THE PROVISIONS OF THIS SECTION 11.24 ARE NOT INTENDED TO SUMMARIZE OR FULLY DESCRIBE THE PROVISIONS OF THE INTERCREDITOR

AGREEMENT. REFERENCE MUST BE MADE TO THE INTERCREDITOR AGREEMENT TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF. EACH LENDER IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF THE INTERCREDITOR AGREEMENT AND THE TERMS AND PROVISIONS THEREOF, AND NO AGENT OR ANY OF AFFILIATES MAKES ANY REPRESENTATION TO ANY LENDER AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN THE INTERCREDITOR AGREEMENT. A COPY OF THE INTERCREDITOR AGREEMENT MAY BE OBTAINED FROM COLLATERAL AGENT.

(c) THE INTERCREDITOR AGREEMENT IS AN AGREEMENT SOLELY AMONGST THE SECURED PARTIES (AS DEFINED IN THE INTERCREDITOR AGREEMENT) AND THEIR RESPECTIVE AGENTS (INCLUDING THEIR SUCCESSORS AND ASSIGNS) AND IS ACKNOWLEDGED AND AGREED TO BY THE LOAN PARTIES AS PARTY THERETO. AS MORE FULLY PROVIDED THEREIN, THE INTERCREDITOR AGREEMENT CAN ONLY BE AMENDED BY THE PARTIES THERETO IN ACCORDANCE WITH THE PROVISIONS THEREOF.

(d) IN THE EVENT OF ANY CONFLICT BETWEEN THIS AGREEMENT AND THE INTERCREDITOR AGREEMENT, THE INTERCREDITOR AGREEMENT SHALL GOVERN.

- 11.25 Parties Including Trustees; Bankruptcy Court Proceedings.** This Agreement, the other Loan Documents, and all Liens created pursuant to any Loan Document shall be binding upon each Loan Party, the estate of each Loan Party, and any trustee or successor in interest of any Loan Party in any Chapter 11 Case or any Successor Case or under any other bankruptcy or insolvency laws, and shall not be subject to Section 365 of the Bankruptcy Code. The Liens created by this Agreement and the other Loan Documents shall be and remain valid and perfected in the event of the substantive consolidation or conversion of any Chapter 11 Case or any other bankruptcy case of any Loan Party to a case under chapter 7 of the Bankruptcy Code, or in the event of dismissal of any Chapter 11 Case or the release of any Collateral from the jurisdiction of the Bankruptcy Court for any reason, without the necessity that the Administrative Agent or any Lender file financing statements or otherwise perfect its security interests or Liens under applicable Law.

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IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date set forth above.

BORROWER:

ARMSTRONG FLOORING, INC., a Delaware corporation

By: _____
Name:
Title:

GUARANTORS:

AFI LICENSING LLC, a Delaware limited liability company

By: _____
Name:
Title:

ADMINISTRATIVE AGENT AND
COLLATERAL AGENT:

PATHLIGHT CAPITAL LP, as Administrative
Agent and Collateral Agent

By: Pathlight GP LLC
Its: General Partner

By: _____
Name: _____
Title: _____

Address:

18 Shipyard Drive, Suite 2C
Hingham, MA 02043

LENDER:

PATHLIGHT CAPITAL FUND I LP, as a Lender

By: Pathlight Partners GP LLC
Its: General Partner

By: _____
Name: _____
Title: _____

Address:

18 Shipyard Drive, Suite 2C
Hingham, MA 02043

Schedule 6.28

Required Milestones

Days after filing

- 5: Filing of Asset Sale Motion
- 9: Entry of Interim Financing Order
- 12: Amendment of proposed form of Bid Procedures order contemplated in Asset Sale Motion to the extent required by each of the DIP Term Loan Agent and the DIP ABL Agent such that it is reasonably acceptable to each of them
- 21: Entry of Approved Bid Procedures Order
- 26: Entry of Final Order
- 37: Bid Deadline
- 40: Auction
- 42: Hearing on substantive sale portion of Asset Sale Motion
- 43: Entry of Sale order
- 45/60: Sale closing; DIP Term Loan Agreement and DIP ABL maturity date and payoff¹

ACTIVE 64690970v16

¹ Maturity date of the DIP Facilities is subject to extension as set forth in Section 1.9 of the Interim Order.

Exhibit C

Initial Budget

Armstrong Flooring, Inc. 45-Day Going Concern DIP Budget							
Week Ending	1 5/15/22	2 5/22/22	3 5/29/22	4 6/5/22	5 6/12/22	6 6/19/22	7 6/26/22
	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
7 Week Proj.	Total						
Receipts							
Distribution & Lockbox Collections	\$ 9,369	\$ 4,768	\$ 7,537	\$ 8,325	\$ 7,311	\$ 8,197	\$ 11,151
Home Depot & Lowe's Collections	527	792	724	1,068	1,087	1,005	1,035
Netting & I/C	-	1,000	-	1,000	-	-	1,000
Other Receipts	-	-	-	-	-	-	-
Transaction Proceeds	-	-	-	-	-	-	237,525
Total Receipts	9,896	6,560	8,261	10,393	8,398	9,202	250,711
Operating Disbursements							
Raw & Sourced Material	(1,259)	(3,829)	(4,465)	(2,152)	(2,965)	(2,851)	(2,515)
CV Payments ¹	-	(3,800)	(2,800)	(2,800)	(2,800)	(1,800)	-
Payroll and Employee Benefits	(1,185)	(3,525)	(1,222)	(3,540)	(1,238)	(3,555)	(1,237)
Outside Services	(0)	(582)	(65)	(69)	(65)	(525)	(52)
Logistics/Customs	(0)	(4,385)	(1,751)	(1,772)	(2,071)	(1,569)	(2,126)
Packaging	(0)	(271)	(228)	(167)	(153)	(154)	(139)
Rent / Leases	-	-	-	(256)	-	(282)	-
Insurance	(1)	(0)	(0)	(156)	(0)	(1)	(0)
Facility Costs	0	(577)	(262)	(706)	(367)	(449)	(118)
MRO Costs	0	(964)	(284)	(233)	(289)	(593)	(302)
Taxes - Operating	0	(534)	-	-	-	(263)	-
Other Operating Disbursements	0	(723)	(371)	(290)	(336)	(383)	(190)
Total Operating Disbursements	(2,443)	(19,190)	(11,448)	(12,141)	(10,285)	(12,425)	(6,677)
Operating Cash Flow	7,453	(12,630)	(3,187)	(1,748)	(1,887)	(3,223)	244,034
NON-OPERATING ACTIVITY							
Capital (Expenditures) / Disposals	-	(375)	(125)	-	-	-	(500)
Interest & Fee Payments	-	-	-	(519)	-	-	(519)
Ordinary Course Professional Fees	(0)	(11)	(11)	(9)	(239)	(303)	(9)
Bankruptcy-Related Expenses							
Utility Deposits	-	-	-	(700)	-	-	(700)
Professional Fees	-	(1,410)	(705)	(1,165)	(1,940)	(890)	(6,790)
DIP Fees	(375)	-	-	-	-	-	(2,540)
Other	-	-	-	-	-	-	-
Total Bankruptcy-Related Expenses	(375)	(1,410)	(705)	(1,865)	(1,940)	(890)	(3,220)
Net Cash from Non-Operating Activity	(375)	(1,796)	(841)	(2,393)	(2,179)	(1,193)	(3,229)
Net Cash Flow	\$ 7,077	\$ (14,426)	\$ (4,028)	\$ (4,142)	\$ (4,066)	\$ (4,415)	\$ 240,805
Memo: Total Disbursements²	(2,819)	(20,986)	(12,289)	(14,535)	(12,464)	(13,618)	(9,906)
							\$ (86,615)

¹ Critical Vendor reserve accounted for in availability under the DIP² Total disbursements would be reduced by \$1 million by week 7 to the extent a post default carveout reserve is imposed

EXHIBIT D**Lien and Superpriority Claim Priority**

Order of Priority	Prepetition ABL Priority Collateral (whether in existence on the Petition Date or thereafter arising)	Prepetition Term Priority Collateral (whether in existence on the Petition Date or thereafter arising)	Non-Lender Encumbered Assets	Unencumbered Assets	Superpriority Claims
1st	Permitted Liens	Permitted Liens	Non-Lender Existing Liens	Carve Out	Carve Out
2nd	Carve Out	Carve Out	Carve Out	Revolver DIP Liens and DIP Term Loan Liens	Revolver Superpriority Claim and DIP Term Loan Superpriority Claim
3rd	Revolver DIP Liens	DIP Term Loan Liens	Revolver DIP Liens and DIP Term Loan Liens	Prepetition ABL Adequate Protection Liens and Prepetition Term Loan Adequate Protection Liens	Prepetition ABL Adequate Protection Claims and Prepetition Term Loan Adequate Protection Claims
4th	Prepetition ABL Liens	Prepetition Term Loans Liens	Prepetition ABL Adequate Protection Liens and Prepetition Term Loan Adequate Protection Liens		
5th	Prepetition ABL Adequate Protection Liens	Prepetition Term Loan Adequate Protection Liens			
6th	DIP Term Loan Liens	Revolver DIP Liens			

7 th	Prepetition Term Loan Liens	Prepetition ABL Liens			
8 th	Prepetition Term Loans Adequate Protection Liens	Prepetition ABL Adequate Protection Liens			

EXHIBIT E**Milestones**

Days after filing

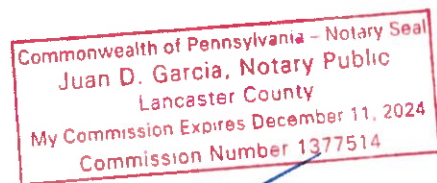
- 5: Filing of Asset Disposition Motion
- 9: Entry of Interim Financing Order
- 12: Amendment of proposed form of Bid Procedures order contemplated in Asset Disposition Motion to the extent required by each of the DIP Agents such that it is reasonably acceptable to each of them
- 21: Entry of bid procedures order
- 26: Entry of Final Financing Order
- 37: Bid Deadline
- 40: Auction
- 42: Hearing on substantive sale portion of Asset Disposition Motion
- 43: Entry of Sale order
- 45: Sale closing; DIP Facilities maturity date and payoff¹⁰

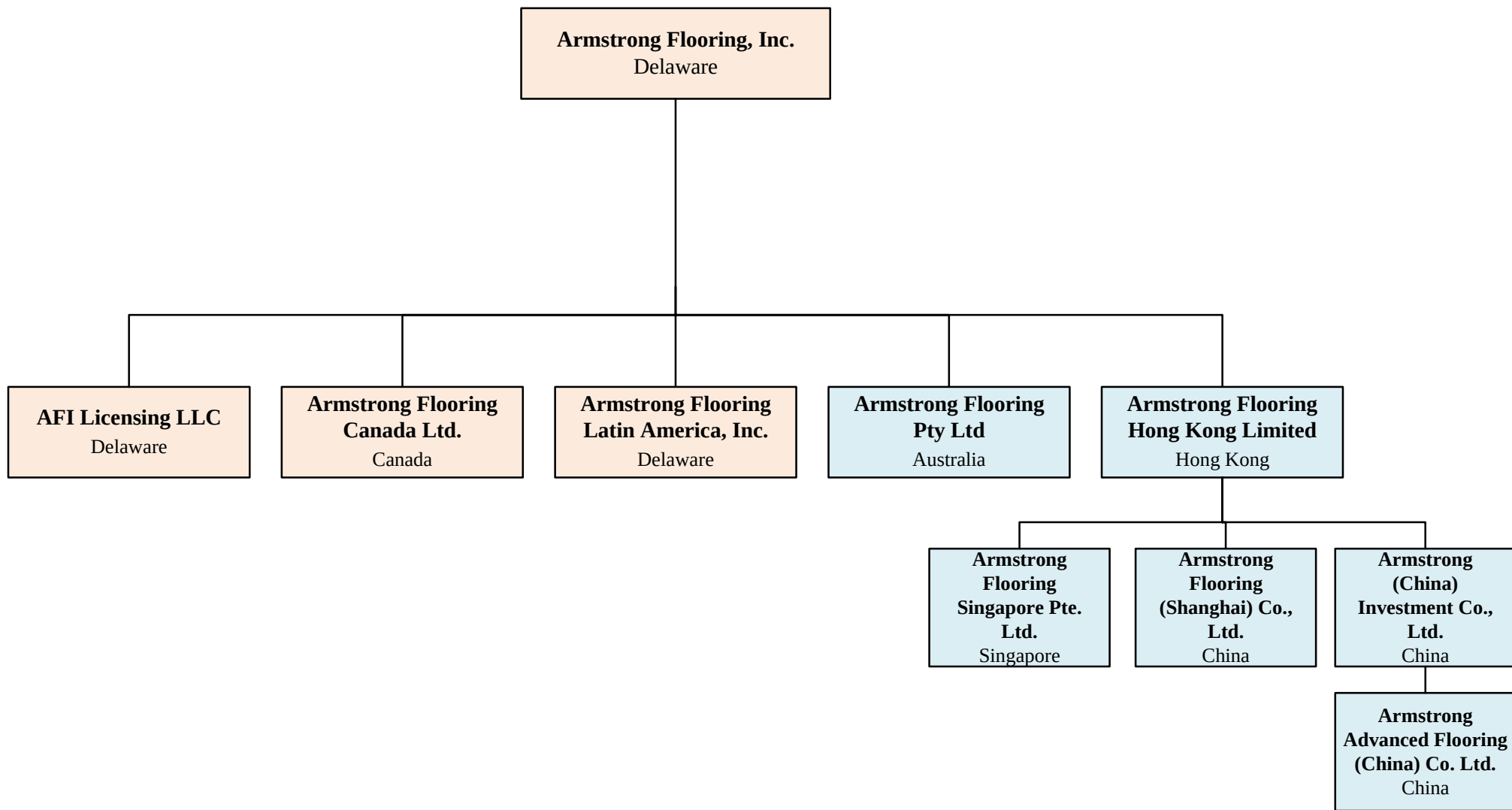
¹⁰ Maturity date of the DIP Facilities is subject to extension as set forth in Section 1.9 of the Interim Order.

THIS IS EXHIBIT "Q" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022


Juan D. Garcia, PA Notary
A Notary Public in and for the Commonwealth of Pennsylvania





LEGEND:

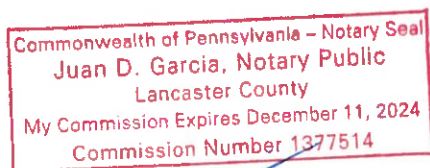
- Corporation
- Debtors
- Non-debtors

THIS IS EXHIBIT "R" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary

A Notary Public in and for the Commonwealth of Pennsylvania







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:	Name in Foreign Jurisdiction:
9386033	AFI Canada Ltd.
Date of Incorporation, Continuation or Amalgamation in Foreign Jurisdiction:	Foreign Jurisdiction:
August 01, 2015	FEDERAL

EXTRAPROVINCIAL REGISTRATION INFORMATION

Previous Registration Number in BC:	Extraprovincial Company's Name in BC:
A0098437	AFI CANADA LTD.

REGISTERED OFFICE INFORMATION

Mailing Address:	Delivery Address:
1200 WATERFRONT CENTRE 200 BURNARD STREET PO BOX 48600 VANCOUVER BC V7X 1T2 CANADA	1200 WATERFRONT CENTRE 200 BURNARD 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

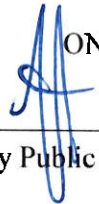
Delivery Address:

1770 HEMPSTEAD ROAD
P.O. BOX 10068
LANCASTER PA 17605
UNITED STATES

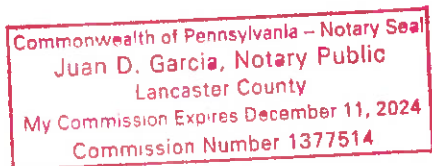
NO OFFICER INFORMATION FILED .

THIS IS EXHIBIT "S" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary

A Notary Public in and for the Commonwealth of Pennsylvania





Armstrong Flooring

Income Statement

Total NA

In millions USD (000s)

	2022				
	GAAP Jan	GAAP Feb	GAAP Mar	GAAP Apr	YTD
Sales Volume (MSFT)	41.3	42.9	51.7	48.6	184.6
Gross Sales	39.3	41.5	52.9	48.4	182.1
Returns	(0.4)	(0.4)	(0.6)	(0.5)	(1.8)
Claims	(0.4)	(0.5)	(0.7)	(0.6)	(2.2)
Price Allowances	(2.3)	(1.4)	(0.7)	(2.2)	(6.6)
Cash Discounts	(0.1)	(0.1)	(0.2)	(0.1)	(0.5)
Freight Revenue	1.5	3.0	2.0	2.1	8.6
Rebates	(1.9)	(1.7)	(1.9)	(1.1)	(6.6)
All Other	(0.1)	0.0	(0.3)	(0.1)	(0.6)
Net Sales	35.5	40.5	50.5	46.0	172.4
Std Cost	18.5	18.9	23.8	20.8	81.9
Freight	2.0	2.4	2.7	3.0	10.1
Purchasing Variance	6.2	6.1	9.5	8.9	30.6
Production Variance	1.2	1.3	1.0	1.0	4.6
FIFO	(2.9)	(2.6)	(3.9)	(2.4)	(11.8)
LIFO	-	-	-	-	-
Other Direct	0.9	0.5	0.9	0.8	3.2
Direct Cost	25.9	26.5	34.1	32.2	118.6
Direct Margin	9.6	14.0	16.4	13.8	53.8
MPE	8.0	7.1	8.1	7.8	31.0
PEOI	(0.8)	(0.4)	(0.7)	0.1	(1.8)
Distr Handling Fees	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other Manufacturing Cost	7.2	6.7	7.4	7.9	29.2
Total Cost of Sales	33.1	33.2	41.5	40.1	147.8
Gross Profit	2.4	7.3	9.0	5.9	24.6
Advertising	0.0	0.0	0.1	0.1	0.2
Promo	1.0	1.5	1.2	1.1	4.7
Total Adv & Promo	1.1	1.5	1.2	1.1	4.9
Selling	3.0	2.4	2.8	2.7	10.8
PS&D	0.1	0.1	0.1	0.0	0.3
R&D	0.4	0.3	0.3	0.3	1.3
Engineering	0.1	0.1	0.1	0.1	0.4
Admin	6.6	8.1	6.7	13.5	34.8
General	(0.0)	0.0	(0.1)	0.1	0.0
Total Core SG&A	10.1	10.9	10.0	16.7	47.7
Total SG&A	11.2	12.4	11.2	17.8	52.6
Other Op Inc/Exp	-	-	-	-	-
Operating Income	(8.8)	(5.1)	(2.2)	(11.9)	(28.0)
Income Tax expense/(benefit)	(0.4)	(0.2)	(0.3)	(0.1)	(1.1)
Other Expense/(Income)	(0.7)	(0.2)	(0.5)	(0.5)	(1.9)
Interest Expense	-	-	-	-	-
Net Income (Loss)	(7.6)	(4.6)	(1.4)	(11.3)	(25.0)
(+) Total Depreciation	2.5	2.5	2.6	2.5	10.0
EBITDA	(6.3)	(2.6)	0.4	(9.4)	(17.9)
(+) Non cash pension (Expense) Income	0.1	0.1	0.1	0.1	0.4
Non-GAAP Adjustments	0.2	0.5	0.6	6.6	7.9
Adjusted EBITDA	(6.0)	(2.0)	1.1	(2.7)	(9.6)

0.000

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Armstrong Flooring™

Income Statement

Total Canada

In millions USD (000s)

		2022				
		GAAP Jan	GAAP Feb	GAAP Mar	GAAP Apr	YTD
Sales Volume (MSFT)		2.1	2.7	3.3	3.1	11.2
Gross Sales		1.9	2.6	2.7	2.9	10.2
Returns		(0.0)	-	(0.0)	(0.0)	(0.0)
Claims		(0.0)	(0.1)	(0.0)	(0.1)	(0.2)
Price Allowances		(0.7)	(0.3)	(0.1)	(0.1)	(1.2)
Cash Discounts		(0.0)	-	(0.0)	(0.0)	(0.0)
Freight Revenue		0.1	0.1	0.0	0.1	0.2
Rebates		(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
All Other		0.0	0.0	(0.0)	0.0	0.0
Net Sales		1.3	2.3	2.5	2.8	8.9
Std Cost		1.8	2.5	3.6	1.7	9.6
Freight		0.0	0.0	0.0	0.0	0.1
PurchasingVariance		0.1	0.3	(0.0)	0.1	0.5
Production Variance		-	-	-	-	-
FIFO		-	-	-	-	-
LIFO		-	-	-	-	-
Other Direct		0.0	(0.0)	(0.0)	(0.0)	0.0
Direct Cost		1.9	2.9	3.6	1.7	10.2
Direct Margin		(0.6)	(0.6)	(1.1)	1.0	(1.3)
MPE		0.0	(0.0)	-	-	(0.0)
PEOI		-	-	-	-	-
Distr Handling Fees		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other Manufacturing Cost		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total Cost of Sales		1.9	2.9	3.6	1.7	10.2
Gross Profit		(0.6)	(0.6)	(1.1)	1.0	(1.3)
Advertising		-	-	-	-	-
Promo		0.0	0.0	0.0	0.0	0.1
Total Adv & Promo		0.0	0.0	0.0	0.0	0.1
Selling		0.1	0.0	0.1	0.1	0.2
PS&D		-	-	-	-	-
R&D		-	-	-	-	-
Engineering		-	-	-	-	-
Admin		0.7	0.3	0.6	0.5	2.1
General		0.0	0.0	0.0	0.0	0.0
Total Core SG&A		0.8	0.3	0.6	0.6	2.4
Total SG&A		0.8	0.4	0.7	0.6	2.5
Other Op Inc/Exp		-	-	-	-	-
Operating Income		(1.5)	(1.0)	(1.8)	0.4	(3.8)
Income Tax expense/(benefit)		(0.4)	(0.2)	(0.3)	(0.1)	(1.1)
Other Expense/(Income)		0.0	(0.0)	0.0	(0.0)	(0.0)
Interest Expense		-	-	0.1	-	0.1
Net Income (Loss)		(1.1)	(0.7)	(1.6)	0.5	(2.8)
(+) Total Depreciation		-	-	-	-	-
EBITDA		(1.5)	(1.0)	(1.8)	0.4	(3.8)
(+) Non cash pension (Expense) Income		-	-	-	-	-
Non-GAAP Adjustments		-	-	-	-	-
Adjusted EBITDA		(1.5)	(1.0)	(1.8)	0.4	(3.8)
		-	0.000	(0.000)	(0.000)	-

Name CONFIDENTIAL USD
Category cyactual cyactual
Account
Date 2021-08-31 2021-09-30
Frequency M.YTD M.YTD
Applicator ArmFloor ArmFloor

