

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the year ended December 31, 2020 or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 1-87

EASTMAN KODAK COMPANY
(Exact name of registrant as specified in its charter)

NEW JERSEY
(State of incorporation)
343 STATE STREET, ROCHESTER, NEW YORK
(Address of principal executive offices)

16-0417150
(IRS Employer Identification No.)
14650
(Zip Code)

Registrant's telephone number, including area code: 585-724-4000

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

<u>Title of each class</u>	<u>Trading Symbols</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	KODK	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company.

See definition of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

The aggregate market value of the voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2020 was approximately \$44 million. The registrant has no non-voting common stock.

The number of shares outstanding of the registrant's common stock as of March 1, 2021 was 78,503,476 shares of common stock.

Table of Contents

		Page
<u>Part I</u>		
Item 1.	Business	3
Item 1A.	Risk Factors	8
Item 1B.	Unresolved Staff Comments	21
Item 2.	Properties	22
Item 3.	Legal Proceedings	22
Item 4.	Mine Safety Disclosures	23
	Information About its Executive Officers	23
<u>Part II</u>		
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	25
Item 6.	Selected Financial Data	26
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	27
	Liquidity and Capital Resources	40
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	43
Item 8.	Financial Statements and Supplementary Data	44
Item 9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	103
Item 9A.	Controls and Procedures	103
Item 9B.	Other Information	104
<u>Part III</u>		
Item 10.	Directors, Executive Officers and Corporate Governance	104
Item 11.	Executive Compensation	104
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	104
Item 13.	Certain Relationships and Related Transactions, and Director Independence	104
Item 14.	Principal Accounting Fees and Services	104
<u>Part IV</u>		
Item 15.	Financial Statement Schedules, Exhibits	104
	Index to Exhibits	105
Item 16.	Form 10-K Summary	109
	Signatures	110

ITEM 1. BUSINESS

When used in this report, unless otherwise indicated by the context, “we,” “our,” “us,” and “Kodak” refer to the consolidated company on the basis of consolidation described in Note 1 to the consolidated financial statements in Part II, Item 8, “Financial Statements and Supplementary Data” of this Form 10-K Report. Also, unless otherwise indicated by the context, “EKC” and the “Company” refer to the parent company, Eastman Kodak Company.

Kodak is a global technology company focused on print, advanced materials and chemicals. Kodak provides industry-leading hardware, software, consumables and services primarily to customers in commercial print, packaging, publishing, manufacturing and entertainment. Kodak is committed to environmental stewardship and ongoing leadership in developing sustainable solutions. Kodak’s broad portfolio of superior products, responsive support and world-class R&D make Kodak solutions a smart investment for customers looking to improve their profitability and drive growth.

The Company was founded by George Eastman in 1880 and incorporated in 1901 in the State of New Jersey. Kodak is headquartered in Rochester, New York.

REPORTABLE SEGMENTS

Kodak has four reportable segments: Traditional Printing, Digital Printing, Advanced Materials and Chemicals and Brand. The balance of Kodak’s continuing operations, which do not meet the criteria of a reportable segment, are reported in All Other and primarily represent the Eastman Business Park operations.

Traditional Printing

The Traditional Printing segment is comprised of Prepress Solutions, which includes Kodak’s digital offset plate offerings and computer-to-plate (“CTP”) imaging solutions. The Traditional Printing segment provides digital and traditional product and service offerings to a variety of commercial industries, including commercial print, direct mail, book publishing, newspapers and magazines and packaging.

While this segment is experiencing challenges from digital substitution and competitive pricing pressures, innovations in Kodak product lines that can command premium prices offset some of the long-term market price erosion. Additionally, Kodak seeks to mitigate the impact of market dynamics on pricing and volume pressures and of increases in manufacturing costs, including aluminum prices, through a combination of price increases, commodity contracts, improved production efficiency and cost reduction initiatives.