Total North America		2022 Jan	2022 Feb	2022 Mar	2022 Apr
ASSETS					
Hyp Account #					
Cash					
A21101	Cash-General	4,751,806	2,235,531	467,430	2,519,595
A21103	Cash-Imprest Funds	13,852	13,852	13,852	13,436
TotCash	Cash	4,765,658	2,249,383	481,282	2,533,031
Cash Equivalents					
A21113	Invest In Repurchase Agreement	-	-	-	-
TotCashEquiv	Cash Equivalents	-	-	-	-
Restricted Cash					
A21125	Restricted Cash	-	-	-	-
Customer Accounts					
A21201	Accts Recvble-Trade Current	53,042,052	55,307,000	63,477,920	54,620,541
TotCustAR	Customer Accounts	53,042,052	55,307,000	63,477,920	54,620,541
Miscellaneous A/R					
A21202	Short-Term Customer Notes	1,000,000	1,000,000	916,667	833,333
A21301	Sundry Receivables	-	-	-	-
A21306	Rebts&Clms&Discs Due Frm Trad	75,054	75,054	75,054	75,054
A21315	Misc Receivables	2,511,023	2,700,028	3,694,917	3,094,764
TotMiscRec	Miscellaneous	3,586,077	3,775,081	4,686,638	4,003,151
A/R Allowances					
A28301	Val Rsrv-Worthless Accts Recv	-	-	-	-
A28303	Val Rsrv-Sales Discount	(99,519)	(112,448)	(221,376)	(23,601)
A28306	Val Rsrv-Customer Claims	(6,294,585)	(5,785,866)	(4,803,062)	(4,989,670)
A28307	Val Rsrv-Cust Claims-Warranty	(11,184,241)	(11,141,231)	(10,983,776)	(11,049,164)
A28308	Val Rsrv>Returns A/R	(734,168)	(672,436)	(1,056,344)	(1,028,694)
A28311	Val Rsrv-Worthless A/R-Specific	(1,782,196)	(1,782,164)	(1,830,698)	(1,830,496)
TotARAllow	Allowances	(20,094,709)	(19,494,144)	(18,895,256)	(18,921,625)
Finished Goods					
A22104	Inventory-Fin Stk-Manufactured	27,021,815	28,719,736	30,501,626	30,592,376
A22105	Inventory-Jobbed Stock	36,985,130	37,761,445	40,464,866	41,900,266
A22110	Finished Stock Mfd Other Firms	-	-	-	-
A22118	Exp Applied To Inv-Tra 1986	-	-	10,111	-
A22120	Inventory-Period Expense	17,325,000	17,724,000	18,442,000	18,349,000
A22125	Finished Stock Job In Transit	3,374,304	2,209,372	1,756,979	916,526
OthFG	Other Finished Goods	-	-	-	-
TotInvFG	Finished Goods	84,706,249	86,414,553	91,175,582	91,758,168
Work In Progress					
A22103	Inventory - Work-in-Process	1,000,552	1,000,552	368,395	1,000,000
A22117	Work-in-Process Jobbed	-	-	-	-
A22123	Work-in-Process Plt In Transit	-	-	-	-
A22133	WIP - Open Work Orders	169,129	(5,742)	62,954	11,714
OthWIP	Other Work-in-Process	4,696,062	4,649,911	4,696,238	3,812,348
TotInvWIP	Work-in-Process	5,865,743	5,644,721	5,127,587	4,824,061
Raw Materials					
A22102	Inventory - Raw Material	10,782,009	10,345,293	10,449,311	10,689,523
TotInvRM	Raw Materials	10,782,009	10,345,293	10,449,311	10,689,523
Supplies					
A22201	General Stores	10,957,193	11,083,167	11,123,860	11,301,419
A22202	Inventory - Coal & Fuel Oil	19,206	25,360	25,360	25,360
TotInvSup	Supplies	10,976,398	11,108,528	11,149,220	11,326,779
Valuation Allowances					
A28501	Inv Val To Lifo Cost	-	-	-	-
A28502	Inv Val To Fifo Cost	22,981,000	25,614,000	29,534,000	31,933,000
A28504	Obsol Defect Slow-Moving Inv	(4,163,718)	(3,967,963)	(4,079,129)	(4,064,324)
A28513	Intra-Company Trading Profit	-	-	-	-
TotInvAllow	Inventory Reserves	18,817,282	21,646,038	25,454,871	27,868,676
Other Current Assets					
Assets_for_Sale	Assets Held for Sale	-	-	-	-

A21304	Travel Advances	-	-	-	(81,173)
A21318	P-Card Purchases Advance	(9,261)	(8,144)	(30,362)	(24,602)
A21320	Travel/Reimbursement Account	(23,139)	(23,139)	(23,139)	(23,139)
A25101	Prepaid Advertising Projects	602,555	718,114	767,780	832,440
A25102	Prepaid Freight	1,276,441	1,201,308	918,258	366,184
A25104	Prepaid Insurance	953,025	684,776	416,527	5,230,286
A25106	Prepaid Taxes	0	0	0	0
A25107	Prepaid Payroll	(122)	2,212	743	(14,061)
A25109	Prepaid Sundry Expenses	4,787,680	4,692,283	5,204,261	4,163,917
A25113	WIP- Advertising Projects	37,125	37,125	145,723	145,723
A25114	Prepaid Dues&Subscriptions	-	-	-	-
A25122	Prepaid Print Supplies-Other	7,779	25,477	20,578	14,699
A25127	Prepaid Sample Exp	5,094,736	4,804,340	4,697,089	4,784,714
A25218	Group Medical Insurance-Co.	471,800	471,800	471,800	471,800
A25219	Group Dental Insurance-Company	(687)	(254)	-	(664)
A25220	Equaliz Fica Taxes	69,499	51,833	(10,203)	8,557
A25221	Equaliz Fed Unemplmt Taxes	-	(9)	(7)	76
A25222	Equaliz St Unemplmt Taxes	(550)	40,120	1,001	1,845
A25233	Sls Returns/Allow-Cash Payment	(218)	-	-	(1,729)
A25308	Current State Taxes Receivable	82,884	82,884	82,884	82,884
A25309	Federal Income Tax Receivable & Overpmts	86,399	86,295	86,853	86,193
A25311	Income Tax Benefits - Deferred	2,538,556	2,526,910	2,589,347	2,515,587
A25313	Deferred State Income Tax Non Current	0	0	0	0
A25314	Returns	411,702	391,654	574,470	614,753
A28214	Fair Value of Deriv. Asset - Current	-	-	-	-
OthMiscAsset	Other Misc Current Assets	295,714	296,030	295,891	297,476
TotOCA	Other Current Assets	16,681,919	16,081,617	16,209,495	19,471,768
Land					
A23101	Operating Land	5,322,000	5,322,000	5,322,000	5,322,000
Othland	Other Land	-	-	-	-
TotLand	Land	5,322,000	5,322,000	5,322,000	5,322,000
Buildings					
A23201	Buildings-Stghtline Method	51,416,649	51,437,498	51,473,267	51,473,279
A23202	Building Services-St Line Meth	-	-	-	-
A23225	ROU Asset - Finance-Building	-	-	-	-
A23314	Capitalized Interest - Buildings	145,259	145,259	145,259	145,259
TotBuild	Buildings	51,561,908	51,582,757	51,618,526	51,618,538
Machinery & Equipment					
A23203	Machinery-Stghtline Method	321,840,253	321,922,394	324,476,329	325,464,786
A23208	Off Fur&Fix-Stght Line Method	-	-	-	-
A23216	Improvmts Leasehlds-Stline Mt	3,169,894	3,149,045	3,875,224	3,875,224
A23220	ROU Asset - Finance - Machinery	826,382	826,382	826,382	826,382
A23227	Leased Machinery	1,014,408	1,014,408	1,014,408	1,014,408
A23315	Capitalized Interest - Machinery	1,838,865	1,838,865	1,838,865	1,838,865
TotMachEquip	Machinery & Equipment	328,689,801	328,751,093	332,031,208	333,019,665
A24303	Computer Software	16,624,925	16,624,925	17,119,270	17,119,270
TotCompSftwr	Total Computer Software	16,624,925	16,624,925	17,119,270	17,119,270
CIP					
A23212	Construction In Process-Machr	6,460,508	6,730,659	3,491,392	3,286,010
A23213	Construction In Process-Engin	77,882	(2,318)	5,002	-
A24333	Computer Software - WIP	1,293,081	1,333,678	825,649	848,196
TotCIP	Construction In Process	7,831,470	8,062,018	4,322,043	4,134,206
Accum Deprec&Amort					
A28401	Val Rsrv-Bldgs-St Line Method	(27,784,239)	(27,918,034)	(28,047,779)	(28,177,546)
A28403	Depr-Machinery-St Line Method	(220,102,593)	(221,507,797)	(222,435,926)	(223,860,502)
A28408	Val Rsrv-Off Fur&Fix-Stlin Mt	-	-	-	-
A28416	Val Rsrv-Imprv Lshlds-Stln Mt	(329,544)	(355,602)	(409,521)	(451,565)
A28427	Depreciation-Leased Machinery	(220,905)	(237,077)	(253,249)	(269,421)
A28433	Accum Amort ROU Asset - Finance Building	-	-	-	-
A28434	Accum Amort ROU Asset - Finance Machine	(486,681)	(502,380)	(518,080)	(533,779)
A28474	Accum. Deprec. Cap. Int. - Bldgs	(35,814)	(36,217)	(36,622)	(37,026)
A28475	Accum. Deprec. Cap. Int. - Mach.	(906,897)	(917,124)	(927,349)	(937,571)
A28203	Amortization of Computer Software	(13,901,254)	(14,153,290)	(14,427,214)	(14,687,411)
TotAccDA	Accum Deprec And Amort	(263,767,926)	(265,627,521)	(267,055,739)	(268,954,821)
Rou Asset And Amort					
A23214	ROU Asset - Operating Machinery	1,091,057	1,091,057	1,097,203	1,097,203
A23228	ROU Asset - Operating Building	17,100,488	17,076,918	17,076,918	17,076,918
GrossOpAssets	Gross Operating Assets	18,191,545	18,167,975	18,174,121	18,174,121
A28430	Accum Amort ROU - Operating Building	(1,511,223)	(1,604,906)	(1,726,677)	(1,849,390)
A28431	Accum Amort ROU - Operating Machinery	(690,566)	(708,318)	(726,702)	(744,940)
TotAccDAOp	Total Accumulated DA Operating	(2,201,788)	(2,313,224)	(2,453,379)	(2,594,330)
Goodwill					
Intangibles					

A24301	Patents-Licenses-Options	5,533,706	5,533,706	5,547,256	5,547,256
A24304	Trademarks	260,000	260,000	260,000	260,000
A24311	Trademarks - Non Amortizable	2,989,596	2,989,596	3,005,284	3,005,284
A24312	Land Use Rights	-	-	-	-
A24315	Customer Relationships	33,362,665	33,362,665	33,362,665	33,362,665
GrossOthInt	Gross Other Intangible Assets	42,145,968	42,145,968	42,175,205	42,175,205
A28201	Amortization Of Patents	(2,153,653)	(2,184,399)	(2,215,145)	(2,245,972)
A28202	Amortization Of Trade Marks	(260,000)	(260,000)	(260,000)	(260,000)
A28204	Amortization of Land Use Rights	-	-	-	-
A28210	Amort Of Customer Relationships	(30,631,942)	(31,178,087)	(31,724,231)	(32,270,375)
NetIntang	Net Intangible Assets	9,100,373	8,523,482	7,975,829	7,398,858

Investment In Affiliates**Asbestos Asset****Other Assets**

A24210	Other Tangible Assets	663,462	634,615	230,769	218,624
A24217	Retirement Surplus	23,791,121	24,060,970	24,613,550	25,166,129
A24604	Sundry Assets-Non Current	276,472	276,472	276,472	276,472
ForeignPA	Foreign FAS 87 Pension Asset	2,737	(2,688)	(3,342)	(3,818)
A25000	Long-Term Customer Notes	83,333	-	-	-
A25010	Discount on Long-Term Customer Notes	(149,413)	(137,921)	(126,429)	(114,937)
A25011	Fair Value of Deriv. Asset - Non Current	-	-	-	-
A25240	Deferred Financing Fees	1,927,048	1,934,012	1,958,766	805,844
A28215	Fea-Receiveables Foreign Curr	62	64	1,503	(285)
OthMiscNCA	Other Misc Assets	539,428	499,679	454,979	441,352
TotONCA	Other Assets	27,134,250	27,265,204	27,406,269	26,789,382
TotNonCurrAsst	Total Other Noncurrent Assets	36,234,623	35,788,685	35,382,097	34,188,239

Investment In Subs.

I24000	Investments In Subsidiaries	94,934,576	94,934,576	94,934,576	94,934,576
TotInvSubs	Investments In Subsidiaries	94,934,576	94,934,576	94,934,576	94,934,576

Short Term Interco.

I22500	Current Amount Due From Subs	(13,283,808)	(13,474,346)	(14,028,390)	(14,700,238)
TotInterCo		(13,283,808)	(13,474,346)	(14,028,390)	(14,700,238)

Long Term Interco.

I24100	Long Term I/C Rec - Adv To Subs	(25,000,000)	(25,571,215)	(25,853,267)	(25,853,267)
TotAdvSubs	Long-Term Advances To(From) Subsidiaries	(25,000,000)	(25,571,215)	(25,853,267)	(26,144,116)

Total Assets

444,266,006 445,325,795 458,829,716 454,291,186

Liabilities**Trade Payables**

A26101	Trade Payables	56,165,344	70,310,014	81,461,262	87,331,289
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Notes Payable - Trade**Other Payables**

A26106	Sundry Payables	1,980,868	1,947,228	2,272,805	2,055,574
A26110	Employee Us Bond Purchases	8,387	13,002	12,881	17,239
A26111	Deposits-Employee Stock Purch	-	-	-	-
A26114	Credit Due For Returned Goods	(260,707)	(317,695)	(243,103)	(270,949)
A26118	Php Insurance Contrib-Employee	(41,170)	(46,565)	(58,921)	(61,766)
A26119	Rsp-Standard-Salary	-	-	21,260	14,354
A26122	Rsp-Sheltered-Salary	-	(4,000)	(13,736)	(12,979)
A26126	Rsp-Loan Repayments-Salary	-	-	-	115
A26128	Rsp-Sheltered-Hourly	-	33	406	(52)
A26133	Dependent Care Cont-Sheltered	35,691	39,241	37,442	43,385
A26135	Share In Success-Employee Cont	35	(6,558)	(1,148)	(1,488)
A26137	Grp Univ Life Ins Contrib-Empl	-	-	-	-
A26150	Cost & Service Fees-FPO Buyback	-	-	-	-
A26221	Unclaimed Pay Escheatable	98,730	98,730	98,730	98,730
A26222	Promotion Program Liability	7,503,248	7,102,399	5,556,429	4,700,462
A26607	Customer Prepayments	132,848	130,768	116,376	93,609
A26609	Deferred Revenue	-	-	-	-
OthMiscPay	Other Misc Payables	(955,068)	(4,485,848)	(2,048,369)	(4,184,004)
TotOthAP	Other Payables	8,502,862	4,470,734	5,751,052	2,492,231

Pre-Petition A/P & One-Time Vender Liab.

A26103	Pre-petition A/P - Trade	-	-	-	-
A26104	Pre-petition One-Time Vendor Liab.	-	-	-	-

Payrolls

A26202	Gross Payroll Accrued	2,575,111	2,516,812	3,659,875	876,305
A26206	Accrued Vacation Pay	93,060	178,770	238,622	277,923
A26207	Commiss & Slsmn Incentive Pay	3,445,433	3,220,966	641,342	854,164

A26214	Misc Payroll Deductions	(8,389)	(7,828)	(11,399)	19,569
A26219	Accrued Mgmt Achievement Prog	4,507,825	3,854,996	1,246,064	1,810,885
A26230	Salaried Employees Bonus Plan	-	-	-	-
A26232	Cash Retention	1,892,293	1,528,137	209,851	500,083
A26241	Non-Restructuring Severance Pay	227,380	227,158	228,347	47,896
A26247	Restructuring	-	-	-	-
A26254	Current Liab-Pension and Postretirement	3,605,265	3,604,800	3,607,291	3,604,349
A26707	City Income Tax Withheld	(1,691)	(11,125)	(7,471)	(19,609)
A26708	Federal Withholding Tax	2,067,475	2,102,939	2,008,207	2,006,778
A26713	State Unemplmt Tax Withheld	(4,404)	(20,273)	76	(157)
A26718	State Income Tax Withheld	8,034	17,184	10,623	18,878
OthSal	Other Salaries	-	-	-	-
TotPayrolls	Payrolls	18,407,392	17,212,535	11,831,428	9,997,064
Accrued Taxes - Not On Income					
A26710	Fica Tax Withheld	1,363	1,363	-	-
TotSSTax	Social Security Taxes - Not on income	1,363	1,363	-	-
Accrued Other Taxes - Not On Income					
A26711	Franchise Tax	274,718	271,502	300,434	346,968
A26714	Accrued Sales & Use Tax	178,941	74,066	203,611	114,716
A26717	Accrued Taxes-General	6,250	6,250	6,250	6,250
OthMiscTax	Other Misc Accrued Taxes	92,969	109,929	(1,916)	286,691
TotAccOthTax	Other Taxes - Not on income	552,877	461,746	508,379	754,624
Accrued Miscellaneous					
A26203	Accrued Interest	733,128	883,338	1,204,623	824,167
A26208	Accrued Sundry Payables	327,102	385,790	426,342	467,535
A26213	Work Comp-Lib Mutual '90&Prior	1,068,629	1,068,629	299,745	299,745
A26215	Outgoing Freight Payable	3,443,712	3,927,105	4,342,367	5,296,628
A26228	Audit Fee	-	-	-	-
A26304	Fair Value of Deriv Liab - Short Term	242,345	242,345	91,280	91,280
A28121	Reserve-Misc Contingencies	-	-	8	(20,005)
OthMiscAcc	Other Misc Accrued	1,648,648	1,402,772	910,226	908,084
TotAccMisc	Accrued Miscellaneous	7,463,564	7,909,979	7,274,591	7,867,434
Short Term Lease Liability - Operating					
A26211	S/T Lease Liability - Operating Building	1,499,356	1,499,356	1,442,380	1,442,380
A26216	S/T Lease Liability - Operating Machine	208,808	208,808	206,487	206,487
TotSTOPLeaseLiab	S/T Lease Liability - Operating	1,708,164	1,708,164	1,648,867	1,648,867
Income Taxes Payable - Fed & For					
A26701	Accrued Federal Income Tax	(399,068)	(642,259)	(951,184)	(1,016,151)
A26702	Accrued Crs-Forgn Income Tax	-	-	-	-
OthTax	Other Fed And Foreign Taxes Payable	-	-	-	-
TotFFTax	Federal & Foreign Taxes Payable	(399,068)	(642,259)	(951,184)	(1,016,151)
Income Taxes Payable - State					
A26703	Accrued State Inc Tax	120,000	119,301	119,256	119,256
TotStateTax	State Taxes Payable	120,000	119,301	119,256	119,256
Short-Term Borrowings					
A26402	Notes Payable Banks	385,764	385,764	321,470	257,176
A26405	Bank of America Revolving Line of Credit	-	-	-	-
TotSTBorrowing	Short-Term Borrowings	385,764	385,764	321,470	257,176
Short-Term Lease Liab - Finance					
A26226	S/T Lease Liability - Finance Machinery	444,708	444,708	423,006	423,006
TotSTFinLeaseLiab	S/T Lease Liability - Finance	444,708	444,708	423,006	423,006
Pre-Petition Short-Term Borrowings					
A26406	Chase DIP - Pre-petition	-	-	-	-
Current Long-Term Debt					
A26115	Current Long-term Debt	-	-	-	-
Total Current Deferred Taxes					
Dividends Payable					
Long-Term Debt					
A27201	Debt Secur/Misc Obligations	98,105,684	96,224,992	107,409,318	114,914,514
A24205	Financing Costs	1,359,759	1,442,201	1,490,897	1,493,931
A28222	L/T Lease Liability - Finance Machinery	617,019	577,371	559,180	522,142
TotLTFinLeaseLiab	L/T Lease Liability - Finance	617,019	577,371	559,180	522,142
TotLTDebt	Long-term Debt	97,362,944	95,360,162	106,477,601	113,942,725
Long-Term Lease Liab Operating					
A28218	L/T Lease Liability - Operating Building	15,117,404	14,835,459	14,797,202	14,708,984
A28219	L/T Lease Liability - Operating Machine	191,835	174,087	164,175	145,943
TotLTOPleaseLiab	L/T Lease Liability - Operating	15,309,239	15,009,547	14,961,377	14,854,927

Esop Loan Guarantee**Non Current Federal Income Taxes Payable****Non Current Federal Income Taxes Payable**

A27101A Non Current State Income Taxes Payable

-

-

-

-

Deferred Income Taxes

A27103 Def Fed Income Tax Others

390,015

390,657

391,999

393,133

A27105 Def State Inc Tax Others

17,161

17,161

17,161

17,161

A27108 Deferred Income Taxes Payable

0

0

0

0

OthDefTax Other Deferred Income Taxes

-

-

-

-

TotDefTax Non-Current Deferred Tax Liabilities

407,176

407,818

409,160

410,294

Asbestos-Related Liabilities**Other Long-Term Liabilities**

A27402 Misc Long-Term Liabilities

375,000

375,000

-

-

A27403 Def Compensation Plan Deferral

675,954

698,790

699,293

717,439

A27405 Pension Liability

2,109,406

2,109,200

2,108,578

2,107,955

A27410 Workers Comp-Lib Mutual 1991+

1,641,435

1,483,992

2,186,459

2,161,835

A27411 Postretirement Benefits Liabil

48,660,008

48,562,892

48,474,806

48,366,287

A27412 Postemployment Benefits Liabil

148,000

148,000

148,000

148,000

A27414 Auto/Gen Liab Insur-Lib Mutual

111,250

111,250

27,750

27,750

A27416 Rsa-Comp Accrual-Employees

(24,340)

(24,340)

(26,621)

(30,391)

A27417 Environmental-Long Term

66,470

66,470

78,218

78,148

A27428 Long-Term Fair Value of Derivatives

-

-

-

-

A27430 Asset Retirement Obligation - Asbestos

668,995

673,024

677,053

681,082

ForeignPL Foreign FAS 87 Pension Liability

1,038,098

1,011,425

1,025,759

986,186

STBS_IC Short Term Liability I/C Mismatch

-

-

-

-

LTBS_IC Long Term Liability I/C Mismatch

-

-

-

-

TotOLTL Other Long-term Liabilities

55,470,277

55,215,704

55,399,295

55,244,291

InvestElim Intercompany Investment Elim.

-

-

-

-

CHKTotal Check Total

1

1

1

1

Total Liabilities

261,902,607

268,375,281

285,635,559

294,327,034

Conv. Pref. Stock**Preferred Stock****Common Stock**

A29103 Common Stock-Par Val Shares

2,774

2,774

2,774

2,774

IHISCS IC Historical USD Common Stock

8,934,320

8,934,320

8,934,320

8,934,320

TotComStk Common Stock

8,937,094

8,937,094

8,937,094

8,937,094

Add'l Paid In Capital

A29201 Arm Wld Ind Inc (Parent Co)

677,554,081

677,823,736

677,755,412

677,410,392

IOthPICPar Inter-Co Paid In Excess Of Par

3,734,486

3,734,486

3,734,486

3,734,486

TotAPICPar Paid In Excess Of Par

662,435,801

662,705,456

662,637,131

662,292,112

Reduction - Esop Loan Guarantee**Retained Earnings**

A29501 Surplus-End Previous Period

(349,108,877)

(349,108,877)

(349,108,877)

(349,108,877)

RE_ADJ Adjustment to Previous Period RE

-

-

-

-

HISRE_ADJLC HISRE_ADJLC

-

-

-

-

A29502 Profit And Loss-Current

(8,664,410)

(14,451,565)

(18,257,889)

(32,025,973)

EndRE Ending Retained Earnings

(357,773,286)

(363,560,442)

(367,366,766)

(381,134,850)

Foreign Currency Trans.

A29515 Fct-Inter Co Lt Loans/Advances

-

-

-

-

A29517 Fct-Unrealized gain/loss on Derivatives

(271,690)

(252,148)

(231,703)

(231,703)

A29207 Add'l Min Pension Liab Adj

(45,871,713)

(45,825,024)

(45,821,693)

(45,717,697)

A29520 Plug account

0

0

0

0

CTA_PL CTA for P&L

(188)

11,311

(28,261)

12,929

CTA_INV CTA for Investments

-

-

-

-

CTA_CSTK CTA for Common Stock

168,200

126,440

350,320

85,840

CTA_APIC CTA for APIC

(496,480)

(407,710)

(883,612)

(321,407)

CTA_OPERE CTA_OPERE

(289,876)

(309,998)

(202,120)

(329,562)

CTA_READJLC CTA_READJLC

-

-

-

-

TotFCT Foreign Currency Translation

(46,761,746)

(46,657,130)

(46,817,069)

(46,501,600)

Treasury Stock

A29112 Common Stock In Treasury

(84,474,464)

(84,474,464)

(84,196,234)

(83,628,604)

TotTreaStk Total Treasury Stock

(84,474,464)

(84,474,464)

(84,196,234)

(83,628,604)

Total Shareholders' Equity

182,363,399

176,950,514

173,194,157

159,964,152

Total Liabilities & Shareholders' Equity

444,266,006

445,325,795

458,829,716

454,291,186

	TRUE	TRUE	TRUE	TRUE
Total Assets	444,266,006	445,325,795	458,829,716	454,291,186
	444,266,006	445,325,794	458,829,717	454,291,186

Name	CONFIDENTIAL	USD	AFI_CONS	AFI_CONS	AFI_CONS	AFI_CONS
Category	cyactual	cyactual	CYActual	CYActual	CYActual	CYActual
Account						
Date	2021-08-31	2021-09-30	2022-01-31	2022-02-28	2022-03-31	2022-04-30
Frequency	M.YTD	M.YTD	M.YTD	M.YTD	M.YTD	M.YTD
Applicator	ArmFloor	ArmFloor	ArmFloor	ArmFloor	ArmFloor	ArmFloor
North America - US			2022 Jan	2022 Feb	2022 Mar	2022 Apr
ASSETS						
Hyp Account #						
Cash						
A21101	Cash-General		3,342,321	925,619	192,871	1,762,222
A21103	Cash-Imprest Funds		13,852	13,852	13,852	13,436
TotCash	Cash		3,356,173	939,471	206,723	1,775,659
Cash Equivalents						
A21113	Invest In Repurchase Agreement		-	-	-	-
TotCashEquiv	Cash Equivalents		-	-	-	-
Restricted Cash						
A21125	Restricted Cash		-	-	-	-
Customer Accounts						
A21201	Accts Recvble-Trade Current		50,688,254	52,260,257	60,097,304	51,384,833
TotCustAR	Customer Accounts		50,688,254	52,260,257	60,097,304	51,384,833
Miscellaneous A/R						
A21202	Short-Term Customer Notes		1,000,000	1,000,000	916,667	833,333
A21301	Sundry Receivables		-	-	-	-
A21306	Rebts&Clms&Discs Due Frm Trad		75,054	75,054	75,054	75,054
A21315	Misc Receivables		2,511,023	2,700,028	3,694,917	3,094,764
TotMiscRec	Miscellaneous		3,586,077	3,775,081	4,686,638	4,003,151
A/R Allowances						
A28301	Val Rsrv-Worthless Accts Recv		-	-	-	-
A28303	Val Rsrv-Sales Discount		(100,272)	(114,232)	(217,571)	(23,064)
A28306	Val Rsrv-Customer Claims		(6,272,291)	(5,763,675)	(4,763,849)	(4,951,574)
A28307	Val Rsrv-Cust Claims-Warranty		(11,184,241)	(11,141,231)	(10,983,776)	(11,049,164)
A28308	Val Rsrv>Returns A/R		(734,168)	(672,436)	(1,056,344)	(1,028,694)
A28311	Val Rsrv-Worthless A/R-Specific		(1,775,230)	(1,775,230)	(1,823,593)	(1,823,593)
TotARAllow	Allowances		(20,066,202)	(19,466,803)	(18,845,132)	(18,876,090)
Finished Goods						
A22104	Inventory-Fin Stk-Manufactured		27,021,815	28,719,736	30,501,626	30,592,376
A22105	Inventory-Jobbed Stock		36,985,130	37,761,445	40,464,866	41,900,266
A22110	Finished Stock Mfd Other Firms		-	-	-	-
A22118	Exp Applied To Inv-Tra 1986		-	-	10,111	-
A22120	Inventory-Period Expense		17,325,000	17,724,000	18,442,000	18,349,000
A22125	Finished Stock Job In Transit		3,374,304	2,103,805	1,651,412	813,966
OthFG	Other Finished Goods		-	-	-	-
TotInvFG	Finished Goods		84,706,249	86,308,986	91,070,015	91,655,608
Work In Progress						
A22103	Inventory - Work-in-Process		1,000,552	1,000,552	368,395	1,000,000
A22117	Work-in-Process Jobbed		-	-	-	-
A22123	Work-in-Process Plt In Transit		-	-	-	-
A22133	WIP - Open Work Orders		169,129	(5,742)	62,954	11,714
OthWIP	Other Work-in-Process		4,696,062	4,649,911	4,696,238	3,812,348
TotInvWIP	Work-in-Process		5,865,743	5,644,721	5,127,587	4,824,061
Raw Materials						
A22102	Inventory - Raw Material		10,782,009	10,345,293	10,449,311	10,689,523
TotInvRM	Raw Materials		10,782,009	10,345,293	10,449,311	10,689,523
Supplies						
A22201	General Stores		10,957,193	11,083,167	11,123,860	11,301,419
A22202	Inventory - Coal & Fuel Oil		19,206	25,360	25,360	25,360
TotInvSup	Supplies		10,976,398	11,108,528	11,149,220	11,326,779
Valuation Allowances						
A28501	Inv Val To Lifo Cost		-	-	-	-
A28502	Inv Val To Fifo Cost		22,981,000	25,614,000	29,534,000	31,933,000
A28504	Obsol Defect Slow-Moving Inv		(4,163,718)	(3,967,963)	(4,079,129)	(4,064,324)
A28513	Intra-Company Trading Profit		-	-	-	-
TotInvAllow	Inventory Reserves		18,817,282	21,646,038	25,454,871	27,868,676
Other Current Assets						
Assets_for_Sale	Assets Held for Sale		-	-	-	-

A21304	Travel Advances	-	-	-	(80,352)
A21318	P-Card Purchases Advance	(9,261)	(8,144)	(30,362)	(24,602)
A21320	Travel/Reimbursement Account	(23,139)	(23,139)	(23,139)	(23,139)
A25101	Prepaid Advertising Projects	602,555	718,114	767,780	832,440
A25102	Prepaid Freight	1,268,169	1,193,248	900,062	362,269
A25104	Prepaid Insurance	953,025	684,776	416,527	5,230,286
A25106	Prepaid Taxes	0	0	0	0
A25107	Prepaid Payroll	(122)	2,212	743	(14,061)
A25109	Prepaid Sundry Expenses	4,787,680	4,692,283	5,204,261	4,163,917
A25113	WIP- Advertising Projects	37,125	37,125	145,723	145,723
A25114	Prepaid Dues&Subscriptions	-	-	-	-
A25122	Prepaid Print Supplies-Other	7,779	25,477	20,578	14,699
A25127	Prepaid Sample Exp	5,094,736	4,804,340	4,697,089	4,784,714
A25218	Group Medical Insurance-Co.	471,800	471,800	471,800	471,800
A25219	Group Dental Insurance-Company	-	-	-	-
A25220	Equaliz Fica Taxes	69,499	51,833	(10,203)	8,557
A25221	Equaliz Fed Unemplmt Taxes	-	(9)	(7)	76
A25222	Equaliz St Unemplmt Taxes	(550)	40,120	1,001	1,845
A25233	Sls Returns/Allow-Cash Payment	(218)	-	-	-
A25308	Current State Taxes Receivable	82,884	82,884	82,884	82,884
A25309	Federal Income Tax Receivable & Overpmts	63,706	63,706	63,706	63,706
A25311	Income Tax Benefits - Deferred	-	-	-	-
A25313	Deferred State Income Tax Non Current	0	0	0	0
A25314	Returns	411,702	391,654	574,470	614,753
A28214	Fair Value of Deriv. Asset - Current	-	-	-	-
OthMiscAsset	Other Misc Current Assets	298,133	298,133	298,133	298,133
TotOCA	Other Current Assets	14,115,504	13,526,415	13,581,047	16,933,650
Land					
A23101	Operating Land	5,322,000	5,322,000	5,322,000	5,322,000
Othland	Other Land	-	-	-	-
TotLand	Land	5,322,000	5,322,000	5,322,000	5,322,000
Buildings					
A23201	Buildings-Stghtline Method	51,416,649	51,437,498	51,473,267	51,473,279
A23202	Building Services-St Line Meth	-	-	-	-
A23225	ROU Asset - Finance-Building	-	-	-	-
A23314	Capitalized Interest - Buildings	145,259	145,259	145,259	145,259
TotBuild	Buildings	51,561,908	51,582,757	51,618,526	51,618,538
Machinery & Equipment					
A23203	Machinery-Stghtline Method	321,840,253	321,922,394	324,476,329	325,464,786
A23208	Off Fur&Fix-Stght Line Method	-	-	-	-
A23216	Improvmts Leasehlds-Stline Mt	3,169,894	3,149,045	3,875,224	3,875,224
A23220	ROU Asset - Finance - Machinery	826,382	826,382	826,382	826,382
A23227	Leased Machinery	1,014,408	1,014,408	1,014,408	1,014,408
A23315	Capitalized Interest - Machinery	1,838,865	1,838,865	1,838,865	1,838,865
TotMachEquip	Machinery & Equipment	328,689,801	328,751,093	332,031,208	333,019,665
A24303	Computer Software	16,624,925	16,624,925	17,119,270	17,119,270
TotCompSftwr	Total Computer Software	16,624,925	16,624,925	17,119,270	17,119,270
CIP					
A23212	Construction In Process-Machr	6,460,508	6,730,659	3,491,392	3,286,010
A23213	Construction In Process-Engin	77,882	(2,318)	5,002	-
A24333	Computer Software - WIP	1,293,081	1,333,678	825,649	848,196
TotCIP	Construction In Process	7,831,470	8,062,018	4,322,043	4,134,206
Accum Deprec&Amort					
A28401	Val Rsrv-Bldgs-St Line Method	(27,784,239)	(27,918,034)	(28,047,779)	(28,177,546)
A28403	Depr-Machinery-St Line Method	(220,102,593)	(221,507,797)	(222,435,926)	(223,860,502)
A28408	Val Rsrv-Off Fur&Fix-Stlin Mt	-	-	-	-
A28416	Val Rsrv-Imprv Lshlds-Stln Mt	(329,544)	(355,602)	(409,521)	(451,565)
A28427	Depreciation-Leased Machinery	(220,905)	(237,077)	(253,249)	(269,421)
A28433	Accum Amort ROU Asset - Finance Building	-	-	-	-
A28434	Accum Amort ROU Asset - Finance Machine	(486,681)	(502,380)	(518,080)	(533,779)
A28474	Accum. Deprec. Cap. Int. - Bldgs	(35,814)	(36,217)	(36,622)	(37,026)
A28475	Accum. Deprec. Cap. Int. - Mach.	(906,897)	(917,124)	(927,349)	(937,571)
A28203	Amortization of Computer Software	(13,901,254)	(14,153,290)	(14,427,214)	(14,687,411)
TotAccDA	Accum Deprec And Amort	(263,767,926)	(265,627,521)	(267,055,739)	(268,954,821)
Rou Asset And Amort					
A23214	ROU Asset - Operating Machinery	1,091,057	1,091,057	1,097,203	1,097,203
A23228	ROU Asset - Operating Building	17,100,488	17,076,918	17,076,918	17,076,918
GrossOpAssets	Gross Operating Assets	18,191,545	18,167,975	18,174,121	18,174,121
A28430	Accum Amort ROU - Operating Building	(1,511,223)	(1,604,906)	(1,726,677)	(1,849,390)
A28431	Accum Amort ROU - Operating Machinery	(690,566)	(708,318)	(726,702)	(744,940)
TotAccDAOp	Total Accumulated DA Operating	(2,201,788)	(2,313,224)	(2,453,379)	(2,594,330)
Goodwill					
Intangibles					

A24301	Patents-Licenses-Options	5,546,766	5,546,766	5,560,316	5,560,316
A24304	Trademarks	260,000	260,000	260,000	260,000
A24311	Trademarks - Non Amortizable	2,317,217	2,317,217	2,332,904	2,332,904
A24312	Land Use Rights	-	-	-	-
A24315	Customer Relationships	33,362,665	33,362,665	33,362,665	33,362,665
GrossOthInt	Gross Other Intangible Assets	41,486,648	41,486,648	41,515,886	41,515,886
A28201	Amortization Of Patents	(2,157,667)	(2,188,486)	(2,219,303)	(2,250,203)
A28202	Amortization Of Trade Marks	(260,000)	(260,000)	(260,000)	(260,000)
A28204	Amortization of Land Use Rights	-	-	-	-
A28210	Amort Of Customer Relationships	(30,631,942)	(31,178,087)	(31,724,231)	(32,270,375)
NetIntang	Net Intangible Assets	8,437,039	7,860,075	7,312,351	6,735,307
Investment In Affiliates					
Asbestos Asset					
Other Assets					
A24210	Other Tangible Assets	663,462	634,615	230,769	218,624
A24217	Retirement Surplus	23,791,121	24,060,970	24,613,550	25,166,129
A24604	Sundry Assets-Non Current	276,472	276,472	276,472	276,472
ForeignPA	Foreign FAS 87 Pension Asset	-	-	-	-
A25000	Long-Term Customer Notes	83,333	-	-	-
A25010	Discount on Long-Term Customer Notes	(149,413)	(137,921)	(126,429)	(114,937)
A25011	Fair Value of Deriv. Asset - Non Current	-	-	-	-
A25240	Deferred Financing Fees	1,927,048	1,934,012	1,958,766	805,844
A28215	Fea-Receiveables Foreign Curr	-	-	-	-
OthMiscNCA	Other Misc Assets	539,428	499,679	454,979	441,352
TotONCA	Other Assets	27,131,452	27,267,827	27,408,107	26,793,485
TotNonCurrAsst	Total Other Noncurrent Assets	35,568,491	35,127,902	34,720,458	33,528,792
Investment In Subs.					
I24000	Investments In Subsidiaries	94,934,576	94,934,576	94,934,576	94,934,576
TotInvSubs	Investments In Subsidiaries	94,934,576	94,934,576	94,934,576	94,934,576
Short Term Interco.					
I22500	Current Amount Due From Subs	(13,791,484)	(12,279,180)	(11,763,087)	(13,022,853)
TotInterCo		(13,791,484)	(12,279,180)	(11,763,087)	(13,022,853)
Long Term Interco.					
I24100	Long Term I/C Rec - Adv To Subs	(14,076,976)	(14,698,303)	(14,711,699)	(15,029,075)
TotAdvSubs	Long-Term Advances To(From) Subsidiaries	(14,076,976)	(14,698,303)	(14,711,699)	(15,319,924)
Total Assets		447,714,030	449,743,005	465,235,882	459,545,092
<u>Liabilities</u>					
Trade Payables					
A26101	Trade Payables	55,382,423	69,619,209	80,712,480	86,673,765
Notes Payable - Trade					
Other Payables					
A26106	Sundry Payables	1,980,868	1,947,228	2,272,805	2,055,574
A26110	Employee Us Bond Purchases	8,475	13,027	12,879	16,849
A26111	Deposits-Employee Stock Purch	-	-	-	-
A26114	Credit Due For Returned Goods	(245,206)	(302,265)	(227,247)	(253,571)
A26118	Php Insurance Contrib-Employee	(41,170)	(46,565)	(58,921)	(61,766)
A26119	Rsp-Standard-Salary	-	-	21,260	14,354
A26122	Rsp-Sheltered-Salary	-	(4,000)	(13,736)	(12,979)
A26126	Rsp-Loan Repayments-Salary	-	-	-	115
A26128	Rsp-Sheltered-Hourly	-	33	406	(52)
A26133	Dependent Care Cont-Sheltered	35,691	39,241	37,442	43,385
A26135	Share In Success-Employee Cont	35	(6,558)	(1,148)	(1,488)
A26137	Grp Univ Life Ins Contrib-Empl	-	-	-	-
A26150	Cost & Service Fees-FPO Buyback	-	-	-	-
A26221	Unclaimed Pay Escheatable	98,730	98,730	98,730	98,730
A26222	Promotion Program Liability	7,450,913	7,052,145	5,521,991	4,672,757
A26607	Customer Prepayments	132,848	130,768	116,376	93,609
A26609	Deferred Revenue	-	-	-	-
OthMiscPay	Other Misc Payables	(963,972)	(4,461,744)	(1,902,176)	(4,171,341)
TotOthAP	Other Payables	8,457,212	4,460,039	5,878,663	2,494,176
Pre-Petition A/P & One-Time Vender Liab.					
A26103	Pre-petition A/P - Trade	-	-	-	-
A26104	Pre-petition One-Time Vendor Liab.	-	-	-	-
Payrolls					
A26202	Gross Payroll Accrued	2,577,550	2,517,617	3,657,336	876,305
A26206	Accrued Vacation Pay	92,053	177,767	237,323	277,923
A26207	Commiss & Slsmn Incentive Pay	3,299,546	3,119,357	606,958	820,760

A26214	Misc Payroll Deductions	(8,389)	(7,853)	(11,478)	19,569
A26219	Accrued Mgmt Achievement Prog	4,507,825	3,854,996	1,246,064	1,810,885
A26230	Salaried Employees Bonus Plan	-	-	-	-
A26232	Cash Retention	1,892,293	1,528,137	209,851	500,083
A26241	Non-Restructuring Severance Pay	179,046	179,046	179,046	-
A26247	Restructuring	-	-	-	-
A26254	Current Liab-Pension and Postretirement	3,504,000	3,504,000	3,504,000	3,504,000
A26707	City Income Tax Withheld	(1,691)	(11,125)	(7,471)	(19,609)
A26708	Federal Withholding Tax	2,067,475	2,102,939	2,008,207	2,006,778
A26713	State Unemplmt Tax Withheld	(4,404)	(20,273)	76	(157)
A26718	State Income Tax Withheld	8,034	17,184	10,623	18,878
OthSal	Other Salaries	-	-	-	-
TotPayrolls	Payrolls	18,113,339	16,961,791	11,640,535	9,815,414
Accrued Taxes - Not On Income					
A26710	Fica Tax Withheld	1,363	1,363	-	-
TotSSTax	Social Security Taxes - Not on income	1,363	1,363	-	-
Accrued Other Taxes - Not On Income					
A26711	Franchise Tax	274,718	271,502	300,434	346,968
A26714	Accrued Sales & Use Tax	182,613	57,142	169,060	101,171
A26717	Accrued Taxes-General	6,250	6,250	6,250	6,250
OthMiscTax	Other Misc Accrued Taxes	4,227	4,227	4,227	4,227
TotAccOthTax	Other Taxes - Not on income	467,808	339,120	479,971	458,615
Accrued Miscellaneous					
A26203	Accrued Interest	733,128	883,338	1,204,623	824,167
A26208	Accrued Sundry Payables	327,102	385,790	426,342	467,535
A26213	Work Comp-Lib Mutual '90&Prior	1,068,629	1,068,629	299,745	299,745
A26215	Outgoing Freight Payable	3,388,367	3,870,667	4,272,355	5,234,158
A26228	Audit Fee	-	-	-	-
A26304	Fair Value of Deriv Liab - Short Term	242,345	242,345	91,280	91,280
A28121	Reserve-Misc Contingencies	-	-	8	(20,005)
OthMiscAcc	Other Misc Accrued	1,648,648	1,402,772	910,226	908,084
TotAccMisc	Accrued Miscellaneous	7,408,219	7,853,541	7,204,579	7,804,964
Short Term Lease Liability - Operating					
A26211	S/T Lease Liability - Operating Building	1,499,356	1,499,356	1,442,380	1,442,380
A26216	S/T Lease Liability - Operating Machine	208,808	208,808	206,487	206,487
TotSTOPLeaseLiab	S/T Lease Liability - Operating	1,708,164	1,708,164	1,648,867	1,648,867
Income Taxes Payable - Fed & For					
A26701	Accrued Federal Income Tax	-	-	-	-
A26702	Accrued Crs-Forgn Income Tax	-	-	-	-
OthTax	Other Fed And Foreign Taxes Payable	-	-	-	-
TotFFTax	Federal & Foreign Taxes Payable	-	-	-	-
Income Taxes Payable - State					
A26703	Accrued State Inc Tax	120,000	119,301	119,256	119,256
TotStateTax	State Taxes Payable	120,000	119,301	119,256	119,256
Short-Term Borrowings					
A26402	Notes Payable Banks	385,764	385,764	321,470	257,176
A26405	Bank of America Revolving Line of Credit	-	-	-	-
TotSTBorrowing	Short-Term Borrowings	385,764	385,764	321,470	257,176
Short-Term Lease Liab - Finance					
A26226	S/T Lease Liability - Finance Machinery	444,708	444,708	423,006	423,006
TotSTFinLeaseLiab	S/T Lease Liability - Finance	444,708	444,708	423,006	423,006
Pre-Petition Short-Term Borrowings					
A26406	Chase DIP - Pre-petition	-	-	-	-
Current Long-Term Debt					
A26115	Current Long-term Debt	-	-	-	-
Total Current Deferred Taxes					
Dividends Payable					
Long-Term Debt					
A27201	Debt Secur/Misc Obligations	98,105,684	96,224,992	107,409,318	114,914,514
A24205	Financing Costs	1,359,759	1,442,201	1,490,897	1,493,931
A28222	L/T Lease Liability - Finance Machinery	617,019	577,371	559,180	522,142
TotLTFinLeaseLiab	L/T Lease Liability - Finance	617,019	577,371	559,180	522,142
TotLTDebt	Long-term Debt	97,362,944	95,360,162	106,477,601	113,942,725
Long-Term Lease Liab Operating					
A28218	L/T Lease Liability - Operating Building	15,117,404	14,835,459	14,797,202	14,708,984
A28219	L/T Lease Liability - Operating Machine	191,835	174,087	164,175	145,943
TotLTOPleaseLiab	L/T Lease Liability - Operating	15,309,239	15,009,547	14,961,377	14,854,927

Esop Loan Guarantee**Non Current Federal Income Taxes Payable****Non Current Federal Income Taxes Payable**

A27101A	Non Current State Income Taxes Payable	-	-	-	-
Deferred Income Taxes					
A27103	Def Fed Income Tax Others	306,972	306,972	306,972	306,972
A27105	Def State Inc Tax Others	-	-	-	-
A27108	Deferred Income Taxes Payable	0	0	0	0
OthDefTax	Other Deferred Income Taxes	-	-	-	-
TotDefTax	Non-Current Deferred Tax Liabilities	306,972	306,972	306,972	306,972

Asbestos-Related Liabilities**Other Long-Term Liabilities**

A27402	Misc Long-Term Liabilities	375,000	375,000	-	-
A27403	Def Compensation Plan Deferral	675,954	698,790	699,293	717,439
A27405	Pension Liability	2,109,406	2,109,200	2,108,578	2,107,955
A27410	Workers Comp-Lib Mutual 1991+	1,641,435	1,483,992	2,186,459	2,161,835
A27411	Postretirement Benefits Liabil	47,525,168	47,442,623	47,328,209	47,249,521
A27412	Postemployment Benefits Liabil	148,000	148,000	148,000	148,000
A27414	Auto/Gen Liab Insur-Lib Mutual	111,250	111,250	27,750	27,750
A27416	Rsa-Comp Accrual-Employees	(24,340)	(24,340)	(26,621)	(30,391)
A27417	Environmental-Long Term	66,470	66,470	78,218	78,148
A27428	Long-Term Fair Value of Derivatives	-	-	-	-
A27430	Asset Retirement Obligation - Asbestos	668,995	673,024	677,053	681,082
ForeignPL	Foreign FAS 87 Pension Liability	-	-	-	-
STBS_IC	Short Term Liability I/C Mismatch	-	-	-	-
LTBS_IC	Long Term Liability I/C Mismatch	-	-	-	-
TotOLTL	Other Long-term Liabilities	53,297,338	53,084,010	53,226,939	53,141,340
InvestElim	Intercompany Investment Elim.	-	-	-	-
CHKTotal	Check Total	1	1	1	1
Total Liabilities		258,765,493	265,653,690	283,401,715	291,941,203

Conv. Pref. Stock**Preferred Stock****Common Stock**

A29103	Common Stock-Par Val Shares	2,774	2,774	2,774	2,774
IHisCS	IC Historical USD Common Stock	-	-	-	-
TotComStk	Common Stock	2,774	2,774	2,774	2,774

Add'l Paid In Capital

A29201	Arm Wld Ind Inc (Parent Co)	677,554,081	677,823,736	677,755,412	677,410,392
IOthPICPar	Inter-Co Paid In Excess Of Par	-	-	-	-
TotAPICPar	Paid In Excess Of Par	677,554,081	677,823,736	677,755,412	677,410,392

Reduction - Esop Loan Guarantee**Retained Earnings**

A29501	Surplus-End Previous Period	(352,074,935)	(352,074,935)	(352,074,935)	(352,074,935)
RE_ADJ	Adjustment to Previous Period RE	-	-	-	-
HISRE_ADJLC	HISRE_ADJLC	-	-	-	-
A29502	Profit And Loss-Current	(7,797,367)	(12,982,037)	(15,513,559)	(30,012,468)
EndRE	Ending Retained Earnings	(359,872,302)	(365,056,972)	(367,588,493)	(382,087,402)

Foreign Currency Trans.