Prepress Solutions capitalizes on a contract-based, stable and recurring cash flow-generative business model. The average duration of customer contracts is two years. These contracts offer stability and generate recurring revenue. The core of the business is the manufacturing of aluminum digital printing plates of varying sizes. These plates can be as small as 23cm x 27cm and as large as 126cm x 287cm. Unexposed plates are sold to commercial printing companies for use in the offset printing process. Kodak also manufactures equipment, known as CTP equipment, which images the plates with a laser. The plates are used in the offset printing process, which transfers ink from the plate onto a rubber blanket and then onto the substrate to be printed. Due to the nature of the imaging and printing process, a new plate must be used for each printing run. As a result, there is a recurring revenue stream from the sale of these plates.

The Traditional Printing products and services are sold globally to customers through both a direct sales team as well as indirectly through dealers.

Primary competitors are Fuji and Agfa. Kodak expects to benefit from current industry trends, including customers’ increasing focus on sustainability initiatives, which strengthens demand for Kodak’s process-free solutions.

Digital offset plate offerings include KODAK SONORA Process Free Plates. KODAK SONORA Process Free Plates are prepared directly with a CTP thermal output device and do not require subsequent processing chemistry, processing equipment or chemical disposal. As a result, the plates deliver cost savings and efficiency for customers and promote environmental sustainability practices.

Net sales for Traditional Printing accounted for 58% and 59% of Kodak’s total net revenue for the years ended December 31, 2020 and 2019, respectively.

The Traditional Printing segment also provides service and support related to these products.

On September 1, 2019 Kodak established a strategic relationship with Lucky HuaGuang Graphics Co. Ltd (“HuaGuang”) in the People’s Republic of China.

The relationship is comprised of an agreement under which Kodak sold its shares of the Kodak (China) Graphic Communication Co. Ltd. entity, which included the offset printing plates facility in Xiamen, China, and related assets and liabilities, to HuaGuang; a supply agreement from HuaGuang to Kodak; and a license agreement under which Kodak licensed its plates technology to HuaGuang to sell into the plates market in China.

Digital Printing

The Digital Printing segment contains Electrophotographic Printing Solutions, Prosper, Versamark and Software. Digital Printing products include high-quality digital printing solutions using electrically charged toner-based technology, production press systems, consumables (primarily ink), inkjet components, software and services. Digital Printing products are distributed directly by Kodak and indirectly through dealers. The markets that the Digital Printing segment serves are highly competitive in variable printing applications like direct mail, newspapers, books, and packaging/labels. Key competitors are HP, Canon, Ricoh, and Screen.

- *Electrophotographic Printing Solutions:*

- NEXFINITY printers produce high-quality, differentiated printing of short-run, personalized print applications, such as direct mail, books, marketing collateral and photo products.
- DIGIMASTER printers use monochrome electrophotographic printing technology for transactional printing, short-run books, corporate documentation, manuals and direct mail. Kodak has ceased manufacturing Digimaster printers but continues to sell consumables into the installed base.

- *Prosper:*

- The Prosper business product offerings, including the PROSPER Press systems and PROSPER Components, feature ultrafast inkjet droplet generation. This includes the PROSPER 6000 Press, which delivers a continuous flow of ink that enables constant and consistent operation, with uniform ink droplet size and accurate placement, even at very high print speeds. Applications of the PROSPER Press include publishing, commercial print, direct mail and packaging. PROSPER System Components are integrated into original equipment manufacturer ("OEM") partner products and systems. Sales of equipment that incorporate the PROSPER Writing Systems result in recurring revenue from sales of ink and other consumables and equipment service. The level of recurring revenue depends on the application for which the equipment is used, which drives the total number of pages printed and, therefore, the amount of ink usage. The business model is further supplemented by consumption of other consumables including refurbished jetting modules and service.
- The focus of the Prosper business is on developing the next generation platform, Ultrastream, with solutions that place writing systems in OEMs products and systems as well as direct sale press products that widens its reach into applications for packaging and décor and expands the substrate range to include plastics. The Prosper business closed on the first sale of a writing system for use in a packaging application in December of 2019 with Uteco Group. Uteco Group is integrating Ultrastream in a packaging press solution.
- The Prosper business includes Kodak Print Services. Kodak Print Services prints the Jersey Evening Post as well as the majority of U.K. national newspapers for distribution in both Jersey and Guernsey islands. The business is used to demonstrate the value of the Kodak Prosper presses to customers around the world.