A29515	Fct-Inter Co Lt Loans/Advances	-	-	-	-
A29517	Fct-Unrealized gain/loss on Derivatives	(271,690)	(252,148)	(231,703)	(231,703)
A29207	Add'l Min Pension Liab Adj	(43,989,863)	(43,953,611)	(43,907,590)	(43,861,568)
A29520	Plug account	-	-	-	-
CTA_PL	CTA for P&L	-	-	-	-
CTA_INV	CTA for Investments	-	-	-	-
CTA_CSTK	CTA for Common Stock	-	-	-	-
CTA_APIC	CTA for APIC	-	-	-	-
CTA_OPERE	CTA_OPERE	-	-	-	-
CTA_READJLC	CTA_READJLC	-	-	-	-
TotFCT	Foreign Currency Translation	(44,261,553)	(44,205,759)	(44,139,292)	(44,093,271)

Treasury Stock

A29112	Common Stock In Treasury	(84,474,464)	(84,474,464)	(84,196,234)	(83,628,604)
TotTreaStk	Total Treasury Stock	(84,474,464)	(84,474,464)	(84,196,234)	(83,628,604)

Total Shareholders' Equity

		188,948,537	184,089,316	181,834,167	167,603,889
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Total Liabilities & Shareholders' Equity

		447,714,030	449,743,005	465,235,882	459,545,092
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	TRUE	TRUE	TRUE	TRUE
Total Assets	447,714,030	449,743,005	465,235,882	459,545,092

Name	CONFIDENTIAL	USD	Cafi_Con	Cafi_Con	Cafi_Con	Cafi_Con
Category	cyactual	cyactual	CYActual	CYActual	CYActual	CYActual
Account						
Date	2021-08-31	2021-09-30	2022-01-31	2022-02-28	2022-03-31	2022-04-30
Frequency	M.YTD	M.YTD	M.YTD	M.YTD	M.YTD	M.YTD
Applicator	ArmFloor	ArmFloor	ArmFloor	ArmFloor	ArmFloor	ArmFloor

North America - Canada		2022 Jan	2022 Feb	2022 Mar	2022 Apr
ASSETS					
Hyp Account #					
Cash					
A21101	Cash-General	1,284,804	1,306,351	272,787	756,971
A21103	Cash-Imprest Funds	-	-	-	-
TotCash	Cash	1,284,804	1,306,351	272,787	756,971
Cash Equivalents					
A21113	Invest In Repurchase Agreement	-	-	-	-
TotCashEquiv	Cash Equivalents	-	-	-	-
Restricted Cash					
A21125	Restricted Cash	-	-	-	-
Customer Accounts					
A21201	Accts Recvble-Trade Current	2,353,798	3,046,743	3,380,616	3,235,708
TotCustAR	Customer Accounts	2,353,798	3,046,743	3,380,616	3,235,708
Miscellaneous A/R					
A21202	Short-Term Customer Notes	-	-	-	-
A21301	Sundry Receivables	-	-	-	-
A21306	Rebts&Clms&Discs Due Frm Trad	-	-	-	-
A21315	Misc Receivables	-	-	-	-
TotMiscRec	Miscellaneous	-	-	-	-
A/R Allowances					
A28301	Val Rsrv-Worthless Accts Recv	-	-	-	-
A28303	Val Rsrv-Sales Discount	752	1,784	(3,805)	(536)
A28306	Val Rsrv-Customer Claims	(22,293)	(22,191)	(39,213)	(38,096)
A28307	Val Rsrv-Cust Claims-Warranty	-	-	-	-
A28308	Val Rsrv>Returns A/R	-	-	-	-
A28311	Val Rsrv-Worthless A/R-Specific	(6,966)	(6,934)	(7,105)	(6,903)
TotARAllow	Allowances	(28,507)	(27,341)	(50,123)	(45,535)
Finished Goods					
A22104	Inventory-Fin Stk-Manufactured	-	-	-	-
A22105	Inventory-Jobbed Stock	-	-	-	-
A22110	Finished Stock Mfd Other Firms	-	-	-	-
A22118	Exp Applied To Inv-Tra 1986	-	-	-	-
A22120	Inventory-Period Expense	-	-	-	-
A22125	Finished Stock Job In Transit	-	105,567	105,567	102,560
OthFG	Other Finished Goods	-	-	-	-
TotInvFG	Finished Goods	-	105,567	105,567	102,560
Work In Progress					
A22103	Inventory - Work-in-Process	-	-	-	-
A22117	Work-in-Process Jobbed	-	-	-	-
A22123	Work-in-Process Plt In Transit	-	-	-	-
A22133	WIP - Open Work Orders	-	-	-	-
OthWIP	Other Work-in-Process	-	-	-	-
TotInvWIP	Work-in-Process	-	-	-	-
Raw Materials					
A22102	Inventory - Raw Material	-	-	-	-
TotInvRM	Raw Materials	-	-	-	-
Supplies					
A22201	General Stores	-	-	-	-
A22202	Inventory - Coal & Fuel Oil	-	-	-	-
TotInvSup	Supplies	-	-	-	-
Valuation Allowances					
A28501	Inv Val To Lifo Cost	-	-	-	-
A28502	Inv Val To Fifo Cost	-	-	-	-
A28504	Obsol Defect Slow-Moving Inv	-	-	-	-
A28513	Intra-Company Trading Profit	-	-	-	-
TotInvAllow	Inventory Reserves	-	-	-	-
Other Current Assets					
Assets_for_Sale	Assets Held for Sale	-	-	-	-

A21304	Travel Advances	-	-	-	(822)
A21318	P-Card Purchases Advance	-	-	-	-
A21320	Travel/Reimbursement Account	-	-	-	-
A25101	Prepaid Advertising Projects	-	-	-	-
A25102	Prepaid Freight	8,272	8,060	18,196	3,915
A25104	Prepaid Insurance	-	-	-	-
A25106	Prepaid Taxes	-	-	-	-
A25107	Prepaid Payroll	-	-	-	-
A25109	Prepaid Sundry Expenses	-	-	-	-
A25113	WIP- Advertising Projects	-	-	-	-
A25114	Prepaid Dues&Subscriptions	-	-	-	-
A25122	Prepaid Print Supplies-Other	-	-	-	-
A25127	Prepaid Sample Exp	-	-	-	-
A25218	Group Medical Insurance-Co.	-	-	-	-
A25219	Group Dental Insurance-Company	(687)	(254)	-	(664)
A25220	Equaliz Fica Taxes	-	-	-	-
A25221	Equaliz Fed Unemplmt Taxes	-	-	-	-
A25222	Equaliz St Unemplmt Taxes	-	-	-	-
A25233	SlS Returns/Allow-Cash Payment	-	-	-	(1,729)
A25308	Current State Taxes Receivable	-	-	-	-
A25309	Federal Income Tax Receivable & Overpmts	22,693	22,589	23,147	22,487
A25311	Income Tax Benefits - Deferred	2,538,556	2,526,910	2,589,347	2,515,587
A25313	Deferred State Income Tax Non Current	-	-	-	-
A25314	Returns	-	-	-	-
A28214	Fair Value of Deriv. Asset - Current	-	-	-	-
OthMiscAsset	Other Misc Current Assets	(2,419)	(2,103)	(2,242)	(657)
TotOCA	Other Current Assets	2,566,415	2,555,202	2,628,447	2,538,118
Land					
A23101	Operating Land	-	-	-	-
Othland	Other Land	-	-	-	-
TotLand	Land	-	-	-	-
Buildings					
A23201	Buildings-Stghtline Method	-	-	-	-
A23202	Building Services-St Line Meth	-	-	-	-
A23225	ROU Asset - Finance-Building	-	-	-	-
A23314	Capitalized Interest - Buildings	-	-	-	-
TotBuild	Buildings	-	-	-	-
Machinery & Equipment					
A23203	Machinery-Stghtline Method	-	-	-	-
A23208	Off Fur&Fix-Stght Line Method	-	-	-	-
A23216	Improvmts Leasehlds-Stline Mt	-	-	-	-
A23220	ROU Asset - Finance - Machinery	-	-	-	-
A23227	Leased Machinery	-	-	-	-
A23315	Capitalized Interest - Machinery	-	-	-	-
TotMachEquip	Machinery & Equipment	-	-	-	-
A24303	Computer Software	-	-	-	-
TotCompSftwr	Total Computer Software	-	-	-	-
CIP					
A23212	Construction In Process-Machr	-	-	-	-
A23213	Construction In Process-Engin	-	-	-	-
A24333	Computer Software - WIP	-	-	-	-
TotCIP	Construction In Process	-	-	-	-
Accum Deprec&Amort					
A28401	Val Rsrv-Bldgs-St Line Method	-	-	-	-
A28403	Depr-Machinery-St Line Method	-	-	-	-
A28408	Val Rsrv-Off Fur&Fix-Stlin Mt	-	-	-	-
A28416	Val Rsrv-Imprv Lshlds-Stln Mt	-	-	-	-
A28427	Depreciation-Leased Machinery	-	-	-	-
A28433	Accum Amort ROU Asset - Finance Building	-	-	-	-
A28434	Accum Amort ROU Asset - Finance Machine	-	-	-	-
A28474	Accum. Deprec. Cap. Int. - Bldgs	-	-	-	-
A28475	Accum. Deprec. Cap. Int. - Mach.	-	-	-	-
A28203	Amortization of Computer Software	-	-	-	-
TotAccDA	Accum Deprec And Amort	-	-	-	-
Rou Asset And Amort					
A23214	ROU Asset - Operating Machinery	-	-	-	-
A23228	ROU Asset - Operating Building	-	-	-	-
GrossOpAssets	Gross Operating Assets	-	-	-	-
A28430	Accum Amort ROU - Operating Building	-	-	-	-
A28431	Accum Amort ROU - Operating Machinery	-	-	-	-
TotAccDAOp	Total Accumulated DA Operating	-	-	-	-
Goodwill					
Intangibles					

A24301	Patents-Licenses-Options	-	-	-	-
A24304	Trademarks	-	-	-	-
A24311	Trademarks - Non Amortizable	-	-	-	-
A24312	Land Use Rights	-	-	-	-
A24315	Customer Relationships	-	-	-	-
GrossOthInt	Gross Other Intangible Assets	-	-	-	-
A28201	Amortization Of Patents	-	-	-	-
A28202	Amortization Of Trade Marks	-	-	-	-
A28204	Amortization of Land Use Rights	-	-	-	-
A28210	Amort Of Customer Relationships	-	-	-	-
NetIntang	Net Intangible Assets	-	-	-	-
Investment In Affiliates					
Asbestos Asset					
Other Assets					
A24210	Other Tangible Assets	-	-	-	-
A24217	Retirement Surplus	-	-	-	-
A24604	Sundry Assets-Non Current	-	-	-	-
ForeignPA	Foreign FAS 87 Pension Asset	2,737	(2,688)	(3,342)	(3,818)
A25000	Long-Term Customer Notes	-	-	-	-
A25010	Discount on Long-Term Customer Notes	-	-	-	-
A25011	Fair Value of Deriv. Asset - Non Current	-	-	-	-
A25240	Deferred Financing Fees	-	-	-	-
A28215	Fea-Receivables Foreign Curr	62	64	1,503	(285)
OthMiscNCA	Other Misc Assets	-	-	-	-
TotONCA	Other Assets	2,799	(2,623)	(1,839)	(4,103)
TotNonCurrAsst	Total Other Noncurrent Assets	2,799	(2,623)	(1,839)	(4,103)
Investment In Subs.					
I24000	Investments In Subsidiaries	-	-	-	-
TotInvSubs	Investments In Subsidiaries	-	-	-	-
Short Term Interco.					
I22500	Current Amount Due From Subs	(1,044,719)	(2,966,158)	(4,328,507)	(3,958,837)
TotInterCo		(1,044,719)	(2,966,158)	(4,328,507)	(3,958,837)
Long Term Interco.					
I24100	Long Term I/C Rec - Adv To Subs	(10,923,024)	(10,872,912)	(11,141,568)	(10,824,192)
TotAdvSubs	Long-Term Advances To(From) Subsidiaries	(10,923,024)	(10,872,912)	(11,141,568)	(10,824,192)
Total Assets		(5,788,434)	(6,855,171)	(9,134,620)	(8,199,311)
<u>Liabilities</u>					
Trade Payables					
A26101	Trade Payables	782,921	690,805	748,782	657,524
Notes Payable - Trade					
Other Payables					
A26106	Sundry Payables	-	-	-	-
A26110	Employee Us Bond Purchases	(88)	(26)	1	390
A26111	Deposits-Employee Stock Purch	-	-	-	-
A26114	Credit Due For Returned Goods	(15,501)	(15,430)	(15,856)	(17,377)
A26118	Php Insurance Contrib-Employee	-	-	-	-
A26119	Rsp-Standard-Salary	-	-	-	-
A26122	Rsp-Sheltered-Salary	-	-	-	-
A26126	Rsp-Loan Repayments-Salary	-	-	-	-
A26128	Rsp-Sheltered-Hourly	-	-	-	-
A26133	Dependent Care Cont-Sheltered	-	-	-	-
A26135	Share In Success-Employee Cont	-	-	-	-
A26137	Grp Univ Life Ins Contrib-Empl	-	-	-	-
A26150	Cost & Service Fees-FPO Buyback	-	-	-	-
A26221	Unclaimed Pay Escheatable	-	-	-	-
A26222	Promotion Program Liability	52,336	50,254	34,438	27,705
A26607	Customer Prepayments	-	-	-	-
A26609	Deferred Revenue	-	-	-	-
OthMiscPay	Other Misc Payables	8,904	(24,103)	(146,193)	(12,662)
TotOthAP	Other Payables	45,650	10,695	(127,611)	(1,945)
Pre-Petition A/P & One-Time Vender Liab.					
A26103	Pre-petition A/P - Trade	-	-	-	-
A26104	Pre-petition One-Time Vendor Liab.	-	-	-	-
Payrolls					
A26202	Gross Payroll Accrued	(2,439)	(805)	2,539	-
A26206	Accrued Vacation Pay	1,007	1,002	1,299	-
A26207	Commiss & Slsman Incentive Pay	145,887	101,610	34,384	33,405

A26214	Misc Payroll Deductions	-	26	79	-
A26219	Accrued Mgmt Achievement Prog	-	-	-	-
A26230	Salaried Employees Bonus Plan	-	-	-	-
A26232	Cash Retention	-	-	-	-
A26241	Non-Restructuring Severance Pay	48,334	48,112	49,301	47,896
A26247	Restructuring	-	-	-	-
A26254	Current Liab-Pension and Postretirement	101,265	100,800	103,291	100,349
A26707	City Income Tax Withheld	-	-	-	-
A26708	Federal Withholding Tax	-	-	-	-
A26713	State Unemplmt Tax Withheld	-	-	-	-
A26718	State Income Tax Withheld	-	-	-	-
OthSal	Other Salaries	-	-	-	-
TotPayrolls	Payrolls	294,053	250,745	190,893	181,650
Accrued Taxes - Not On Income					
A26710	Fica Tax Withheld	-	-	-	-
TotSSTax	Social Security Taxes - Not on income	-	-	-	-
Accrued Other Taxes - Not On Income					
A26711	Franchise Tax	-	-	-	-
A26714	Accrued Sales & Use Tax	(3,673)	16,924	34,551	13,544
A26717	Accrued Taxes-General	-	-	-	-
OthMiscTax	Other Misc Accrued Taxes	88,742	105,702	(6,143)	282,464
TotAccOthTax	Other Taxes - Not on income	85,069	122,626	28,408	296,009
Accrued Miscellaneous					
A26203	Accrued Interest	-	-	-	-
A26208	Accrued Sundry Payables	-	-	-	-
A26213	Work Comp-Lib Mutual '90&Prior	-	-	-	-
A26215	Outgoing Freight Payable	55,345	56,438	70,012	62,470
A26228	Audit Fee	-	-	-	-
A26304	Fair Value of Deriv Liab - Short Term	-	-	-	-
A28121	Reserve-Misc Contingencies	-	-	-	-
OthMiscAcc	Other Misc Accrued	-	-	-	-
TotAccMisc	Accrued Miscellaneous	55,345	56,438	70,012	62,470
Short Term Lease Liability - Operating					
A26211	S/T Lease Liability - Operating Building	-	-	-	-
A26216	S/T Lease Liability - Operating Machine	-	-	-	-
TotSTOPLeaseLiab	S/T Lease Liability - Operating	-	-	-	-
Income Taxes Payable - Fed & For					
A26701	Accrued Federal Income Tax	(399,068)	(642,259)	(951,184)	(1,016,151)
A26702	Accrued Crs-Forgn Income Tax	-	-	-	-
OthTax	Other Fed And Foreign Taxes Payable	-	-	-	-
TotFFTax	Federal & Foreign Taxes Payable	(399,068)	(642,259)	(951,184)	(1,016,151)
Income Taxes Payable - State					
A26703	Accrued State Inc Tax	-	-	-	-
TotStateTax	State Taxes Payable	-	-	-	-
Short-Term Borrowings					
A26402	Notes Payable Banks	-	-	-	-
A26405	Bank of America Revolving Line of Credit	-	-	-	-
TotSTBorrowing	Short-Term Borrowings	-	-	-	-
Short-Term Lease Liab - Finance					
A26226	S/T Lease Liability - Finance Machinery	-	-	-	-
TotSTFinLeaseLiab	S/T Lease Liability - Finance	-	-	-	-
Pre-Petition Short-Term Borrowings					
A26406	Chase DIP - Pre-petition	-	-	-	-
Current Long-Term Debt					
A26115	Current Long-term Debt	-	-	-	-
Total Current Deferred Taxes					
Dividends Payable					
Long-Term Debt					
A27201	Debt Secur/Misc Obligations	-	-	-	-
A24205	Financing Costs	-	-	-	-
A28222	L/T Lease Liability - Finance Machinery	-	-	-	-
TotLTFinLeaseLiab	L/T Lease Liability - Finance	-	-	-	-
TotLTDebt	Long-term Debt	-	-	-	-
Long-Term Lease Liab Operating					
A28218	L/T Lease Liability - Operating Building	-	-	-	-
A28219	L/T Lease Liability - Operating Machine	-	-	-	-
TotLTOPleaseLiab	L/T Lease Liability - Operating	-	-	-	-

Esop Loan Guarantee**Non Current Federal Income Taxes Payable****Non Current Federal Income Taxes Payable**

A27101A	Non Current State Income Taxes Payable	-	-	-	-
Deferred Income Taxes					
A27103	Def Fed Income Tax Others	1,857	2,498	3,840	4,974
A27105	Def State Inc Tax Others	-	-	-	-
A27108	Deferred Income Taxes Payable	-	-	-	-
OthDefTax	Other Deferred Income Taxes	-	-	-	-
TotDefTax	Non-Current Deferred Tax Liabilities	1,857	2,498	3,840	4,974

Asbestos-Related Liabilities**Other Long-Term Liabilities**

A27402	Misc Long-Term Liabilities	-	-	-	-
A27403	Def Compensation Plan Deferral	-	-	-	-
A27405	Pension Liability	-	-	-	-
A27410	Workers Comp-Lib Mutual 1991+	-	-	-	-
A27411	Postretirement Benefits Liabil	1,134,841	1,120,269	1,146,597	1,116,766
A27412	Postemployment Benefits Liabil	-	-	-	-
A27414	Auto/Gen Liab Insur-Lib Mutual	-	-	-	-
A27416	Rsa-Comp Accrual-Employees	-	-	-	-
A27417	Environmental-Long Term	-	-	-	-
A27428	Long-Term Fair Value of Derivatives	-	-	-	-
A27430	Asset Retirement Obligation - Asbestos	-	-	-	-
ForeignPL	Foreign FAS 87 Pension Liability	1,038,098	1,011,425	1,025,759	986,186
STBS_IC	Short Term Liability I/C Mismatch	-	-	-	-
LTBS_IC	Long Term Liability I/C Mismatch	-	-	-	-
TotOLTL	Other Long-term Liabilities	2,172,938	2,131,694	2,172,356	2,102,952
InvestElim	Intercompany Investment Elim.	-	-	-	-
CHKTotal	Check Total	(0)	(0)	(0)	(0)
Total Liabilities		3,038,766	2,623,243	2,135,496	2,287,483

Conv. Pref. Stock**Preferred Stock****Common Stock**

A29103	Common Stock-Par Val Shares	-	-	-	-
IHisCS	IC Historical USD Common Stock	8,934,320	8,934,320	8,934,320	8,934,320
TotComStk	Common Stock	8,934,320	8,934,320	8,934,320	8,934,320

Add'l Paid In Capital

A29201	Arm Wld Ind Inc (Parent Co)	-	-	-	-
IOthPICPar	Inter-Co Paid In Excess Of Par	-	-	-	-
TotAPICPar	Paid In Excess Of Par	(18,852,766)	(18,852,766)	(18,852,766)	(18,852,766)

Reduction - Esop Loan Guarantee**Retained Earnings**

A29501	Surplus-End Previous Period	4,676,004	4,676,004	4,676,004	4,676,004
RE_ADJ	Adjustment to Previous Period RE	-	-	-	-
HISRE_ADJLC	HISRE_ADJLC	-	-	-	-
A29502	Profit And Loss-Current	(1,084,565)	(1,784,600)	(3,349,897)	(2,836,022)
EndRE	Ending Retained Earnings	3,591,439	2,891,403	1,326,107	1,839,982

Foreign Currency Trans.

A29515	Fct-Inter Co Lt Loans/Advances	-	-	-	-
A29517	Fct-Unrealized gain/loss on Derivatives	-	-	-	-
A29207	Add'l Min Pension Liab Adj	(1,881,850)	(1,871,413)	(1,914,103)	(1,856,129)
A29520	Plug account	0	0	0	0
CTA_PL	CTA for P&L	(188)	11,311	(28,261)	12,929
CTA_INV	CTA for Investments	-	-	-	-
CTA_CSTK	CTA for Common Stock	168,200	126,440	350,320	85,840
CTA_APIC	CTA for APIC	(496,480)	(407,710)	(883,612)	(321,407)
CTA_OPERE	CTA_OPERE	(289,876)	(309,998)	(202,120)	(329,562)
CTA_READJLC	CTA_READJLC	-	-	-	-
TotFCT	Foreign Currency Translation	(2,500,193)	(2,451,371)	(2,677,776)	(2,408,329)

Treasury Stock

A29112	Common Stock In Treasury	-	-	-	-
TotTreaStk	Total Treasury Stock	-	-	-	-

Total Shareholders' Equity		(8,827,200)	(9,478,414)	(11,270,116)	(10,486,793)
Total Liabilities & Shareholders' Equity		(5,788,434)	(6,855,171)	(9,134,620)	(8,199,311)

	TRUE	TRUE	TRUE	TRUE
Total Assets	(5,788,434)	(6,855,171)	(9,134,620)	(8,199,311)

Name	CONFIDENTIAL	USD	AFIL	AFIL	AFIL	AFIL
Category	cyactual	cyactual	CYActual	CYActual	CYActual	CYActual
Account						
Date	2021-08-31	2021-09-30	2022-01-31	2022-02-28	2022-03-31	2022-04-30
Frequency	M.YTD	M.YTD	M.YTD	M.YTD	M.YTD	M.YTD
Applicator	ArmFloor	ArmFloor	ArmFloor	ArmFloor	ArmFloor	ArmFloor

North America - License Co		2022 Jan	2022 Feb	2022 Mar	2022 Apr
ASSETS					
Hyp Account #					
Cash					
A21101	Cash-General	120,587	-	-	-
A21103	Cash-Imprest Funds	-	-	-	-
TotCash	Cash	120,587	-	-	-
Cash Equivalents					
A21113	Invest In Repurchase Agreement	-	-	-	-
TotCashEquiv	Cash Equivalents	-	-	-	-
Restricted Cash					
A21125	Restricted Cash	-	-	-	-
Customer Accounts					
A21201	Accts Recvble-Trade Current	-	-	-	-
TotCustAR	Customer Accounts	-	-	-	-
Miscellaneous A/R					
A21202	Short-Term Customer Notes	-	-	-	-
A21301	Sundry Receivables	-	-	-	-
A21306	Rebts&Clms&Discs Due Frm Trad	-	-	-	-
A21315	Misc Receivables	-	-	-	-
TotMiscRec	Miscellaneous	-	-	-	-
A/R Allowances					
A28301	Val Rsrv-Worthless Accts Recv	-	-	-	-
A28303	Val Rsrv-Sales Discount	-	-	-	-
A28306	Val Rsrv-Customer Claims	-	-	-	-
A28307	Val Rsrv-Cust Claims-Warranty	-	-	-	-
A28308	Val Rsrv>Returns A/R	-	-	-	-
A28311	Val Rsrv-Worthless A/R-Specific	-	-	-	-
TotARAllow	Allowances	-	-	-	-
Finished Goods					
A22104	Inventory-Fin Stk-Manufactured	-	-	-	-
A22105	Inventory-Jobbed Stock	-	-	-	-
A22110	Finished Stock Mfd Other Firms	-	-	-	-
A22118	Exp Applied To Inv-Tra 1986	-	-	-	-
A22120	Inventory-Period Expense	-	-	-	-
A22125	Finished Stock Job In Transit	-	-	-	-
OthFG	Other Finished Goods	-	-	-	-
TotInvFG	Finished Goods	-	-	-	-
Work In Progress					
A22103	Inventory - Work-in-Process	-	-	-	-
A22117	Work-in-Process Jobbed	-	-	-	-
A22123	Work-in-Process Plt In Transit	-	-	-	-
A22133	WIP - Open Work Orders	-	-	-	-
OthWIP	Other Work-in-Process	-	-	-	-
TotInvWIP	Work-in-Process	-	-	-	-
Raw Materials					
A22102	Inventory - Raw Material	-	-	-	-
TotInvRM	Raw Materials	-	-	-	-
Supplies					
A22201	General Stores	-	-	-	-
A22202	Inventory - Coal & Fuel Oil	-	-	-	-
TotInvSup	Supplies	-	-	-	-
Valuation Allowances					
A28501	Inv Val To Lifo Cost	-	-	-	-
A28502	Inv Val To Fifo Cost	-	-	-	-
A28504	Obsol Defect Slow-Moving Inv	-	-	-	-
A28513	Intra-Company Trading Profit	-	-	-	-
TotInvAllow	Inventory Reserves	-	-	-	-
Other Current Assets					
Assets_for_Sale	Assets Held for Sale	-	-	-	-
A21304	Travel Advances	-	-	-	-

A21318	P-Card Purchases Advance	-	-	-	-
A21320	Travel/Reimbursement Account	-	-	-	-
A25101	Prepaid Advertising Projects	-	-	-	-
A25102	Prepaid Freight	-	-	-	-
A25104	Prepaid Insurance	-	-	-	-
A25106	Prepaid Taxes	-	-	-	-
A25107	Prepaid Payroll	-	-	-	-
A25109	Prepaid Sundry Expenses	-	-	-	-
A25113	WIP- Advertising Projects	-	-	-	-
A25114	Prepaid Dues&Subscriptions	-	-	-	-
A25122	Prepaid Print Supplies-Other	-	-	-	-
A25127	Prepaid Sample Exp	-	-	-	-
A25218	Group Medical Insurance-Co.	-	-	-	-
A25219	Group Dental Insurance-Company	-	-	-	-
A25220	Equaliz Fica Taxes	-	-	-	-
A25221	Equaliz Fed Unemplmt Taxes	-	-	-	-
A25222	Equaliz St Unemplmt Taxes	-	-	-	-
A25233	Sls Returns/Allow-Cash Payment	-	-	-	-
A25308	Current State Taxes Receivable	-	-	-	-
A25309	Federal Income Tax Receivable & Overpmts	-	-	-	-
A25311	Income Tax Benefits - Deferred	-	-	-	-
A25313	Deferred State Income Tax Non Current	-	-	-	-
A25314	Returns	-	-	-	-
A28214	Fair Value of Deriv. Asset - Current	-	-	-	-
OthMiscAsset	Other Misc Current Assets	-	-	-	-
TotOCA	Other Current Assets	-	-	-	-
Land					
A23101	Operating Land	-	-	-	-
Othland	Other Land	-	-	-	-
TotLand	Land	-	-	-	-
Buildings					
A23201	Buildings-Stghtline Method	-	-	-	-
A23202	Building Services-St Line Meth	-	-	-	-
A23225	ROU Asset - Finance-Building	-	-	-	-
A23314	Capitalized Interest - Buildings	-	-	-	-
TotBuild	Buildings	-	-	-	-
Machinery & Equipment					
A23203	Machinery-Stghtline Method	-	-	-	-
A23208	Off Fur&Fix-Stght Line Method	-	-	-	-
A23216	Improvmts Leasehlds-Stline Mt	-	-	-	-
A23220	ROU Asset - Finance - Machinery	-	-	-	-
A23227	Leased Machinery	-	-	-	-
A23315	Capitalized Interest - Machinery	-	-	-	-
TotMachEquip	Machinery & Equipment	-	-	-	-
A24303	Computer Software	-	-	-	-
TotCompSftwr	Total Computer Software	-	-	-	-
CIP					
A23212	Construction In Process-Machr	-	-	-	-
A23213	Construction In Process-Engin	-	-	-	-
A24333	Computer Software - WIP	-	-	-	-
TotCIP	Construction In Process	-	-	-	-
Accum Deprec&Amort					
A28401	Val Rsrv-Bldgs-St Line Method	-	-	-	-
A28403	Depr-Machinery-St Line Method	-	-	-	-
A28408	Val Rsrv-Off Fur&Fix-Stlin Mt	-	-	-	-
A28416	Val Rsrv-Imprv Lshlds-Stln Mt	-	-	-	-
A28427	Depreciation-Leased Machinery	-	-	-	-
A28433	Accum Amort ROU Asset - Finance Building	-	-	-	-
A28434	Accum Amort ROU Asset - Finance Machine	-	-	-	-
A28474	Accum. Deprec. Cap. Int. - Bldgs	-	-	-	-
A28475	Accum. Deprec. Cap. Int. - Mach.	-	-	-	-
A28203	Amortization of Computer Software	-	-	-	-
TotAccDA	Accum Deprec And Amort	-	-	-	-
Rou Asset And Amort					
A23214	ROU Asset - Operating Machinery	-	-	-	-
A23228	ROU Asset - Operating Building	-	-	-	-
GrossOpAssets	Gross Operating Assets	-	-	-	-
A28430	Accum Amort ROU - Operating Building	-	-	-	-
A28431	Accum Amort ROU - Operating Machinery	-	-	-	-
TotAccDAOp	Total Accumulated DA Operating	-	-	-	-
Goodwill					
Intangibles					
A24301	Patents-Licenses-Options	(13,060)	(13,060)	(13,060)	(13,060)

A24304	Trademarks	-	-	-	-
A24311	Trademarks - Non Amortizable	672,379	672,379	672,379	672,379
A24312	Land Use Rights	-	-	-	-
A24315	Customer Relationships	-	-	-	-
GrossOthInt	Gross Other Intangible Assets	659,319	659,319	659,319	659,319
A28201	Amortization Of Patents	4,014	4,087	4,158	4,231
A28202	Amortization Of Trade Marks	-	-	-	-
A28204	Amortization of Land Use Rights	-	-	-	-
A28210	Amort Of Customer Relationships	-	-	-	-
NetIntang	Net Intangible Assets	663,333	663,406	663,477	663,550

Investment In Affiliates**Asbestos Asset****Other Assets**

A24210	Other Tangible Assets	-	-	-	-
A24217	Retirement Surplus	-	-	-	-
A24604	Sundry Assets-Non Current	-	-	-	-
ForeignPA	Foreign FAS 87 Pension Asset	-	-	-	-
A25000	Long-Term Customer Notes	-	-	-	-
A25010	Discount on Long-Term Customer Notes	-	-	-	-
A25011	Fair Value of Deriv. Asset - Non Current	-	-	-	-
A25240	Deferred Financing Fees	-	-	-	-
A28215	Fea-Receiveables Foreign Curr	-	-	-	-
OthMiscNCA	Other Misc Assets	-	-	-	-
TotONCA	Other Assets	-	-	-	-
TotNonCurrAsst	Total Other Noncurrent Assets	663,333	663,406	663,477	663,550

Investment In Subs.

I24000	Investments In Subsidiaries	-	-	-	-
TotInvSubs	Investments In Subsidiaries	-	-	-	-

Short Term Interco.

I22500	Current Amount Due From Subs	1,567,488	1,785,666	2,076,203	2,293,195
TotInterCo		1,567,488	1,785,666	2,076,203	2,293,195

Long Term Interco.

I24100	Long Term I/C Rec - Adv To Subs	-	-	-	-
TotAdvSubs	Long-Term Advances To(From) Subsidiaries	-	-	-	-

Total Assets

2,351,409 2,449,072 2,739,681 2,956,746

Liabilities**Trade Payables**

A26101	Trade Payables	-	-	-	-
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Notes Payable - Trade**Other Payables**

A26106	Sundry Payables	-	-	-	-
A26110	Employee Us Bond Purchases	-	-	-	-
A26111	Deposits-Employee Stock Purch	-	-	-	-
A26114	Credit Due For Returned Goods	-	-	-	-
A26118	Php Insurance Contrib-Employee	-	-	-	-
A26119	Rsp-Standard-Salary	-	-	-	-
A26122	Rsp-Sheltered-Salary	-	-	-	-
A26126	Rsp-Loan Repayments-Salary	-	-	-	-
A26128	Rsp-Sheltered-Hourly	-	-	-	-
A26133	Dependent Care Cont-Sheltered	-	-	-	-
A26135	Share In Success-Employee Cont	-	-	-	-
A26137	Grp Univ Life Ins Contrib-Emp	-	-	-	-
A26150	Cost & Service Fees-FPO Buyback	-	-	-	-
A26221	Unclaimed Pay Escheatable	-	-	-	-
A26222	Promotion Program Liability	-	-	-	-
A26607	Customer Prepayments	-	-	-	-
A26609	Deferred Revenue	-	-	-	-
OthMiscPay	Other Misc Payables	-	-	-	-
TotOthAP	Other Payables	-	-	-	-

Pre-Petition A/P & One-Time Vender Liab.

A26103	Pre-petition A/P - Trade	-	-	-	-
A26104	Pre-petition One-Time Vendor Liab.	-	-	-	-

Payrolls

A26202	Gross Payroll Accrued	-	-	-	-
A26206	Accrued Vacation Pay	-	-	-	-
A26207	Commiss & Slsman Incentive Pay	-	-	-	-
A26214	Misc Payroll Deductions	-	-	-	-

A26219	Accrued Mgmt Achievement Prog	-	-	-	-
A26230	Salaried Employees Bonus Plan	-	-	-	-
A26232	Cash Retention	-	-	-	-
A26241	Non-Restructuring Severance Pay	-	-	-	-
A26247	Restructuring	-	-	-	-
A26254	Current Liab-Pension and Postretirement	-	-	-	-
A26707	City Income Tax Withheld	-	-	-	-
A26708	Federal Withholding Tax	-	-	-	-
A26713	State Unemplmt Tax Withheld	-	-	-	-
A26718	State Income Tax Withheld	-	-	-	-
OthSal	Other Salaries	-	-	-	-
TotPayrolls	Payrolls	-	-	-	-
Accrued Taxes - Not On Income					
A26710	Fica Tax Withheld	-	-	-	-
TotSSTax	Social Security Taxes - Not on income	-	-	-	-
Accrued Other Taxes - Not On Income					
A26711	Franchise Tax	-	-	-	-
A26714	Accrued Sales & Use Tax	-	-	-	-
A26717	Accrued Taxes-General	-	-	-	-
OthMiscTax	Other Misc Accrued Taxes	-	-	-	-
TotAccOthTax	Other Taxes - Not on income	-	-	-	-
Accrued Miscellaneous					
A26203	Accrued Interest	-	-	-	-
A26208	Accrued Sundry Payables	-	-	-	-
A26213	Work Comp-Lib Mutual '90&Prior	-	-	-	-
A26215	Outgoing Freight Payable	-	-	-	-
A26228	Audit Fee	-	-	-	-
A26304	Fair Value of Deriv Liab - Short Term	-	-	-	-
A28121	Reserve-Misc Contingencies	-	-	-	-
OthMiscAcc	Other Misc Accrued	-	-	-	-
TotAccMisc	Accrued Miscellaneous	-	-	-	-
Short Term Lease Liability - Operating					
A26211	S/T Lease Liability - Operating Building	-	-	-	-
A26216	S/T Lease Liability - Operating Machine	-	-	-	-
TotSTOPLeaseLiab	S/T Lease Liability - Operating	-	-	-	-
Income Taxes Payable - Fed & For					
A26701	Accrued Federal Income Tax	-	-	-	-
A26702	Accrued Crs-Forgn Income Tax	-	-	-	-
OthTax	Other Fed And Foreign Taxes Payable	-	-	-	-
TotFFTax	Federal & Foreign Taxes Payable	-	-	-	-
Income Taxes Payable - State					
A26703	Accrued State Inc Tax	-	-	-	-
TotStateTax	State Taxes Payable	-	-	-	-
Short-Term Borrowings					
A26402	Notes Payable Banks	-	-	-	-
A26405	Bank of America Revolving Line of Credit	-	-	-	-
TotSTBorrowing	Short-Term Borrowings	-	-	-	-
Short-Term Lease Liab - Finance					
A26226	S/T Lease Liability - Finance Machinery	-	-	-	-
TotSTFinLeaseLiab	S/T Lease Liability - Finance	-	-	-	-
Pre-Petition Short-Term Borrowings					
A26406	Chase DIP - Pre-petition	-	-	-	-
Current Long-Term Debt					
A26115	Current Long-term Debt	-	-	-	-
Total Current Deferred Taxes					
Dividends Payable					
Long-Term Debt					
A27201	Debt Secur/Misc Obligations	-	-	-	-
A24205	Financing Costs	-	-	-	-
A28222	L/T Lease Liability - Finance Machinery	-	-	-	-
TotLTFinLeaseLiab	L/T Lease Liability - Finance	-	-	-	-
TotLTDebt	Long-term Debt	-	-	-	-
Long-Term Lease Liab Operating					
A28218	L/T Lease Liability - Operating Building	-	-	-	-
A28219	L/T Lease Liability - Operating Machine	-	-	-	-
TotLTOPleaseLiab	L/T Lease Liability - Operating	-	-	-	-

Esop Loan Guarantee**Non Current Federal Income Taxes Payable****Non Current Federal Income Taxes Payable**

A27101A	Non Current State Income Taxes Payable	-	-	-	-
Deferred Income Taxes					
A27103	Def Fed Income Tax Others	81,187	81,187	81,187	81,187
A27105	Def State Inc Tax Others	17,161	17,161	17,161	17,161
A27108	Deferred Income Taxes Payable	-	-	-	-
OthDefTax	Other Deferred Income Taxes	-	-	-	-
TotDefTax	Non-Current Deferred Tax Liabilities	98,348	98,348	98,348	98,348

Asbestos-Related Liabilities**Other Long-Term Liabilities**

A27402	Misc Long-Term Liabilities	-	-	-	-
A27403	Def Compensation Plan Deferral	-	-	-	-
A27405	Pension Liability	-	-	-	-
A27410	Workers Comp-Lib Mutual 1991+	-	-	-	-
A27411	Postretirement Benefits Liabil	-	-	-	-
A27412	Postemployment Benefits Liabil	-	-	-	-
A27414	Auto/Gen Liab Insur-Lib Mutual	-	-	-	-
A27416	Rsa-Comp Accrual-Employees	-	-	-	-
A27417	Environmental-Long Term	-	-	-	-
A27428	Long-Term Fair Value of Derivatives	-	-	-	-
A27430	Asset Retirement Obligation - Asbestos	-	-	-	-
ForeignPL	Foreign FAS 87 Pension Liability	-	-	-	-
STBS_IC	Short Term Liability I/C Mismatch	-	-	-	-
LTBS_IC	Long Term Liability I/C Mismatch	-	-	-	-
TotOLTL	Other Long-term Liabilities	-	-	-	-
InvestElim	Intercompany Investment Elim.	-	-	-	-

CHKTotal	Check Total	0	0	0	0
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Total Liabilities		98,348	98,348	98,348	98,348
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Conv. Pref. Stock**Preferred Stock****Common Stock**

A29103	Common Stock-Par Val Shares	-	-	-	-
IHisCS	IC Historical USD Common Stock	-	-	-	-
TotComStk	Common Stock	-	-	-	-

Add'l Paid In Capital

A29201	Arm Wld Ind Inc (Parent Co)	-	-	-	-
IOthPICPar	Inter-Co Paid In Excess Of Par	3,736,432	3,736,432	3,736,432	3,736,432
TotAPICPar	Paid In Excess Of Par	3,736,432	3,736,432	3,736,432	3,736,432

Reduction - Esop Loan Guarantee**Retained Earnings**

A29501	Surplus-End Previous Period	(1,701,030)	(1,701,030)	(1,701,030)	(1,701,030)
RE_ADJ	Adjustment to Previous Period RE	-	-	-	-
HISRE_ADJLC	HISRE_ADJLC	-	-	-	-
A29502	Profit And Loss-Current	217,659	315,322	605,931	822,996
EndRE	Ending Retained Earnings	(1,483,371)	(1,385,708)	(1,095,099)	(878,034)

Foreign Currency Trans.

A29515	Fct-Inter Co Lt Loans/Advances	-	-	-	-
A29517	Fct-Unrealized gain/loss on Derivatives	-	-	-	-
A29207	Add'l Min Pension Liab Adj	-	-	-	-
A29520	Plug account	-	-	-	-
CTA_PL	CTA for P&L	-	-	-	-
CTA_INV	CTA for Investments	-	-	-	-
CTA_CSTK	CTA for Common Stock	-	-	-	-
CTA_APIC	CTA for APIC	-	-	-	-
CTA_OPERE	CTA_OPERE	-	-	-	-
CTA_READJLC	CTA_READJLC	-	-	-	-
TotFCT	Foreign Currency Translation	-	-	-	-

Treasury Stock

A29112	Common Stock In Treasury	-	-	-	-
TotTreaStk	Total Treasury Stock	-	-	-	-

Total Shareholders' Equity		2,253,061	2,350,724	2,641,333	2,858,398
Total Liabilities & Shareholders' Equity		2,351,409	2,449,072	2,739,681	2,956,746

	TRUE	TRUE	TRUE	TRUE
Total Assets	2,351,409	2,449,072	2,739,681	2,956,746

Name	CONFIDENTIAL	USD	AFILA_CONS	AFILA_CONS	AFILA_CONS	AFILA_CONS
Category	cyactual	cyactual	CYActual	CYActual	CYActual	CYActual
Account						
Date	2021-08-31	2021-09-30	2022-01-31	2022-02-28	2022-03-31	2022-04-30
Frequency	M.YTD	M.YTD	M.YTD	M.YTD	M.YTD	M.YTD
Applicator	ArmFloor	ArmFloor	ArmFloor	ArmFloor	ArmFloor	ArmFloor

North America - Latin America		2022 Jan	2022 Feb	2022 Mar	2022 Apr
ASSETS					
Hyp Account #					
Cash					
A21101	Cash-General	4,093	3,562	1,772	402
A21103	Cash-Imprest Funds	-	-	-	-
TotCash	Cash	4,093	3,562	1,772	402
Cash Equivalents					
A21113	Invest In Repurchase Agreement	-	-	-	-
TotCashEquiv	Cash Equivalents	-	-	-	-
Restricted Cash					
A21125	Restricted Cash	-	-	-	-
Customer Accounts					
A21201	Accts Recvble-Trade Current	-	-	-	-
TotCustAR	Customer Accounts	-	-	-	-
Miscellaneous A/R					
A21202	Short-Term Customer Notes	-	-	-	-
A21301	Sundry Receivables	-	-	-	-
A21306	Rebts&Clms&Discs Due Frm Trad	-	-	-	-
A21315	Misc Receivables	-	-	-	-
TotMiscRec	Miscellaneous	-	-	-	-
A/R Allowances					
A28301	Val Rsrv-Worthless Accts Recv	-	-	-	-
A28303	Val Rsrv-Sales Discount	-	-	-	-
A28306	Val Rsrv-Customer Claims	-	-	-	-
A28307	Val Rsrv-Cust Claims-Warranty	-	-	-	-
A28308	Val Rsrv>Returns A/R	-	-	-	-
A28311	Val Rsrv-Worthless A/R-Specific	-	-	-	-
TotARAllow	Allowances	-	-	-	-
Finished Goods					
A22104	Inventory-Fin Stk-Manufactured	-	-	-	-
A22105	Inventory-Jobbed Stock	-	-	-	-
A22110	Finished Stock Mfd Other Firms	-	-	-	-
A22118	Exp Applied To Inv-Tra 1986	-	-	-	-
A22120	Inventory-Period Expense	-	-	-	-
A22125	Finished Stock Job In Transit	-	-	-	-
OthFG	Other Finished Goods	-	-	-	-
TotInvFG	Finished Goods	-	-	-	-
Work In Progress					
A22103	Inventory - Work-in-Process	-	-	-	-
A22117	Work-in-Process Jobbed	-	-	-	-
A22123	Work-in-Process Plt In Transit	-	-	-	-
A22133	WIP - Open Work Orders	-	-	-	-
OthWIP	Other Work-in-Process	-	-	-	-
TotInvWIP	Work-in-Process	-	-	-	-
Raw Materials					
A22102	Inventory - Raw Material	-	-	-	-
TotInvRM	Raw Materials	-	-	-	-
Supplies					
A22201	General Stores	-	-	-	-
A22202	Inventory - Coal & Fuel Oil	-	-	-	-
TotInvSup	Supplies	-	-	-	-
Valuation Allowances					
A28501	Inv Val To Lifo Cost	-	-	-	-
A28502	Inv Val To Fifo Cost	-	-	-	-
A28504	Obsol Defect Slow-Moving Inv	-	-	-	-
A28513	Intra-Company Trading Profit	-	-	-	-
TotInvAllow	Inventory Reserves	-	-	-	-
Other Current Assets					
Assets_for_Sale	Assets Held for Sale	-	-	-	-
A21304	Travel Advances	-	-	-	-