- *Versamark:*

- The KODAK VERSAMARK Products are the predecessor products to the PROSPER business. Kodak has ceased manufacturing VERSAMARK Press Systems. Users of KODAK VERSAMARK products continue to purchase ink and other consumables as well as service from Kodak. Applications of the VERSAMARK products include publishing, transactional, commercial print and direct mail.

- *Software:*

- The Software business offers a leading suite of solutions for print production workflow, including the PRINERGY workflow production software, by providing customer value through automation, web integration and integration with other Kodak products and third-party offerings. Production workflow software is used by customers to manage digital and conventional print content from file creation to output. Production workflow software manages content and color, reduces manual errors and helps customers manage the collaborative creative process. Kodak believes it is a leader in production workflow solutions for the commercial print and packaging industries with over 15,000 systems installed in some of the largest printing and packaging establishments around the world.

- The Software business includes digital front-end controllers which manage the delivery of personalized content to digital presses while controlling color and print consistency.

Net sales for Digital Printing accounted for 23% and 24% of Kodak's total net revenue for the years ended December 31, 2020 and 2019, respectively.

Advanced Materials and Chemicals

The Advanced Materials and Chemicals segment is comprised of four lines of business: Industrial Film and Chemicals, Motion Picture, Advanced Materials and Functional Printing and Kodak Services for Business ("KSB"). Kodak's Advanced Materials and Chemicals products are distributed directly by Kodak and indirectly through dealers. Kodak Alaris, a professional and consumer still photographic film and chemicals customer, represented approximately 30% and 20% of total Advanced Materials and Chemicals segment revenues in 2020 and 2019, respectively.

The Advanced Materials and Chemicals segment includes the Kodak Research Laboratories which conduct research, develop new product or new business opportunities and file patent applications for its inventions and innovations. The Advanced Materials and Chemicals segment also manages licensing of its intellectual property to third parties and is a supporting participant for any licensing of Kodak intellectual property to a third party. Kodak maintains a large worldwide portfolio of pending applications and issued patents.

- *Industrial Film and Chemicals:*

- Offers industrial film, including films used by the electronics industry to produce printed circuit boards, as well as professional and consumer still photographic film.
- Includes related component businesses: Polyester Film; Solvent Recovery; and Specialty Chemicals. Specialty Chemicals include unregulated key starting materials ("KSMs") for pharmaceuticals. Kodak intends to continue organic expansion of its KSM production and is exploring opportunities to further expand its pharmaceutical offerings.
- Offers specialty inks and dispersions to third parties.
- Offers Coating and Product Commercialization Services: Offerings include both pilot-scale and production scale roll-to-roll coating capabilities utilizing Kodak's assets and know-how to commercialize and manufacture 3rd party products.
- Includes Consumer Inkjet Solutions. Starting in 2013, Kodak stopped manufacturing consumer inkjet printers and focused on the sale of ink to its installed printer base. Kodak's final build of ink inventory was depleted in the second quarter of 2020.

- *Motion Picture*
 - Includes the motion picture film business serving the entertainment industry. Motion picture products are sold directly to studios, external laboratories and independent filmmakers.
 - Kodak motion picture film processing laboratories offer onsite processing services at strategic locations in the U.S. and Europe.
- *Advanced Materials*
 - Advanced Materials develops solutions for component smart materials based on the materials science inventions and innovations from the research laboratories. There are multiple applications that Kodak contemplates addressing in this category. Currently, the primary focus is on light blocking particles (Kodalux) for the textile market. In addition, a specialty material is manufactured by this group for use by a 3D printing customer.
- *Functional Printing:*
 - Functional Printing concentrates on contract manufacturing, development partnerships, and/or licensing opportunities in very high-resolution 3D printing solutions such as printed electronics. Development partnerships may include non-recurring engineering payments for Kodak's efforts to further develop such technologies into products. Also, a portfolio of products is offered to enable others to utilize functional printing.
- *IP Licensing and Analytical Services:*
 - Kodak actively seeks opportunities to leverage its patents and associated technology in licensing and/or cross-licensing deals to support both revenue growth and its ongoing businesses. While revenues from these licensing activities tend to be unpredictable in nature, this segment still carries the potential for revenue generation from intellectual property licensing and new materials businesses. Kodak also provides a wide range of analytical services to external clients at market rates.
- *Kodak Services for Business:*
 - KSB provides business process outsourcing services, scan and capture solutions, records conversion services, workflow solutions, content management, and print and managed media services that assist customers with solutions that meet their business requirements. During 2020, KSB operated exclusively in Asia, primarily in China and Hong Kong.
 - KSB was sold to Swiss Post Solutions in December 2020.
- *Kodakit*
 - Kodakit was a platform that connected businesses with professional photographers to cater to their photography needs. Customers included global hotels and online travel agencies, real estate companies, marketplaces, advertising agencies and global brands.
 - In October 2019, Kodak decided to discontinue the operation of Kodakit.

Net sales for Motion Picture and Industrial Film and Chemicals accounted for 15% and 14% of Kodak's total net revenue for the years ended December 31, 2020 and 2019, respectively.

Brand

The Brand segment includes licensing of the Kodak brand to third parties. Kodak currently licenses its brand for use with a range of products including digital, instant print and 35mm film cameras, printing and scanning consumer use devices, batteries, apparel and eyewear. Kodak intends to continue efforts to grow its portfolio of brand licenses to generate both ongoing royalty streams and upfront payments. Brand licensees use the Kodak brand on their products and use their own distribution channels.

DISCONTINUED OPERATIONS

Discontinued operations of Kodak include the Flexographic Packaging business. Refer to Note 29, "Discontinued Operations" in the Notes to Financial Statements for additional information.

RAW MATERIALS

The raw materials used by Kodak are many and varied and are generally readily available. Lithographic aluminum is the primary material used in the manufacture of offset printing plates. Kodak procures lithographic aluminum coils from several suppliers with pricing based, in part, on either prevailing market prices for aluminum or on fixed prices for aluminum agreed to up to eighteen months prior. Electronic components are used in the manufacturing of commercial printers and other electronic devices. The film and chemicals business uses many raw materials, including silver, from a broad range of suppliers. While most raw materials are generally available from multiple sources, certain key electronic components and other components included in the finished goods manufactured by Kodak and manufactured by and purchased from Kodak's third-party suppliers are obtained from single or limited sources, which subjects Kodak to supply risks. Also, tariffs imposed in the U.S. have the practical effect of reducing to a single source the potential suppliers of lithographic aluminum coils for U.S. production purposes.

SEASONALITY OF BUSINESS

Printing equipment and plate unit sales generally are higher in the fourth quarter, resulting from customer or industry budgeting practices and buying patterns.

RESEARCH AND DEVELOPMENT

Kodak's general practice is to protect its investment in research and development and its freedom to use its inventions by obtaining patents. The ownership of these patents contributes to Kodak's ability to provide industry-leading products. Kodak holds portfolios of patents in several areas important to its business, including specific technologies such as lithographic printing plates and related equipment systems; digital printing workflow and color management proofing systems; color and black-and-white electrophotographic printing systems including key press components and toners; commercial inkjet writing systems and components, presses and inks; consumer inkjet inks and media; custom and specialty materials for 3D printing, functional printing materials, material formulations, and deposition modalities; engineered microparticles for specific functions; security materials; embedded information; and color negative films, processing and print films. Each of these areas is important to existing and emerging business opportunities that bear directly on Kodak's overall business performance.