A21318	P-Card Purchases Advance	-	-	-	-
A21320	Travel/Reimbursement Account	-	-	-	-
A25101	Prepaid Advertising Projects	-	-	-	-
A25102	Prepaid Freight	-	-	-	-
A25104	Prepaid Insurance	-	-	-	-
A25106	Prepaid Taxes	-	-	-	-
A25107	Prepaid Payroll	-	-	-	-
A25109	Prepaid Sundry Expenses	-	-	-	-
A25113	WIP- Advertising Projects	-	-	-	-
A25114	Prepaid Dues&Subscriptions	-	-	-	-
A25122	Prepaid Print Supplies-Other	-	-	-	-
A25127	Prepaid Sample Exp	-	-	-	-
A25218	Group Medical Insurance-Co.	-	-	-	-
A25219	Group Dental Insurance-Company	-	-	-	-
A25220	Equaliz Fica Taxes	-	-	-	-
A25221	Equaliz Fed Unemplmt Taxes	-	-	-	-
A25222	Equaliz St Unemplmt Taxes	-	-	-	-
A25233	Sls Returns/Allow-Cash Payment	-	-	-	-
A25308	Current State Taxes Receivable	-	-	-	-
A25309	Federal Income Tax Receivable & Overpmts	-	-	-	-
A25311	Income Tax Benefits - Deferred	-	-	-	-
A25313	Deferred State Income Tax Non Current	-	-	-	-
A25314	Returns	-	-	-	-
A28214	Fair Value of Deriv. Asset - Current	-	-	-	-
OthMiscAsset	Other Misc Current Assets	-	-	-	-
TotOCA	Other Current Assets	-	-	-	-
Land					
A23101	Operating Land	-	-	-	-
Othland	Other Land	-	-	-	-
TotLand	Land	-	-	-	-
Buildings					
A23201	Buildings-Stghtline Method	-	-	-	-
A23202	Building Services-St Line Meth	-	-	-	-
A23225	ROU Asset - Finance-Building	-	-	-	-
A23314	Capitalized Interest - Buildings	-	-	-	-
TotBuild	Buildings	-	-	-	-
Machinery & Equipment					
A23203	Machinery-Stghtline Method	-	-	-	-
A23208	Off Fur&Fix-Stght Line Method	-	-	-	-
A23216	Improvmts Leasehlds-Stline Mt	-	-	-	-
A23220	ROU Asset - Finance - Machinery	-	-	-	-
A23227	Leased Machinery	-	-	-	-
A23315	Capitalized Interest - Machinery	-	-	-	-
TotMachEquip	Machinery & Equipment	-	-	-	-
A24303	Computer Software	-	-	-	-
TotCompSftwr	Total Computer Software	-	-	-	-
CIP					
A23212	Construction In Process-Machr	-	-	-	-
A23213	Construction In Process-Engin	-	-	-	-
A24333	Computer Software - WIP	-	-	-	-
TotCIP	Construction In Process	-	-	-	-
Accum Deprec&Amort					
A28401	Val Rsrv-Bldgs-St Line Method	-	-	-	-
A28403	Depr-Machinery-St Line Method	-	-	-	-
A28408	Val Rsrv-Off Fur&Fix-Stlin Mt	-	-	-	-
A28416	Val Rsrv-Imprv Lshlds-Stln Mt	-	-	-	-
A28427	Depreciation-Leased Machinery	-	-	-	-
A28433	Accum Amort ROU Asset - Finance Building	-	-	-	-
A28434	Accum Amort ROU Asset - Finance Machine	-	-	-	-
A28474	Accum. Deprec. Cap. Int. - Bldgs	-	-	-	-
A28475	Accum. Deprec. Cap. Int. - Mach.	-	-	-	-
A28203	Amortization of Computer Software	-	-	-	-
TotAccDA	Accum Deprec And Amort	-	-	-	-
Rou Asset And Amort					
A23214	ROU Asset - Operating Machinery	-	-	-	-
A23228	ROU Asset - Operating Building	-	-	-	-
GrossOpAssets	Gross Operating Assets	-	-	-	-
A28430	Accum Amort ROU - Operating Building	-	-	-	-
A28431	Accum Amort ROU - Operating Machinery	-	-	-	-
TotAccDAOp	Total Accumulated DA Operating	-	-	-	-
Goodwill					
Intangibles					
A24301	Patents-Licenses-Options	-	-	-	-

A24304	Trademarks	-	-	-	-
A24311	Trademarks - Non Amortizable	-	-	-	-
A24312	Land Use Rights	-	-	-	-
A24315	Customer Relationships	-	-	-	-
GrossOthInt	Gross Other Intangible Assets	-	-	-	-
A28201	Amortization Of Patents	-	-	-	-
A28202	Amortization Of Trade Marks	-	-	-	-
A28204	Amortization of Land Use Rights	-	-	-	-
A28210	Amort Of Customer Relationships	-	-	-	-
NetIntang	Net Intangible Assets	-	-	-	-
Investment In Affiliates					
Asbestos Asset					
Other Assets					
A24210	Other Tangible Assets	-	-	-	-
A24217	Retirement Surplus	-	-	-	-
A24604	Sundry Assets-Non Current	-	-	-	-
ForeignPA	Foreign FAS 87 Pension Asset	-	-	-	-
A25000	Long-Term Customer Notes	-	-	-	-
A25010	Discount on Long-Term Customer Notes	-	-	-	-
A25011	Fair Value of Deriv. Asset - Non Current	-	-	-	-
A25240	Deferred Financing Fees	-	-	-	-
A28215	Fea-Receiveables Foreign Curr	-	-	-	-
OthMiscNCA	Other Misc Assets	-	-	-	-
TotONCA	Other Assets	-	-	-	-
TotNonCurrAsst	Total Other Noncurrent Assets	-	-	-	-
Investment In Subs.					
I24000	Investments In Subsidiaries	-	-	-	-
TotInvSubs	Investments In Subsidiaries	-	-	-	-
Short Term Interco.					
I22500	Current Amount Due From Subs	(15,093)	(14,674)	(12,999)	(11,743)
TotInterCo		(15,093)	(14,674)	(12,999)	(11,743)
Long Term Interco.					
I24100	Long Term I/C Rec - Adv To Subs	-	-	-	-
TotAdvSubs	Long-Term Advances To(From) Subsidiaries	-	-	-	-
Total Assets		(10,999)	(11,112)	(11,226)	(11,341)
<u>Liabilities</u>					
Trade Payables					
A26101	Trade Payables	-	-	-	-
Notes Payable - Trade					
Other Payables					
A26106	Sundry Payables	-	-	-	-
A26110	Employee Us Bond Purchases	-	-	-	-
A26111	Deposits-Employee Stock Purch	-	-	-	-
A26114	Credit Due For Returned Goods	-	-	-	-
A26118	Php Insurance Contrib-Employee	-	-	-	-
A26119	Rsp-Standard-Salary	-	-	-	-
A26122	Rsp-Sheltered-Salary	-	-	-	-
A26126	Rsp-Loan Repayments-Salary	-	-	-	-
A26128	Rsp-Sheltered-Hourly	-	-	-	-
A26133	Dependent Care Cont-Sheltered	-	-	-	-
A26135	Share In Success-Employee Cont	-	-	-	-
A26137	Grp Univ Life Ins Contrib-Empl	-	-	-	-
A26150	Cost & Service Fees-FPO Buyback	-	-	-	-
A26221	Unclaimed Pay Escheatable	-	-	-	-
A26222	Promotion Program Liability	-	-	-	-
A26607	Customer Prepayments	-	-	-	-
A26609	Deferred Revenue	-	-	-	-
OthMiscPay	Other Misc Payables	-	-	-	-
TotOthAP	Other Payables	-	-	-	-
Pre-Petition A/P & One-Time Vender Liab.					
A26103	Pre-petition A/P - Trade	-	-	-	-
A26104	Pre-petition One-Time Vendor Liab.	-	-	-	-
Payrolls					
A26202	Gross Payroll Accrued	-	-	-	-
A26206	Accrued Vacation Pay	-	-	-	-
A26207	Commiss & Slsman Incentive Pay	-	-	-	-
A26214	Misc Payroll Deductions	-	-	-	-

A26219	Accrued Mgmt Achievement Prog	-	-	-	-
A26230	Salaried Employees Bonus Plan	-	-	-	-
A26232	Cash Retention	-	-	-	-
A26241	Non-Restructuring Severance Pay	-	-	-	-
A26247	Restructuring	-	-	-	-
A26254	Current Liab-Pension and Postretirement	-	-	-	-
A26707	City Income Tax Withheld	-	-	-	-
A26708	Federal Withholding Tax	-	-	-	-
A26713	State Unemplmt Tax Withheld	-	-	-	-
A26718	State Income Tax Withheld	-	-	-	-
OthSal	Other Salaries	-	-	-	-
TotPayrolls	Payrolls	-	-	-	-
Accrued Taxes - Not On Income					
A26710	Fica Tax Withheld	-	-	-	-
TotSSTax	Social Security Taxes - Not on income	-	-	-	-
Accrued Other Taxes - Not On Income					
A26711	Franchise Tax	-	-	-	-
A26714	Accrued Sales & Use Tax	-	-	-	-
A26717	Accrued Taxes-General	-	-	-	-
OthMiscTax	Other Misc Accrued Taxes	-	-	-	-
TotAccOthTax	Other Taxes - Not on income	-	-	-	-
Accrued Miscellaneous					
A26203	Accrued Interest	-	-	-	-
A26208	Accrued Sundry Payables	-	-	-	-
A26213	Work Comp-Lib Mutual '90&Prior	-	-	-	-
A26215	Outgoing Freight Payable	-	-	-	-
A26228	Audit Fee	-	-	-	-
A26304	Fair Value of Deriv Liab - Short Term	-	-	-	-
A28121	Reserve-Misc Contingencies	-	-	-	-
OthMiscAcc	Other Misc Accrued	-	-	-	-
TotAccMisc	Accrued Miscellaneous	-	-	-	-
Short Term Lease Liability - Operating					
A26211	S/T Lease Liability - Operating Building	-	-	-	-
A26216	S/T Lease Liability - Operating Machine	-	-	-	-
TotSTOPLeaseLiab	S/T Lease Liability - Operating	-	-	-	-
Income Taxes Payable - Fed & For					
A26701	Accrued Federal Income Tax	-	-	-	-
A26702	Accrued Crs-Forgn Income Tax	-	-	-	-
OthTax	Other Fed And Foreign Taxes Payable	-	-	-	-
TotFFTax	Federal & Foreign Taxes Payable	-	-	-	-
Income Taxes Payable - State					
A26703	Accrued State Inc Tax	-	-	-	-
TotStateTax	State Taxes Payable	-	-	-	-
Short-Term Borrowings					
A26402	Notes Payable Banks	-	-	-	-
A26405	Bank of America Revolving Line of Credit	-	-	-	-
TotSTBorrowing	Short-Term Borrowings	-	-	-	-
Short-Term Lease Liab - Finance					
A26226	S/T Lease Liability - Finance Machinery	-	-	-	-
TotSTFinLeaseLiab	S/T Lease Liability - Finance	-	-	-	-
Pre-Petition Short-Term Borrowings					
A26406	Chase DIP - Pre-petition	-	-	-	-
Current Long-Term Debt					
A26115	Current Long-term Debt	-	-	-	-
Total Current Deferred Taxes					
Dividends Payable					
Long-Term Debt					
A27201	Debt Secur/Misc Obligations	-	-	-	-
A24205	Financing Costs	-	-	-	-
A28222	L/T Lease Liability - Finance Machinery	-	-	-	-
TotLTFinLeaseLiab	L/T Lease Liability - Finance	-	-	-	-
TotLTDebt	Long-term Debt	-	-	-	-
Long-Term Lease Liab Operating					
A28218	L/T Lease Liability - Operating Building	-	-	-	-
A28219	L/T Lease Liability - Operating Machine	-	-	-	-
TotLTOPleaseLiab	L/T Lease Liability - Operating	-	-	-	-

Esop Loan Guarantee**Non Current Federal Income Taxes Payable****Non Current Federal Income Taxes Payable**

A27101A	Non Current State Income Taxes Payable	-	-	-	-
Deferred Income Taxes					
A27103	Def Fed Income Tax Others	-	-	-	-
A27105	Def State Inc Tax Others	-	-	-	-
A27108	Deferred Income Taxes Payable	-	-	-	-
OthDefTax	Other Deferred Income Taxes	-	-	-	-
TotDefTax	Non-Current Deferred Tax Liabilities	-	-	-	-

Asbestos-Related Liabilities**Other Long-Term Liabilities**

A27402	Misc Long-Term Liabilities	-	-	-	-
A27403	Def Compensation Plan Deferral	-	-	-	-
A27405	Pension Liability	-	-	-	-
A27410	Workers Comp-Lib Mutual 1991+	-	-	-	-
A27411	Postretirement Benefits Liabil	-	-	-	-
A27412	Postemployment Benefits Liabil	-	-	-	-
A27414	Auto/Gen Liab Insur-Lib Mutual	-	-	-	-
A27416	Rsa-Comp Accrual-Employees	-	-	-	-
A27417	Environmental-Long Term	-	-	-	-
A27428	Long-Term Fair Value of Derivatives	-	-	-	-
A27430	Asset Retirement Obligation - Asbestos	-	-	-	-
ForeignPL	Foreign FAS 87 Pension Liability	-	-	-	-
STBS_IC	Short Term Liability I/C Mismatch	-	-	-	-
LTBS_IC	Long Term Liability I/C Mismatch	-	-	-	-
TotOLTL	Other Long-term Liabilities	-	-	-	-
InvestElim	Intercompany Investment Elim.	-	-	-	-
CHKTotal	Check Total	-	-	-	-
Total Liabilities		-	-	-	-

Conv. Pref. Stock**Preferred Stock****Common Stock**

A29103	Common Stock-Par Val Shares	-	-	-	-
IHisCS	IC Historical USD Common Stock	-	-	-	-
TotComStk	Common Stock	-	-	-	-

Add'l Paid In Capital

A29201	Arm Wld Ind Inc (Parent Co)	-	-	-	-
IOthPICPar	Inter-Co Paid In Excess Of Par	(1,946)	(1,946)	(1,946)	(1,946)
TotAPICPar	Paid In Excess Of Par	(1,946)	(1,946)	(1,946)	(1,946)

Reduction - Esop Loan Guarantee**Retained Earnings**

A29501	Surplus-End Previous Period	(8,916)	(8,916)	(8,916)	(8,916)
RE_ADJ	Adjustment to Previous Period RE	-	-	-	-
HISRE_ADJLC	HISRE_ADJLC	-	-	-	-
A29502	Profit And Loss-Current	(138)	(250)	(365)	(479)
EndRE	Ending Retained Earnings	(9,053)	(9,166)	(9,280)	(9,395)

Foreign Currency Trans.

A29515	Fct-Inter Co Lt Loans/Advances	-	-	-	-
A29517	Fct-Unrealized gain/loss on Derivatives	-	-	-	-
A29207	Add'l Min Pension Liab Adj	-	-	-	-
A29520	Plug account	-	-	-	-
CTA_PL	CTA for P&L	-	-	-	-
CTA_INV	CTA for Investments	-	-	-	-
CTA_CSTK	CTA for Common Stock	-	-	-	-
CTA_APIC	CTA for APIC	-	-	-	-
CTA_OPERE	CTA_OPERE	-	-	-	-
CTA_READJLC	CTA_READJLC	-	-	-	-
TotFCT	Foreign Currency Translation	-	-	-	-

Treasury Stock

A29112	Common Stock In Treasury	-	-	-	-
TotTreaStk	Total Treasury Stock	-	-	-	-

Total Shareholders' Equity	(10,999)	(11,112)	(11,226)	(11,341)
Total Liabilities &Shareholders' Equity	(10,999)	(11,112)	(11,226)	(11,341)

	TRUE	TRUE	TRUE	TRUE
Total Assets	(10,999)	(11,112)	(11,226)	(11,341)

THIS IS EXHIBIT "T" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, Notary

A Notary Public in and for the Commonwealth of Pennsylvania

Commonwealth of Pennsylvania – Notary Seal
Juan D. Garcia, Notary Public
Lancaster County
My Commission Expires December 11, 2024
Commission Number 1377514



Armstrong Flooring, Inc. 45-Day Going Concern DIP Budget		1	2	3	4	5	6	7	7 Week
		Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Week Ending		5/15/22	5/22/22	5/29/22	6/5/22	6/12/22	6/19/22	6/26/22	Total
Receipts									
Distribution & Lockbox Collections	\$	9,369	\$ 4,768	\$ 7,537	\$ 8,325	\$ 7,311	\$ 8,197	\$ 11,151	\$ 56,658
Home Depot & Lowe's Collections		527	792	724	1,068	1,087	1,005	1,035	6,238
Netting & I/C		-	1,000	-	1,000	-	-	1,000	3,000
Other Receipts		-	-	-	-	-	-	-	-
Transaction Proceeds		-	-	-	-	-	-	237,525	237,525
Total Receipts		9,896	6,560	8,261	10,393	8,398	9,202	250,711	303,421
Operating Disbursements									
Raw & Sourced Material		(1,259)	(3,829)	(4,465)	(2,152)	(2,965)	(2,851)	(2,515)	(20,034)
CV Payments ¹		-	(3,800)	(2,800)	(2,800)	(2,800)	(1,800)	-	(14,000)
Payroll and Employee Benefits		(1,185)	(3,525)	(1,222)	(3,540)	(1,238)	(3,555)	(1,237)	(15,502)
Outside Services		(0)	(582)	(65)	(69)	(65)	(525)	(52)	(1,357)
Logistics/Customs		(0)	(4,385)	(1,751)	(1,772)	(2,071)	(1,569)	(2,126)	(13,675)
Packaging		(0)	(271)	(228)	(167)	(153)	(154)	(139)	(1,112)
Rent / Leases		-	-	-	(256)	-	(282)	-	(538)
Insurance		(1)	(0)	(0)	(156)	(0)	(1)	(0)	(159)
Facility Costs		0	(577)	(262)	(706)	(367)	(449)	(118)	(2,478)
MRO Costs		0	(964)	(284)	(233)	(289)	(593)	(302)	(2,664)
Taxes - Operating		0	(534)	-	-	-	(263)	-	(797)
Other Operating Disbursements		0	(723)	(371)	(290)	(336)	(383)	(190)	(2,293)
Total Operating Disbursements		(2,443)	(19,190)	(11,448)	(12,141)	(10,285)	(12,425)	(6,677)	(74,609)
Operating Cash Flow		7,453	(12,630)	(3,187)	(1,748)	(1,887)	(3,223)	244,034	228,812
NON-OPERATING ACTIVITY									
Capital (Expenditures) / Disposals		-	(375)	(125)	-	-	-	-	(500)
Interest & Fee Payments		-	-	-	(519)	-	-	-	(519)
Ordinary Course Professional Fees		(0)	(11)	(11)	(9)	(239)	(303)	(9)	(582)
Bankruptcy-Related Expenses									
Utility Deposits		-	-	-	(700)	-	-	-	(700)
Professional Fees		-	(1,410)	(705)	(1,165)	(1,940)	(890)	(680)	(6,790)
DIP Fees		(375)	-	-	-	-	-	(2,540)	(2,915)
Other		-	-	-	-	-	-	-	-
Total Bankruptcy-Related Expenses		(375)	(1,410)	(705)	(1,865)	(1,940)	(890)	(3,220)	(10,405)
Net Cash from Non-Operating Activity		(375)	(1,796)	(841)	(2,393)	(2,179)	(1,193)	(3,229)	(12,006)
Net Cash Flow	\$	7,077	\$ (14,426)	\$ (4,028)	\$ (4,142)	\$ (4,066)	\$ (4,415)	\$ 240,805	\$ 216,806
Memo: Total Disbursements²		(2,819)	(20,986)	(12,289)	(14,535)	(12,464)	(13,618)	(9,906)	(86,615)

¹ Critical Vendor reserve accounted for in availability under the DIP

² Total disbursements would be reduced by \$1 million by week 7 to the extent a post default carveout reserve is imposed

Armstrong Flooring, Inc. 45-Day Going Concern DIP Budget		1	2	3	4	5	6	7	7 Week
		Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Week Ending		5/15/22	5/22/22	5/29/22	6/5/22	6/12/22	6/19/22	6/26/22	Total
Operating Cash Rollforward									
Beginning Book Cash Balance	\$	0	\$ 7,077	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 0	\$ 0
Net Cash Flow		7,077	(14,426)	(4,028)	(4,142)	(4,066)	(4,415)	240,805	216,806
ABL Draw		-	8,015	300	1,400	1,400	885	(66,484)	(54,484)
Pathlight Draw		-	1,833	3,728	2,742	2,666	1,030	(110,015)	(98,017)
Other								(9,614)	(9,614)
Ending Book Cash Balance	\$	7,077	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 0	\$ 54,691	\$ 54,691
ABL Balance									
Beginning Balance	\$	54,484	\$ 54,484	\$ 62,499	\$ 62,799	\$ 64,199	\$ 65,599	\$ 66,484	\$ 54,484
Net DIP Draw/(Paydown)		-	8,015	300	1,400	1,400	885		12,000
Repayment of ABL								(66,484)	(66,484)
Ending Balance	\$	54,484	\$ 62,499	\$ 62,799	\$ 64,199	\$ 65,599	\$ 66,484	\$ -	\$ -
Outstanding L/Cs		9,614	9,614	9,614	9,614	9,614	9,614	-	
Ending Total Loan and L/Cs Balance	\$	64,098	\$ 72,114	\$ 72,414	\$ 73,814	\$ 75,214	\$ 76,099	\$ -	
Pathlight Balance									
Beginning Balance	\$	98,017	\$ 98,017	\$ 99,850	\$ 103,578	\$ 106,319	\$ 108,985	\$ 110,015	\$ 98,017
Net DIP Draw/(Paydown)		-	1,833	3,728	2,742	2,666	1,030		11,999
Repayment of Term Loan								(110,015)	(110,015)
Ending Balance	\$	98,017	\$ 99,850	\$ 103,578	\$ 106,319	\$ 108,985	\$ 110,015	\$ -	\$ -
Total DIP Balance									
Beginning Balance		-	-	9,849	13,876	18,018	22,084	23,999	-
ABL Balance		-	8,015	300	1,400	1,400	885	-	12,000
Pathlight Balance		-	1,833	3,728	2,742	2,666	1,030	-	11,999
Repayment of DIP								(23,999)	(23,999)
Ending Balance		-	9,849	13,876	18,018	22,084	23,999	-	-
Borrowing Base Calculation:									
Total Available Collateral	\$	89,114	\$ 89,114	\$ 89,114	\$ 89,114	\$ 89,114	\$ 89,114		
Net Availability / (Shortfall)		25,015	\$ 17,000	\$ 16,700	\$ 15,300	\$ 13,900	\$ 13,015		
Minimum Availability Covenant		(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)		
CV Reserve		(4,000)	(4,000)	(3,700)	(2,300)	(900)	-		
Minimum Availability After Covenant	\$	8,015	\$ -	\$ -	\$ -	\$ -	\$ 15		
Total Collateral before Reserves									
Minimum Formula Availability Covenant		103,568	98,612	101,906	103,688	101,664	99,912		
Excess / (Deficiency) to Covenant		(96,000)	(96,000)	(96,000)	(94,000)	(94,000)	(94,000)		
Collateral Balances									
AR		51,769	56,716	59,573	57,360	57,498	58,061	54,611	
Inventory		110,616	109,906	109,058	108,656	105,624	102,592	99,559	
Total		162,385	166,622	168,631	166,016	163,122	160,653	154,170	

THIS IS EXHIBIT "U" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary

A Notary Public in and for the Commonwealth of Pennsylvania

Commonwealth of Pennsylvania - Notary Seal
Juan D. Garcia, Notary Public
Lancaster County
My Commission Expires December 11, 2024
Commission Number 1377514



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 : 1
(3479)

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.