In addition to patents, Kodak's intellectual property includes know-how in many of the areas noted above, but in other businesses as well; such as, manufacturing of KSMS for the pharmaceutical industry.

Kodak's major products are not dependent upon one single, material patent. Rather, the technologies that underlie Kodak's products are supported by an aggregation of patents having various remaining lives and expiration dates. There is no individual patent, or group of patents, whose expiration is expected to have a material impact on Kodak's results of operations.

ENVIRONMENTAL PROTECTION

Kodak is subject to various laws and governmental regulations concerning environmental matters. The U.S. federal environmental legislation and state regulatory programs having an impact on Kodak include the Toxic Substances Control Act, the Resource Conservation and Recovery Act, the Clean Air Act, the Clean Water Act, the NY State Chemical Bulk Storage Regulations and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (the "Superfund Law").

It is Kodak's policy to carry out its business activities in a manner consistent with sound health, safety and environmental management practices, and to comply with applicable health, safety and environmental laws and regulations. Kodak continues to engage in programs for environmental, health and safety protection and control.

Based upon information presently available, future costs associated with environmental compliance are not expected to have a material effect on Kodak's capital expenditures or competitive position, although costs could be material to a particular quarter or year.

EMPLOYMENT

At the end of 2020, Kodak employed the full time equivalent of approximately 4,500 people globally, of whom approximately 1,900 were employed in the U.S. The actual number of employees may be greater because some individuals work part time.

AVAILABLE INFORMATION

Kodak files many reports with the Securities and Exchange Commission ("SEC") (www.sec.gov), including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. These reports, and amendments to these reports, are made available free of charge as soon as reasonably practicable after being electronically filed with or furnished to the SEC. They are available through Kodak's website at www.Kodak.com. To reach the SEC filings, follow the links to About Kodak, Investor Center, Financial Information and then SEC Filings.

ITEM 1A. RISK FACTORS

Kodak operates in rapidly changing economic and technological environments which present numerous risks, many of which are driven by factors it cannot control or predict. Certain factors may have a material adverse effect on its business, financial condition, and results of operations and make an investment in its securities risky. You should consider carefully the risks and uncertainties described below in addition to other information contained in this Annual Report on Form 10-K, including the Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) section and the consolidated financial statements and related notes. The following discussion of "risk factors" identifies Kodak's assessment of the most significant factors which may adversely affect its business, operations, financial position, stock price or future financial performance. Additional risks and uncertainties Kodak is unaware of, or currently believes are not material, may also become important factors which could adversely affect its business, operations, financial position or future financial performance.

Risks Related to Kodak's Business

If Kodak is not able to successfully implement its business plans, or experiences implementation delays in cost structure reduction, Kodak's consolidated results of operations, financial position and liquidity could be negatively affected.

Kodak's business plans are subject to a number of assumptions, projections, and analysis. If these assumptions prove to be incorrect, Kodak may be unsuccessful in executing its business plans or achieving the projected results, which could adversely impact its financial results and liquidity. In addition, Kodak continues to rationalize its workforce and streamline operations to a leaner and more focused organization aligned with its business initiatives. There are no assurances such measures will prove to be successful or the cost savings or other results it achieves through these plans will be consistent with its expectations. As a result, its results of operations, financial position and liquidity could be negatively impacted. If restructuring plans are not effectively managed, it may experience lost customer sales, product delays, additional costs and other unanticipated effects, causing harm to its business and customer relationships.

Finally, the timing and implementation of these plans require compliance with numerous laws and regulations, including local labor laws, and the failure to comply with such requirements may result in damages, fines and penalties which could adversely affect Kodak's business.

The ability to generate positive operating cash flows will be necessary for Kodak to continue to operate its business.

The positive cash flow from operations generated by Kodak in 2019 were derived from working capital improvements and individual transactions which occurred during the year and are not expected to be recurring. Kodak has not generated positive operating cash flows without supplementing such cash flow from operations with monetization transactions over the past several years. The Traditional Printing segment, Kodak's largest segment, has had, and is expected to continue to have, declining revenues. Kodak's stable and remaining growth businesses may not grow or continue to generate the same or enough cash flow to offset businesses with declining cash flows and investments needed for certain growth businesses. It may take Kodak longer to generate positive cash flow from operations than planned, which would have a material adverse effect on its liquidity and financial position. If Kodak is unable to generate positive cash flow from operations for an extended period in the future or to adequately supplement such cash flow from operations with proceeds from monetization transactions, its ability to continue as a going concern could be impaired or limited.

Continued investment, capital needs, restructuring payments, dividends and servicing the Company's debt require a significant amount of cash and it may not be able to generate sufficient cash to fund these activities, which could adversely affect its business, operating results and financial condition.

Kodak's business may not generate cash flow in an amount sufficient to enable it to pay the principal or mandatory redemption price of, or interest and dividends on, the senior secured first lien term loans (the "Term Loans") borrowed under the Credit Agreement, dated February 26, 2021, by and among the Company, the lenders party thereto (the "Term Loan Lenders"), and Alter Domus (US) LLC, as Administrative Agent (the "Credit Agreement"), the 5.0% unsecured convertible notes held by the Term Loan Lenders (the "Convertible Notes"), the 4.0% Series B Convertible Preferred Stock of the Company (the "Series B Preferred Stock"), and the 5.0% Series C Convertible Preferred Stock of the Company (the "Series C Preferred Stock"), or to fund Kodak's other liquidity needs, including working capital, capital expenditures, product development efforts, restructuring actions, strategic acquisitions, investments and alliances and other general corporate requirements. Its film manufacturing facilities are aged and without significant updates to equipment and systems will be more prone to failure. Capital improvements are planned but there is risk to manufacturing operations especially due to the complexity of the processes and technology and the loss of knowledge as employees leave who are familiar with the processes and technology. The longer these updates are delayed the higher the risk due to equipment failures, further obsolescence and additional loss of employees with the specific knowledge base.

Kodak's ability to generate cash is subject to general economic, financial, competitive, litigation, regulatory and other factors beyond its control. There are no assurances:

- Kodak's businesses will generate sufficient cash flow from operations;
- Kodak will be able to repatriate or move cash to locations where and when it is needed;
- the Company will meet all the conditions associated with borrowings or issuing letters of credit under the ABL Credit Agreement;
- Kodak will realize cost savings, earnings growth and operating improvements resulting from the execution of its business and restructuring plan;
- Kodak will not have to expend cash defending lawsuits regardless of the merits of any claims raised; or
- Future sources of funding will be available in amounts sufficient to enable funding of its liquidity needs.

If Kodak cannot fund its liquidity needs, it will have to take actions, such as reducing or delaying capital expenditures, product development efforts, strategic acquisitions, and investments and alliances; selling additional assets; restructuring or refinancing the Company's debt; or seeking additional equity capital. Such actions could increase the Company's debt, negatively impact customer confidence in its ability to provide products and services, reduce its ability to raise additional capital and delay sustained profitability. There are no assurances any of these actions could, if necessary, be taken on commercially reasonable terms, or at all, or they would satisfy Kodak's liquidity needs.

If Kodak is unable to continue successful development, funding, and commercialization of products in businesses upon which it is focused or do so within an acceptable timeframe, its financial performance could be adversely affected.

Kodak has focused its investments in print, advanced materials, and chemicals. These investment areas include offset plates and CTP devices, digital printing using commercial inkjet and electrophotography, high resolution functional printing for electronic and optical solutions, specialty chemicals (including pharmaceutical products) and smart materials for light control and 3D printing. Each of these businesses requires additional investment and may not be successful. The introduction of successful innovative products at market competitive prices and the achievement of scale are necessary for Kodak to grow these businesses, improve margins and achieve its financial objectives. Additionally, its strategy is based on a number of factors and assumptions, some of which are not within its control, such as the actions of third parties. There can be no assurance that it will be able to successfully execute all or any elements of its strategy, or that its ability to successfully execute its strategy will be unaffected by external factors. If Kodak is unsuccessful in growing its investment businesses as planned, or perceiving the needs of its target customers, its financial performance could be adversely affected.