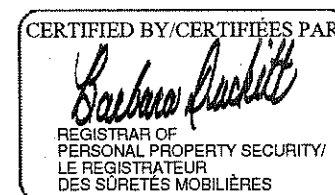
FILE CURRENCY : 11APR 2022

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.

BORDEN LADNER GERVAIS LLP - A. GASPARINI - ADRIANA
GASPARINI
22 ADELAIDE STREET WEST, SUITE 3400
TORONTO ON M5H 4E3

CONTINUED... 2



(crfj5 06/2019)

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 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME AFI CANADA LTD.

04 ADDRESS 40 KING STREET WEST, SUITE 2100 TORONTO ONTARIO CORPORATION NO. M5H3C2

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / ELEMENT FLEET MANAGEMENT INC.

09 LIEN CLAIMANT ADDRESS 4 ROBERT SPECK PARKWAY, SUITE 900 MISSISSAUGA ON L4Z1S1

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED	MATURITY OR	MATURITY DATE
	X	X	X	X			

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 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 ELEMENT FLEET MANAGEMENT INC.

17 AGENT ADDRESS 4 ROBERT SPECK PARKWAY, SUITE 900 MISSISSAUGA ON L4Z1S1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
Barbara Pashitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

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 : 3
 (3481)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : AFI CANADA LTD.
 FILE CURRENCY : 11APR 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN

00 FILE NUMBER
 725951925

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	02	004		20170327 1402 1462 3216	P PPSA	10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LITEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	MATURITY OR MATURITY DATE
10							

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL EQUIPMENT (INCLUDING, WITHOUT LIMITATION, TRAILERS, BOXES AND
 14 COLLATERAL REFRIGERATION UNITS), MATERIAL-HANDLING EQUIPMENT AND OTHER GOODS
 15 DESCRIPTION (WHETHER SIMILAR OR DISSIMILAR TO THE FOREGOING) LEASED FROM TIME TO

16 REGISTERING ELEMENT FLEET MANAGEMENT INC.
 AGENT

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 Luckitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

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 : 4
 (3482)

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

CAPTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	03	004		20170327 1402 1462 3216	P PPSA	10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	MATURITY OR MATURITY DATE

10

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL TIME BY THE SECURED PARTY TO THE DEBTOR, TOGETHER WITH, IN EACH
 14 COLLATERAL CASE, ALL PRESENT AND FUTURE PARTS, ATTACHMENTS, ACCESSORIES AND
 15 DESCRIPTION ACCESSIONS ATTACHED THERE TO OR INSTALLED THEREIN, AND ALL PROCEEDS

16 REGISTERING ELEMENT FLEET MANAGEMENT INC.
 AGENT

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)

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 : 5
 (3483)

TYPE OF SEARCH : BUSINESS DESTOR
 SEARCH CONDUCTED ON : AFI CANADA LTD.
 FILE CURRENCY : 11APR 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 725951925

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 04 004 20170327 1402 1462 3216 P PPSA 10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.
 12 MOTOR VEHICLE

13 GENERAL OF OR RELATING TO ANY OF THE FOREGOING.

14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING ELEMENT FLEET MANAGEMENT INC.
 17 AGENT ADDRESS 4 ROBERT SPECK PARKWAY, SUITE 900 MISSISSAUGA ON L4Z1S1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
Barbara Puckett
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crlfu 06/2019)

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

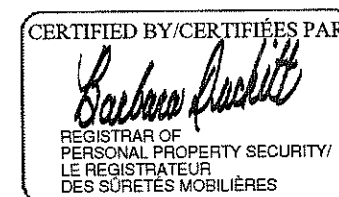
REPORT : PSSR060
PAGE : 6
(3484)

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.



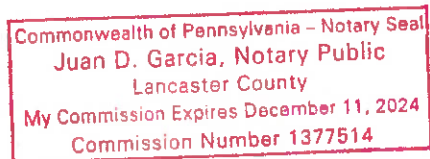
(crj5 06/2019)

THIS IS EXHIBIT "V" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary

A Notary Public in and for the Commonwealth of Pennsylvania





**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**

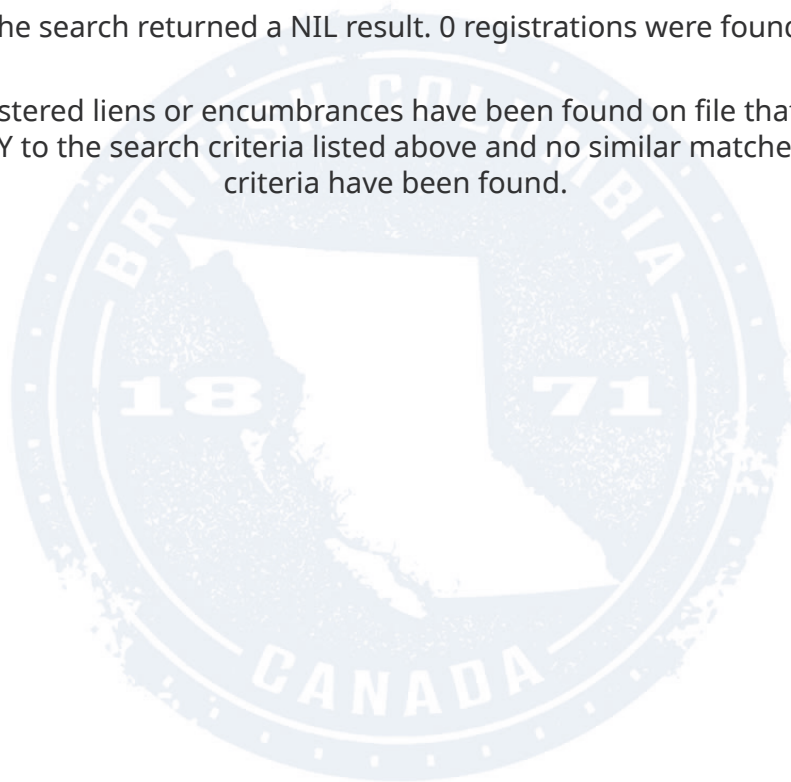
0 Matches in 0 Registrations

Exact Matches: 0 (*)

Total Search Report Pages: 0

The search returned a NIL result. 0 registrations were found.

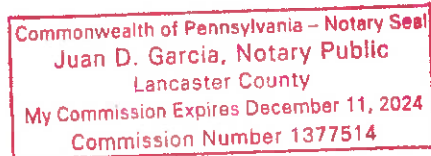
No registered liens or encumbrances have been found on file that match EXACTLY to the search criteria listed above and no similar matches to the criteria have been found.



THIS IS EXHIBIT "W" TO THE AFFIDAVIT
OF MICHEL S. VERMETTE SWORN BEFORE ME

ON THIS 1ST DAY OF JUNE, 2022

 Juan D. Garcia, PA Notary
A Notary Public in and for the Commonwealth of Pennsylvania



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**

CONSENT

Grant Thornton Limited, hereby consents to act as information officer of Armstrong Flooring, Inc., AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd. in respect of a proceeding pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, in accordance with the terms of an order substantially in the form requested by Armstrong Flooring Canada Ltd.

May12, 2022

GRANT THORNTON LIMITED

By:



Name: Jonathan Krieger
Title: Senior Vice President

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	
CONSENT	
BORDEN LADNER GERVAIS LLP Bay Adelaide Centre, East Tower 22 Adelaide Street West Toronto ON M5H 4E3 Tel: 416-367-6000 Fax: 416-367-6749 Roger Jaipargas – LSO No. 43275C Tel: 416-367-6266 rjaipargas@blg.com Tyler Mondor McNaughton – LSO No. 78081Q Tel: 416-367-6037 tmcnaughton@blg.com	Lawyers for Armstrong Flooring, Inc., AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd.

Tab 3

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE	)	WEDNESDAY, THE 8 th
	)	
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.

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)

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
	BORDEN LADNER GERVAIS LLP Bay Adelaide Centre, East Tower 22 Adelaide Street West Toronto ON M5H 4E3 Tel: 416-367-6000 Fax: 416-367-6749
	Roger Jaipargas – LSO No. 43275C Tel: 416-367-6266 rjaipargas@blg.com Tyler Mondor McNaughton – LSO No. 78081Q Tel: 416-367-6037 tmcnaughton@blg.com

128795041.v5

Lawyers for Armstrong Flooring, Inc., AFI Licensing LLC,
Armstrong Flooring Latin America, Inc. and Armstrong Flooring
Canada Ltd.

Tab 4

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE _____) ~~WEEKDAY~~ WEDNESDAY, THE #8th
 _____)
MR. JUSTICE ~~_____~~ CAVANAGH) DAY OF ~~MONTH~~ JUNE, ~~20YR~~ 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 ~~[LIST DEBTOR NAMES]~~(the "Debtors" "DEBTORS")

APPLICATION OF ~~[NAME OF FOREIGN REPRESENTATIVE]~~
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 MAIN¹ PROCEEDING)**

THIS APPLICATION,² made by ~~[NAME OF FOREIGN REPRESENTATIVE]~~ 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

¹ Under section 47 the Canadian Court must be satisfied that the application for the recognition of a foreign proceeding relates to a foreign proceeding and that the applicant is a foreign representative in respect of that foreign proceeding, and then determine if the foreign proceeding is a foreign "main" or a foreign "non-main" proceeding. If the Canadian Court recognizes a foreign proceeding as a "main" proceeding, then section 48 of the CCAA provides that the Court must grant certain relief, subject to any terms and conditions it considers appropriate. The provisions of this model Order are minimal, and based on the mandatory relief set out in section 48 of the CCAA with respect to a foreign main proceeding. As noted below, supplemental and other relief is set out in the model Supplemental Order (Foreign Main Proceeding).

² Part IV of the CCAA governs cross-border insolvencies.

the form enclosed in the Application Record, was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by Zoom videoconference due to the COVID-19 pandemic.

ON READING the Notice of Application, the affidavit of ~~[NAME]~~ Michel S. Vermette sworn ~~[DATE]~~ June 1, 2022, the preliminary report of ~~[NAME]~~ Grant Thornton Limited, in its capacity as proposed information officer (the "**Proposed Information Officer**") dated ~~[DATE]~~ 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) ~~[will be/is being]~~ sought,³

AND UPON HEARING the submissions of counsel for the Foreign Representative, ~~[counsel for the Proposed Information Officer,]~~ counsel for ~~[OTHER PARTIES]~~ Bank of America, N.A., and upon ~~being advised that~~ no one appearing for any other ~~persons were~~ parties, although duly served ~~with~~ as appears from the ~~Notice~~ Affidavit of ~~Application~~ Service of Sandra Noe sworn June 3, 2022.⁴

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated⁵ so that this Application is properly returnable today and hereby dispenses with further service thereof.

³ -In addition to the mandatory relief contained in this Order pursuant to section 48 of the CCAA, certain discretionary relief may be granted by the Court pursuant to section 49 of the CCAA. Examples of such discretionary relief are contained in a model Supplemental Order (Foreign Main Proceeding), also available on the Commercial List website.

⁴ -Revise to be consistent with the service recital in the Supplemental Order, if it is being sought concurrently.

⁵ -If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in the appropriate circumstances.

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 ~~[DESCRIBE FOREIGN PROCEEDING]~~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 ~~[FILING JURISDICTION FOR FOREIGN PROCEEDING]~~ the United States of America,⁶ and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding"⁷ as defined in section 45 of the CCAA.

STAY OF PROCEEDINGS⁸

4. **THIS COURT ORDERS** that until otherwise ordered by this Court:

- (a) all proceedings taken or that might be taken against any ~~Debtor~~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 ~~Debtor~~of the Debtors are restrained; and
- (c) the commencement of any action, suit or proceeding against any ~~Debtor~~of the Debtors is prohibited.

NO SALE OF PROPERTY⁹

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.

⁶ ~~A "foreign main proceeding" as defined in section 45 of the CCAA is "a foreign proceeding in a jurisdiction where the debtor company has the centre of its main interests". Accordingly, the Court must make this determination in concluding that the proceeding being recognized is a foreign main proceeding. This determination should be made for each individual Debtor.~~

⁷ ~~A separate model order is being developed with respect to foreign non-main proceedings.~~

⁸ ~~The provisions of this paragraph 4 are based on section 48 of the CCAA. More comprehensive stay provisions are found in the model Supplemental Order (Foreign Main Proceeding).~~

⁹ ~~Based on section 48(d) of the CCAA.~~

GENERAL

6. **THIS COURT ORDERS** that ~~[without delay]~~ within ~~[NUMBER]~~ 7 days from the date of this Order, or as soon as practicable thereafter¹⁰, the ~~Foreign Representative~~ Proposed Information Officer shall cause to be published a notice substantially in the form attached to this Order as Schedule ~~[*]"A"~~,¹¹ once a week for two consecutive weeks, in ~~[NAME OF NEWSPAPER(S)]~~ The Globe and Mail (National Edition).¹²

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.

¹⁰ ~~Section 53 of the CCAA requires publication "without delay after the order is made". The alternative language, above, may provide more certainty as to when that publication must take place.~~

¹¹ ~~The notice must contain information prescribed under the CCAA (section 53(b)).~~

¹² ~~Section 53(b) of the CCAA requires that the Foreign Representative publish, unless otherwise directed by the Court, notice of the Recognition Order once a week for two consecutive weeks, in one or more newspapers in Canada specified by the Court. In addition, the Foreign Representative has ongoing reporting obligations pursuant to section 53(a) of the CCAA.~~

8. **THIS COURT ORDERS AND DECLARES** that ~~that [the Interim Initial Order made on [DATE] shall be of no further force and effect once this Order becomes effective, and that]~~ this Order shall be effective as of ~~[TIME]~~¹³ 12:01 a.m. on the date of this Order ~~[, provided that nothing herein shall invalidate any action taken in compliance with such Interim Initial Order prior to the effective time of this Order.]~~¹⁴

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.

Schedule "A"

~~{ATTACH APPROPRIATE SCHEDULE(S)}~~

Form of Newspaper Notice

¹³ ~~This time should be after the effective time that the Foreign Representative was appointed in the Foreign Proceeding.~~

¹⁴ ~~If an Interim Initial Order was not made, references to an Interim Initial Order should be removed from this paragraph.~~

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-22-00682153-00CL

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

INITIAL RECOGNITION ORDER

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto ON M5H 4E3
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Lawyers for Armstrong Flooring, Inc., AFI Licensing LLC,
Armstrong Flooring Latin America, Inc. and Armstrong Flooring
Canada Ltd.

128795041:v5

Document comparison by Workshare Compare on June 3, 2022 11:03:54 AM

Input:	
Document 1 ID	iManage://blg-mobility.imanage.work/DOCUMENTS/128795041/1
Description	#128795041v1<blg-mobility.imanage.work> - AFI Canada/Restructuring - Initial Recognition Order
Document 2 ID	iManage://blg-mobility.imanage.work/DOCUMENTS/128795041/5
Description	#128795041v5<blg-mobility.imanage.work> - AFI Canada/Restructuring - Initial Recognition Order
Rendering set	Standard

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<u>Insertion</u>	
Deletion	
Moved from	
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Style change	
Format change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	88
Deletions	104
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	192

Tab 5

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

	)	WEDNESDAY, THE 8 th
THE HONOURABLE	)	
	)	DAY OF JUNE, 2022
MR. JUSTICE CAVANAGH		

**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**

**SUPPLEMENTAL 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 "**Vermette Affidavit**"), the preliminary report of Grant Thornton Limited, in its capacity as proposed information officer (the "**Proposed Information Officer**") dated June 3, 2022 and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Foreign Representative, counsel for the Proposed Information Officer, counsel for Bank of America, N.A., no one appearing for any other parties, although duly served as appears from

the Affidavit of Service of Sandra Noe sworn June 3, 2022, and on reading the consent of Grant Thornton Limited to act as the Information Officer (as defined below):

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.

INITIAL RECOGNITION ORDER

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated June 3, 2022 (the "**Recognition Order**") or the Vermette Affidavit.

3. **THIS COURT ORDERS** that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. **THIS COURT ORDERS** that the following orders (collectively, the "**Foreign Orders**") of United States Bankruptcy Court for the District of Delaware made in the Foreign Proceeding are 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 May 11, 2022 Pursuant to 11 U.S.C. § 1505 Authorizing Armstrong Flooring Canada Ltd. to Act as the Foreign Representative on Behalf of the of the Debtors' Estates;
- (b) an Order dated May 11, 2022 Authorizing Retention and Appointment of Epiq Corporate Restructuring, LLC 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;

- (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;
- (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;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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);
- (i) 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;

- (j) an Order dated May 11, 2022 Authorizing the Debtors to File Under Seal Portions of Their Creditor Matrix and Other Filings Containing Employee Addresses;
- (k) 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;
- (l) an Interim Order dated May 11, 2022 Authorizing Debtors to Pay Certain Prepetition Taxes and Related Obligations;
- (m) 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; 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 (the “**Interim DIP Order**”),

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada. Copies of the Foreign Orders are attached as Exhibits "C" to "P" to the Vermette Affidavit.

APPOINTMENT OF INFORMATION OFFICER

5. **THIS COURT ORDERS** that Grant Thornton Limited (the “**Information Officer**”) is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

6. **THIS COURT ORDERS** that until such date as this Court may order (the "**Stay Period**") no proceeding or enforcement process in any court or tribunal in Canada (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtors or affecting their business (the "**Business**") or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies outside of Canada, (ii) empower any of the Debtors to carry on any business in Canada which that Debtor is not lawfully entitled to carry on, (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Debtors and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of

goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtors, and that the Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

11. **THIS COURT ORDERS** that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. **THIS COURT ORDERS** that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;

- (b) shall report to this Court at least once every three months with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;
- (d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtors, to the extent that is necessary to perform its duties arising under this Order; and
- (e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. **THIS COURT ORDERS** that the Debtors and the Foreign Representative shall (i) advise the Information Officer of all material steps taken by the Debtors or the Foreign Representative in these proceedings or in the Foreign Proceedings, (ii) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. **THIS COURT ORDERS** that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. **THIS COURT ORDERS** that the Information Officer (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed

herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

16. **THIS COURT ORDERS** that the Information Officer may provide any creditor of a Debtor with information provided by the Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Debtors may agree.

17. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer shall be paid by the Debtors their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Debtors are hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer on a monthly basis and, in addition, the Debtors are hereby authorized to pay to the Information Officer and counsel to the Information Officer, retainers in the amounts of \$30,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

18. **THIS COURT ORDERS** that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

19. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer, if any, 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 \$300,000, 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.

VALIDITY AND PRIORITY OF THE CHARGE CREATED BY THIS ORDER

20. **THIS COURT ORDERS** that the priority of the Administration Charge shall be as follows:

First – Administration Charge to the maximum amount of \$300,000.

21. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge (the "**Charge**") shall not be required, and that the Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charge coming into existence, notwithstanding any such failure to file, register, record or perfect the Charge.

22. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property in Canada and such Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

23. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Administration Charge, unless the Debtors also obtain the prior written consent of the Information Officer.

24. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargee entitled to the benefit of the Charge (collectively, the "**Chargee**") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan

documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Debtors, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charge shall not create or be deemed to constitute a breach by any of the Debtors of any Agreement to which it is a party;
- (b) the Chargee shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charge; and
- (c) the payments made by the Debtors to the Chargee pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

25. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Debtor's interest in such real property leases.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.grantthornton.ca/afi.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Debtors, the Foreign Representative and

the Information Officer are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the applicable Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. **THIS COURT ORDERS** that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any of the Debtors, the Business or the Property.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Debtors, the Foreign Representative, the Information Officer, and their 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 Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Debtors, the Foreign Representative, and the Information Officer and their respective agents in carrying out the terms of this Order.

31. **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.

32. **THIS COURT ORDERS** that the Guidelines for Court-to-Court Communications in Cross-Border Cases developed by the American Law Institute and attached as Schedule "A" hereto is adopted by this Court for the purposes of these recognition proceedings.

33. **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, the Foreign Representative, the Information Officer 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.

34. **THIS COURT ORDERS** that this Order shall be effective as of 12.01 a.m. on the date of this Order.

Schedule "A"**Guidelines for Court-to-Court Communications in Cross-Border Cases
developed by the American Law Institute**

THE AMERICAN LAW INSTITUTE

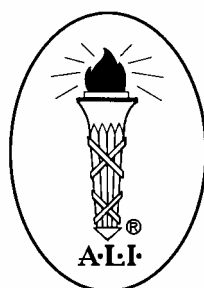
TRANSNATIONAL INSOLVENCY:
COOPERATION AMONG
THE NAFTA COUNTRIES

PRINCIPLES OF
COOPERATION AMONG
THE
NAFTA COUNTRIES

**Guidelines Applicable to Court-to-Court Communications in
Cross-Border Cases**

As Adopted and Promulgated
BY
THE AMERICAN LAW INSTITUTE
AT WASHINGTON, D.C.

May 16, 2000



The Executive Office
The American Law Institute
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Philadelphia, Pennsylvania 19104-3099
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Guidelines
Applicable to Court-to-Court Communications
in Cross-Border Cases

Introduction:

One of the most essential elements of cooperation in cross-border cases is communication among the administering authorities of the countries involved. Because of the importance of the courts in insolvency and reorganization proceedings, it is even more essential that the supervising courts be able to coordinate their activities to assure the maximum available benefit for the stakeholders of financially troubled enterprises.

These Guidelines are intended to enhance coordination and harmonization of insolvency proceedings that involve more than one country through communications among the jurisdictions involved. Communications by judges directly with judges or administrators in a foreign country, however, raise issues of credibility and proper procedures. The context alone is likely to create concern in litigants unless the process is transparent and clearly fair. Thus, communication among courts in cross-border cases is both more important and more sensitive than in domestic cases. These Guidelines encourage such communications while channeling them through transparent procedures. The Guidelines are meant to permit rapid cooperation in a developing insolvency case while ensuring due process to all concerned.

The Guidelines at this time contemplate application only between Canada and the United States because of the very different rules governing communications with and among courts in Mexico. Nonetheless, a Mexican Court might choose to adopt some or all of these Guidelines for communications by a *sindico* with foreign administrators or courts.

A Court intending to employ the Guidelines — in whole or part, with or without modifications — should adopt them formally before applying them. A Court may wish to make its adoption of the Guidelines contingent upon, or temporary until, their adoption by other courts concerned in the matter. The adopting Court may want to make adoption or continuance conditional upon adoption of the Guidelines by the other Court in a substantially similar form, to ensure that judges, counsel, and parties are not subject to different standards of conduct.

The Guidelines should be adopted following such notice to the parties and counsel as would be given under local procedures with regard to any important procedural decision under similar circumstances. If communication with other courts is urgently needed, the local procedures, including notice requirements, that are used in urgent or emergency situations should be employed, including, if appropriate, an initial period of effectiveness, followed by further consideration of the Guidelines at a later time. Questions about the parties entitled to such notice (for example, all parties or representative parties or representative counsel) and the nature of the court's

consideration of any objections (for example, with or without a hearing) are governed by the Rules of Procedure in each jurisdiction and are not addressed in the Guidelines.

The Guidelines are not meant to be static, but are meant to be adapted and modified to fit the circumstances of individual cases and to change and evolve as the international insolvency community gains experience from working with them. They are to apply only in a manner that is consistent with local procedures and local ethical requirements. They do not address the details of notice and procedure that depend upon the law and practice in each jurisdiction. However, the Guidelines represent approaches that are likely to be highly useful in achieving efficient and just resolutions of cross-border insolvency issues. Their use, with such modifications and under such circumstances as may be appropriate in a particular case, is therefore recommended.

Guideline 1

Except in circumstances of urgency, prior to a communication with another Court, the Court should be satisfied that such a communication is consistent with all applicable Rules of Procedure in its country. Where a Court intends to apply these Guidelines (in whole or in part and with or without modifications), the Guidelines to be employed should, wherever possible, be formally adopted before they are applied. Coordination of Guidelines between courts is desirable and officials of both courts may communicate in accordance with Guideline 8(d) with regard to the application and implementation of the Guidelines.