Due to the nature of the products it sells and Kodak's worldwide distribution, Kodak is exposed to fluctuations in foreign currency exchange rates, interest rates and commodity costs which, together with tariffs that may be imposed, may adversely impact its results of operations and financial position.

As a result of Kodak's global operating and financing activities, it is exposed to changes in currency exchange rates and interest rates, which may adversely affect its results of operations and financial position. Exchange rates and interest rates in markets in which it does business tend to be volatile and, at times, its sales and profitability can be negatively impacted across all its segments depending upon the value of the U.S. dollar and other major currencies such as the euro, the Japanese yen, the British pound and the Chinese yuan. In addition, Kodak's products contain aluminum, silver, petroleum-based or other commodity-based raw materials, the prices of which have been, and may continue to be, volatile. In the case of aluminum and other raw materials and components imported by Kodak, tariffs imposed from time to time may give rise to future cost increases. Tariffs or duties may also be imposed on exported products produced by Kodak, making such products less competitive in jurisdictions imposing such tariffs or duties. If the global economic situation remains uncertain or worsens, there could be further volatility in changes in currency exchange rates, interest rates and commodity prices, which could have negative effects on its revenue and earnings.

Weakness or worsening of global economic conditions could adversely affect Kodak's financial performance and liquidity.

The global economic environment may adversely affect sales of Kodak's products, profitability and liquidity. Global financial markets have been experiencing extreme volatility, including as a result of the global outbreak of the coronavirus formally known as COVID-19. Economic conditions could accelerate any decline in demand for products, which could also place pressure on its results of operations and liquidity.

In particular, if the coronavirus has a significant impact on the printing industry it could adversely impact the demand for Kodak's products. Certain known consequences to Kodak from the COVID-19 pandemic are disclosed in the financial statements contained in this Form 10-K and under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations." The full extent to which the COVID-19 pandemic will impact Kodak's results will depend on future developments, which are highly uncertain and cannot be predicted at the time of this filing, including new information which may emerge concerning the scope and duration of the pandemic and the restrictions and other actions implemented to fight it, among others. Direct and indirect effects from the COVID-19 pandemic could have a material adverse effect on the continuity of Kodak's business operations and its results of operations and financial position, particularly if such effects have an extended duration. There is no guarantee that anticipated economic growth levels in markets which have experienced some economic strength will continue in the future, or Kodak will succeed in expanding sales in these markets.

In addition, accounts receivable and past due accounts could increase due to a decline in its customers' ability to pay as a result of an economic downturn, including as a result of the COVID 19 pandemic, and its liquidity, including its ability to use credit lines, could be negatively impacted by failures of financial instrument counterparties, including banks and other financial institutions. If global economic weakness and tightness in the credit markets exist, worsen or are attenuated, Kodak's profitability and related cash generation capability could be adversely affected and, therefore, affect its ability to meet its anticipated cash needs, impair its liquidity or increase its costs of borrowing.

Following an implementation period after the UK left the EU on 31 January 2020, and as of 1 January 2021 the UK is no longer a member of the EU single market and customs union. However, in December 2020 the UK reached a deal with the EU on certain key points, notably trade so that no duty is paid on goods moving between the UK and the EU. Additional border checks have been introduced for goods leaving and entering the UK and these have resulted in some delays early in 2021. New export / import documentation required has resulted in some incremental costs.

The uncertainty concerning Brexit has also caused global stock market volatility and currency exchange rate fluctuations that resulted in strengthening of the U.S. dollar relative to other foreign currencies in which we conduct business. There may also be broader uncertainty over the position the United States will take with respect to certain treaty and trade relationships with other countries. This uncertainty may impact (i) the ability or willingness of non-U.S. companies to transact business in the United States, including with the Company, (ii) regulation and trade agreements affecting U.S. companies, (iii) global stock markets and (iv) general global economic conditions. All of these factors are outside Kodak's control but may cause it to adjust its strategy in order to compete effectively in global markets and could adversely affect its business, financial condition, operating results and cash flows.