Guideline 2

A Court may communicate with another Court in connection with matters relating to proceedings before it for the purposes of coordinating and harmonizing proceedings before it with those in the other jurisdiction.

Guideline 3

A Court may communicate with an Insolvency Administrator in another jurisdiction or an authorized Representative of the Court in that jurisdiction in connection with the coordination and harmonization of the proceedings before it with the proceedings in the other jurisdiction.

Guideline 4

A Court may permit a duly authorized Insolvency Administrator to communicate with a foreign Court directly, subject to the approval of the foreign Court, or through an Insolvency Administrator in the other jurisdiction or through an authorized Representative of the foreign Court on such terms as the Court considers appropriate.

Guideline 5

A Court may receive communications from a foreign Court or from an authorized Representative of the foreign Court or from a foreign Insolvency Administrator and

should respond directly if the communication is from a foreign Court (subject to Guideline 7 in the case of two-way communications) and may respond directly or through an authorized Representative of the Court or through a duly authorized Insolvency Administrator if the communication is from a foreign Insolvency Administrator, subject to local rules concerning ex parte communications.

Guideline 6

Communications from a Court to another Court may take place by or through the Court:

- (a) Sending or transmitting copies of formal orders, judgments, opinions, reasons for decision, endorsements, transcripts of proceedings, or other documents directly to the other Court and providing advance notice to counsel for affected parties in such manner as the Court considers appropriate;
- (b) Directing counsel or a foreign or domestic Insolvency Administrator to transmit or deliver copies of documents, pleadings, affidavits, factums, briefs, or other documents that are filed or to be filed with the Court to the other Court in such fashion as may be appropriate and providing advance notice to counsel for affected parties in such manner as the Court considers appropriate;
- (c) Participating in two-way communications with the other Court by telephone or video conference call or other electronic means, in which case Guideline 7 should apply.

Guideline 7

In the event of communications between the Courts in accordance with Guidelines 2 and 5 by means of telephone or video conference call or other electronic means, unless otherwise directed by either of the two Courts:

- (a) Counsel for all affected parties should be entitled to participate in person during the communication and advance notice of the communication should be given to all parties in accordance with the Rules of Procedure applicable in each Court;
- (b) The communication between the Courts should be recorded and may be transcribed. A written transcript may be prepared from a recording of the communication which, with the approval of both Courts, should be treated as an official transcript of the communication;
- (c) Copies of any recording of the communication, of any transcript of the communication prepared pursuant to any Direction of either Court, and of any official transcript prepared from a recording should be filed as part of the record in the proceedings and made available to counsel for all parties

in both Courts subject to such Directions as to confidentiality as the Courts may consider appropriate; and

- (d) The time and place for communications between the Courts should be to the satisfaction of both Courts. Personnel other than Judges in each Court may communicate fully with each other to establish appropriate arrangements for the communication without the necessity for participation by counsel unless otherwise ordered by either of the Courts.

Guideline 8

In the event of communications between the Court and an authorized Representative of the foreign Court or a foreign Insolvency Administrator in accordance with Guidelines 3 and 5 by means of telephone or video conference call or other electronic means, unless otherwise directed by the Court:

- (a) Counsel for all affected parties should be entitled to participate in person during the communication and advance notice of the communication should be given to all parties in accordance with the Rules of Procedure applicable in each Court;
- (b) The communication should be recorded and may be transcribed. A written transcript may be prepared from a recording of the communication which, with the approval of the Court, can be treated as an official transcript of the communication;
- (c) Copies of any recording of the communication, of any transcript of the communication prepared pursuant to any Direction of the Court, and of any official transcript prepared from a recording should be filed as part of the record in the proceedings and made available to the other Court and to counsel for all parties in both Courts subject to such Directions as to confidentiality as the Court may consider appropriate; and
- (d) The time and place for the communication should be to the satisfaction of the Court. Personnel of the Court other than Judges may communicate fully with the authorized Representative of the foreign Court or the foreign Insolvency Administrator to establish appropriate arrangements for the communication without the necessity for participation by counsel unless otherwise ordered by the Court.

Guideline 9

A Court may conduct a joint hearing with another Court. In connection with any such joint hearing, the following should apply, unless otherwise ordered or unless otherwise provided in any previously approved Protocol applicable to such joint hearing:

- (a) Each Court should be able to simultaneously hear the proceedings in the other Court.

- (b) Evidentiary or written materials filed or to be filed in one Court should, in accordance with the Directions of that Court, be transmitted to the other Court or made available electronically in a publicly accessible system in advance of the hearing. Transmittal of such material to the other Court or its public availability in an electronic system should not subject the party filing the material in one Court to the jurisdiction of the other Court.
- (c) Submissions or applications by the representative of any party should be made only to the Court in which the representative making the submissions is appearing unless the representative is specifically given permission by the other Court to make submissions to it.
- (d) Subject to Guideline 7(b), the Court should be entitled to communicate with the other Court in advance of a joint hearing, with or without counsel being present, to establish Guidelines for the orderly making of submissions and rendering of decisions by the Courts, and to coordinate and resolve any procedural, administrative, or preliminary matters relating to the joint hearing.
- (e) Subject to Guideline 7(b), the Court, subsequent to the joint hearing, should be entitled to communicate with the other Court, with or without counsel present, for the purpose of determining whether coordinated orders could be made by both Courts and to coordinate and resolve any procedural or nonsubstantive matters relating to the joint hearing.

Guideline 10

The Court should, except upon proper objection on valid grounds and then only to the extent of such objection, recognize and accept as authentic the provisions of statutes, statutory or administrative regulations, and rules of court of general application applicable to the proceedings in the other jurisdiction without the need for further proof or exemplification thereof.

Guideline 11

The Court should, except upon proper objection on valid grounds and then only to the extent of such objection, accept that Orders made in the proceedings in the other jurisdiction were duly and properly made or entered on or about their respective dates and accept that such Orders require no further proof or exemplification for purposes of the proceedings before it, subject to all such proper reservations as in the opinion of the Court are appropriate regarding proceedings by way of appeal or review that are actually pending in respect of any such Orders.

Guideline 12

The Court may coordinate proceedings before it with proceedings in another jurisdiction by establishing a Service List that may include parties that are entitled to receive notice of proceedings before the Court in the other jurisdiction (“Non-Resident

Parties”). All notices, applications, motions, and other materials served for purposes of the proceedings before the Court may be ordered to also be provided to or served on the Non-Resident Parties by making such materials available electronically in a publicly accessible system or by facsimile transmission, certified or registered mail or delivery by courier, or in such other manner as may be directed by the Court in accordance with the procedures applicable in the Court.

Guideline 13

The Court may issue an Order or issue Directions permitting the foreign Insolvency Administrator or a representative of creditors in the proceedings in the other jurisdiction or an authorized Representative of the Court in the other jurisdiction to appear and be heard by the Court without thereby becoming subject to the jurisdiction of the Court.

Guideline 14

The Court may direct that any stay of proceedings affecting the parties before it shall, subject to further order of the Court, not apply to applications or motions brought by such parties before the other Court or that relief be granted to permit such parties to bring such applications or motions before the other Court on such terms and conditions as it considers appropriate. Court-to-Court communications in accordance with Guidelines 6 and 7 hereof may take place if an application or motion brought before the Court affects or might affect issues or proceedings in the Court in the other jurisdiction.

Guideline 15

A Court may communicate with a Court in another jurisdiction or with an authorized Representative of such Court in the manner prescribed by these Guidelines for purposes of coordinating and harmonizing proceedings before it with proceedings in the other jurisdiction regardless of the form of the proceedings before it or before the other Court wherever there is commonality among the issues and/or the parties in the proceedings. The Court should, absent compelling reasons to the contrary, so communicate with the Court in the other jurisdiction where the interests of justice so require.

Guideline 16

Directions issued by the Court under these Guidelines are subject to such amendments, modifications, and extensions as may be considered appropriate by the Court for the purposes described above and to reflect the changes and developments from time to time in the proceedings before it and before the other Court. Any Directions may be supplemented, modified, and restated from time to time and such modifications, amendments, and restatements should become effective upon being accepted by both Courts. If either Court intends to supplement, change, or abrogate Directions issued under these Guidelines in the absence of joint approval by both Courts, the Court should give the other Courts involved reasonable notice of its intention to do so.

Guideline 17

Arrangements contemplated under these Guidelines do not constitute a compromise or waiver by the Court of any powers, responsibilities, or authority and do not constitute a substantive determination of any matter in controversy before the Court or before the other Court nor a waiver by any of the parties of any of their substantive rights and claims or a diminution of the effect of any of the Orders made by the Court or the other Court.

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	
SUPPLEMENTAL ORDER	
BORDEN LADNER GERVAIS LLP Bay Adelaide Centre, East Tower 22 Adelaide Street West Toronto ON M5H 4E3 Tel: 416-367-6000 Fax: 416-367-6749	
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	Lawyers for Armstrong Flooring, Inc., AFI Licensing LLC, Armstrong Flooring Latin America, Inc. and Armstrong Flooring Canada Ltd.

Tab 6

Court File No. — CV-22-00682153-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

) ~~WEEKDAY~~ WEDNESDAY, THE #8th
)
) DAY OF ~~MONTH~~ JUNE, ~~20YR~~ 2022
)

THE HONOURABLE

MR.

JUSTICE — CAVANAGH

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, ~~e~~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 ~~[LIST DEBTOR NAMES]~~(the
"Debtors" DEBTORS))

APPLICATION OF ~~[NAME OF FOREIGN REPRESENTATIVE]~~
ARMSTRONG FLOORING CANADA LTD. UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS
AMENDED

**SUPPLEMENTAL ORDER¹
(FOREIGN MAIN² PROCEEDING)**

¹ As noted in several footnotes in this model order, practice under Part IV of the CCAA is still developing, and as certain issues are determined by Canadian courts, this model order will be amended to reflect the development of the law in this area.

² If the Canadian Court has recognized a foreign proceeding as a "main" proceeding, then section 48 of the CCAA provides that the Court must grant certain relief, subject to any terms and conditions it considers appropriate. The provisions of the model Initial Recognition Order (Foreign Main Proceeding) fulfill the mandatory requirements of section 48 with respect to a foreign main proceeding. Section 49 of the CCAA also allows the Court to make any order that it considers appropriate for the protection of the debtor company's property or the interests of a creditor or creditors. This Supplemental Order contains discretionary relief that might be granted by the Court in the appropriate circumstances. The Model Order Subcommittee has attempted to make the provisions of this model Order consistent with similar provisions in other model Orders. Supplemental relief (whether contained in this Order or in subsequent Orders) may also include provisions dealing with the sale of assets, the recognition of critical vendors, a claims process, or any number of other matters, or may recognize foreign orders or laws granting such relief.

THIS APPLICATION, made by ~~[NAME—OF—FOREIGN REPRESENTATIVE]~~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 ~~at 330 University Avenue, Toronto, Ontario~~by Zoom videoconference due to the COVID-19 pandemic.

ON READING the Notice of Application, the affidavit of ~~[NAME]~~Michel S. Vermette sworn ~~[DATE]~~[June 1, 2022 (the "Vermette Affidavit")], the preliminary report of ~~[NAME]~~Grant Thornton Limited, in its capacity as proposed information officer (the "Proposed Information Officer") dated ~~[DATE]~~[June 3, 2022] and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Foreign Representative, ~~[counsel for the proposed information officer]~~Proposed Information Officer, counsel for ~~[OTHER PARTIES]~~Bank of America, N.A., no one appearing for ~~[NAME]~~³any other parties, although duly served as appears from the ~~affidavit~~Affidavit of ~~service~~Service of ~~[NAME]~~Sandra Noe sworn ~~[DATE]~~[June 3, 2022], and on reading the consent of ~~[NAME—OF—PROPOSED INFORMATION—OFFICER]~~Grant Thornton Limited to act as the ~~information officer~~Information Officer (as defined below):

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated⁴ so that this Application is properly returnable today and hereby dispenses with further service thereof.

³ ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1) and 11.52(1).~~

⁴ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in the appropriate circumstances.~~

INITIAL RECOGNITION ORDER

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated ~~[DATE]~~June 3, 2022 (the "**Recognition Order**") or the Vermette Affidavit.

3. **THIS COURT ORDERS** that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS⁵

4. **THIS COURT ORDERS** that the following orders (collectively, the "**Foreign Orders**") of ~~[NAME OF FOREIGN COURT]~~United States Bankruptcy Court for the District of Delaware made in the Foreign Proceeding are hereby recognized and given full force and effect⁶ in all provinces and territories of Canada pursuant to Section 49 of the CCAA:

- (a) ~~[List Foreign Orders, or portions of Foreign Orders, copies of which should be attached as schedules to this Order], attached as Schedule A to this Order,~~an Order dated May 11, 2022 Pursuant to 11 U.S.C. § 1505 Authorizing

⁵ ~~This model Order adopts an approach that might be applicable to some foreign proceedings, but not others. For example, U.S. proceedings will typically generate court orders that will be brought to the Canadian Courts for recognition. Other jurisdictions may have statutory or regulatory rights (rather than court orders) that need to be recognized in Canada.~~

⁶ ~~Section 50 of the CCAA provides that an order made under Part IV of the CCAA may be made on any terms and conditions that the Court considers appropriate in the circumstances. Such terms and conditions would presumably need to be consistent with the orders or laws applicable to the foreign proceeding, subject to (i) the limitations imposed by section 48(2) (an order made under section 48(1) must be consistent with any order made under the CCAA), and (ii) the limitations imposed in section 61 (which provides that the Court may apply legal or equitable rules that are not inconsistent with the CCAA, and further that the Court may refuse to do something that would be contrary to public policy). All of the Foreign Orders should be reviewed by counsel with these issues in mind, and the Court may require confirmation from counsel that there is nothing in the Foreign Orders that is inconsistent with the CCAA or that would raise the public policy exception referenced in section 61 of the CCAA.~~

Armstrong Flooring Canada Ltd. to Act as the Foreign Representative on Behalf of the Debtors' Estates;

- (b) an Order dated May 11, 2022 Authorizing Retention and Appointment of Epiq Corporate Restructuring, LLC 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;
- (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;
- (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;
- (e) 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;
- (f) 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;
- (g) 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;

- (h) 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);
- (i) 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;
- (j) an Order dated May 11, 2022 Authorizing the Debtors to File Under Seal Portions of Their Creditor Matrix and Other Filings Containing Employee Addresses;
- (k) 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;
- (l) an Interim Order dated May 11, 2022 Authorizing Debtors to Pay Certain Prepetition Taxes and Related Obligations;
- (m) 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; 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 (the “Interim DIP Order”),

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada. Copies of the Foreign Orders are attached as Exhibits "C" to "P" to the Vermette Affidavit.

APPOINTMENT OF INFORMATION OFFICER⁷

5. **THIS COURT ORDERS** that ~~[NAME OF INFORMATION OFFICER]~~ Grant Thornton Limited (the "**Information Officer**") is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY⁸

6. **THIS COURT ORDERS** that until such date as this Court may order (the "**Stay Period**") no proceeding or enforcement process in any court or tribunal in Canada (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtors or affecting their business (the "**Business**") or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), except with leave of this Court,⁹ and any and all Proceedings

⁷ ~~The appointment of an Information Officer is not required by the CCAA, and is in the discretion of the Court. Information Officers are normally trustees licensed under the *Bankruptcy and Insolvency Act*.~~

⁸ ~~The Model Order Subcommittee notes that a "Non-Derogation of Rights" section (found, for example, in the Model Initial CCAA Order) has not been included in this model Order. In a 'full' CCAA proceeding, which would typically include a stay of proceedings made under section 11.02 of the CCAA, a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, and 11.1(2). However, in a Part IV proceeding, section 48 of the CCAA (rather than section 11.02 of the CCAA) is being relied upon when a stay of proceedings is being sought, and despite the wording of section 48(2) and section 61, it is not clear if the restrictions applicable to a section 11.02 stay of proceedings are also applicable to a section 48 stay of proceedings, or would restrict the recognition of foreign proceedings or foreign orders that include a stay of proceedings broader than permitted in a section 11.02 stay of proceedings. These issues remain open for determination by Canadian courts.~~

⁹ ~~Where the Court considers it to be appropriate, it may authorize other Persons, including a Court appointed Information Officer, to provide consent to any Proceeding. This same comment applies in paragraphs 6 through 11 of this Order.~~

currently under way against or in respect of any of the Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Debtors ~~for the Foreign Representative~~, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies outside of Canada, (ii) empower any of the Debtors to carry on any business in Canada which that Debtor is not lawfully entitled to carry on, (iii) ~~affect~~ such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, ~~}~~ (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Debtors and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtors, and that the Debtors shall be entitled to the continued use in

Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.⁺⁰

10. ~~{~~**THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.~~}~~⁺¹

11. **THIS COURT ORDERS** that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. **THIS COURT ORDERS** that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;

⁺⁰ ~~Section 11.01 of the CCAA provides that no order made under section 11 or 11.02 has the effect of (a) prohibiting a person from requiring immediate payment for goods, services, etc. provided after the order is made, or (b) requiring the further advance of money or credit. It is unclear whether these provisions also apply to an order made pursuant to section 48 of the CCAA. Please see the discussion in footnote 8 above.~~

⁺¹ ~~Counsel should specifically address with the Court whether this provision is appropriate in the context of this Order.~~

- (b) shall report to this Court at least once every ~~three~~ months with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;
- (d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtors, to the extent that is necessary to perform its duties arising under this Order; and
- (e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. **THIS COURT ORDERS** that the Debtors and the Foreign Representative shall (i) advise the Information Officer of all material steps taken by the Debtors or the Foreign Representative in these proceedings or in the Foreign Proceedings, (ii) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. **THIS COURT ORDERS** that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. **THIS COURT ORDERS** that the Information Officer (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed

herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

16. **THIS COURT ORDERS** that the Information Officer may provide any creditor of a Debtor with information provided by the Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Debtors may agree.

17. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer shall be paid by the Debtors their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Debtors are hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer on a ~~{TIME INTERVAL}~~monthly basis and, in addition, the Debtors are hereby authorized to pay to the Information Officer and counsel to the Information Officer, retainers in the ~~amount[s]~~amounts of \$~~{AMOUNT OR AMOUNTS}~~ {30,000}, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

18. **THIS COURT ORDERS** that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

19. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer, if any, 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 \$~~[AMOUNT]~~300,000, 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.

~~INTERIM FINANCING~~¹²

~~20. — THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property in Canada, which DIP Lender's Charge shall be consistent with the liens and charges created by the [DESCRIBE DIP LOAN ORDER MADE IN THE FOREIGN PROCEEDING], provided however that the DIP Lender's Charge (i) shall not secure an obligation that exists before this Order is made,¹³ and (ii) with respect to the Property in Canada, shall have the priority set out in paragraphs {21} and {23} hereof, and further provided that the DIP Lender's Charge shall not be enforced except with leave of this Court.~~

VALIDITY AND PRIORITY OF ~~CHARGES~~THE CHARGE CREATED BY THIS ORDER

20. ~~21.~~ **THIS COURT ORDERS** that the ~~priorities~~priority of the Administration Charge and the DIP Lender's Charge, ~~as among them,~~ shall be as follows:¹⁴

First – Administration Charge ~~(to the maximum amount of \$[AMOUNT]); and~~

¹² Optional — if there is a DIP Lender which takes security over assets in Canada or in respect of Canadian Debtors. If more comprehensive interim financing provisions are required, please refer to the model CCAA Initial Order for sample provisions.

¹³ This restriction appears in the interim financing provisions found in section 11.2(1) of the CCAA. It is unclear if this prohibits the recognition of a foreign order that creates a DIP Lender's Charge securing pre-filing obligations.

¹⁴ The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.

~~Second—DIP Lender's Charge~~ 300,000.

21. ~~22.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge ~~or the DIP Lender's Charge (collectively, (the "Charges~~ Charge) shall not be required, and that the ~~Charges~~ Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the ~~Charges~~ Charge coming into existence, notwithstanding any such failure to file, register, record or perfect the ~~Charges~~ Charge.

22. ~~23.~~ **THIS COURT ORDERS** that ~~each of the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~ shall constitute a charge on the Property in Canada and such ~~Charges~~ Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

23. ~~24.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Administration Charge ~~or the DIP Lender's Charge~~, unless the Debtors also obtain the prior written consent of the Information Officer ~~and the DIP Lender~~.

24. ~~25.~~ **THIS COURT ORDERS** that the Administration Charge ~~and the DIP Lender's Charge~~ shall not be rendered invalid or unenforceable and the rights and remedies of the ~~chargees~~ chargee entitled to the benefit of the ~~Charges~~ Charge (collectively, the "~~Charges~~ Charge") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**")

which binds any ~~Debtor~~of the Debtors, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the ~~Charges~~Charge shall not create or be deemed to constitute a breach by ~~a Debtor~~any of the Debtors of any Agreement to which it is a party;
- (b) ~~none of the~~ ~~Chargees~~Chargee shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the ~~Charges~~Charge; and
- (c) the payments made by the Debtors to the ~~Chargees~~Chargee pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

25. ~~26.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Debtor's interest in such real property leases.

SERVICE AND NOTICE

26. ~~27.~~ **THIS COURT ORDERS** that that the E-Service Protocol of the Commercial List (the ~~"Protocol"~~) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~<@>~~ www.grantthornton.ca/afi.

27. ~~28.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Debtors, the Foreign Representative and the Information Officer are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors²¹ creditors or other interested parties at their respective addresses as last shown on the records of the applicable Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. ~~29.~~ **THIS COURT ORDERS** that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. ~~30.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any ~~Debtor~~of the Debtors, the Business or the Property.

30. ~~31.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the ~~[JURISDICTION OF THE FOREIGN PROCEEDING]~~United States of America, to give effect to this Order and to assist the Debtors, the Foreign Representative, the Information Officer, and their 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 Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Debtors, the Foreign Representative, and the Information Officer and their respective agents in carrying out the terms of this Order.

31. ~~32.~~ **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.

32. ~~33.~~ **THIS COURT ORDERS** that the Guidelines for Court-to-Court Communications in Cross-Border Cases developed by the American Law Institute and attached as Schedule ~~[*]~~ "A" hereto is adopted by this Court for the purposes of these recognition proceedings.

33. ~~34.~~ **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, the Foreign Representative, the Information Officer 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.

34. ~~35.~~ **THIS COURT ORDERS** that this Order shall be effective as of ~~[TIME]~~ 12.01 a.m. on the date of this Order.¹⁵

~~[ATTACH APPROPRIATE SCHEDULES]~~

¹⁵ ~~The time referenced in this Order should be the same time as the time referenced in the Recognition Order, if the two Orders are made on the same date. In the absence of such a provision, Rule 59.01 of the Ontario *Rules of Civil Procedure* appears to indicate that an Order is effective as of 12:01 a.m. on the date of the Order (Rule 59.01 provides that "An order is effective from the date on which it is made, unless it provides otherwise").~~

Schedule "A"

Guidelines for Court-to-Court Communications in Cross-Border Cases
developed by the American Law Institute

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

SUPPLEMENTAL ORDER

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Document 2 ID	iManage://blg-mobility.imanage.work/DOCUMENTS/128795042/7
Description	#128795042v7<blg-mobility.imanage.work> - AFI Canada/Restructuring - Supplemental Order
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Moved cell	
Split/Merged cell	
Padding cell	

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	Count
Insertions	137
Deletions	139
Moved from	1
Moved to	1
Style changes	0
Format changes	0
Total changes	278

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

**APPLICATION RECORD FOR ARMSTRONG
FLOORING, INC., AFI LICENSING LLC, ARMSTRONG
FLOORING LATIN AMERICA, INC. AND
ARMSTRONG FLOORING CANADA LTD.**

(Returnable June 8, 2022)

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