If Kodak is unable to successfully develop or commercialize new products or do so in a timely manner, its business, financial position and operating results may suffer.

Kodak generally sells its products in industries which are characterized by rapid technological changes, frequent new product and service introductions and changing industry standards.

Without the timely introduction of new products, services and enhancements, its products and services will become technologically obsolete over time, in which case its revenue and operating results would suffer. Therefore, its future results of operations will depend to a significant extent upon its ability to successfully commercialize new products in a timely manner. The success of its new products and services will depend on several factors, including its ability to:

- identify customer needs;
- innovate and develop new technologies, services, and applications;
- commercialize new technologies in a timely manner;
- manufacture and deliver its products in sufficient volumes and on time;
- differentiate its offerings from its competitors' offerings;
- price its products and services competitively;
- anticipate its competitors' development of new products, services or technological innovations;
- work successfully alongside its partners; and
- control product quality in its manufacturing processes.

As a result of these and other factors, products currently in development by Kodak (for example, UltraStream technology, new generations of Sonora offset plates, and small particle technology) may or may not be successfully commercialized in a timely manner, or at all. In connection with new products, Kodak will face risks relating to talent acquisition, construction, obtaining regulatory approvals, cost overruns, delays, product development and market development, among others. If any of its key products cannot be successfully or timely commercialized, its operating results could be adversely affected. Moreover, it cannot guarantee any investment made in developing products will be recouped, even if it is successful in commercializing those products, which could have a material adverse effect on its business, financial position and operating results.

If Kodak's commercialization and manufacturing processes fail to prevent issues with product reliability, yield and quality, its product launch plans may be delayed, its financial results may be adversely impacted, and its reputation may be harmed.

In developing, commercializing and manufacturing Kodak's products and services it must adequately address reliability and prevent yield and other quality issues, including defects in its engineering, design and manufacturing processes, as well as defects in third-party components included in its products. Because Kodak's products are sophisticated and complicated to develop and commercialize with rapid advances in technologies, the occurrence of defects may increase, particularly with the introduction of new product lines.

Unanticipated issues with product performance may delay product launch plans which could result in additional expenses, lost revenue and earnings. Although it has established internal procedures to minimize risks which may arise from product quality issues, there can be no assurance it will be able to eliminate or mitigate occurrences of these issues and associated liabilities. Product reliability, yield and quality issues can impair its relationships with new or existing customers and adversely affect its brand image; product quality issues can result in recalls, warranty, or other service obligations and litigation; and its reputation as a producer of high quality products could suffer, all of which could adversely affect its business as well as its financial results.

If the reputation of Kodak or its brand erodes significantly, it could have a material impact on its financial results.

Kodak's reputation, and the reputation of its brand, form the foundation of its relationships with key stakeholders and other constituencies, including customers, suppliers and consumers. The quality and safety of Kodak's products are critical to its business. Kodak's products have worldwide recognition, and its financial success is directly dependent on the success of its product offering. One aspect of Kodak's business is licensing others to use Kodak's brand in connection with the sale of such licensees' products and services, and activities by such licensees may be perceived by the market as being activities of Kodak.

The success of Kodak's brand can suffer if its or its licensees' marketing plans, product initiatives or activities do not have the desired impact on the brand's image or ability to attract customers. Kodak's results could also be negatively impacted if its brand suffers substantial harm to its reputation due to significant product reliability and quality issues, and product-related litigation. Additionally, negative or inaccurate postings or comments on social media or networking websites about Kodak, its licensees or its brand could generate adverse publicity which could damage the reputation of the brand. Kodak takes measures to research licensees prior to entering into agreements, assesses the quality of licensee products, and maintains strict requirements to govern licensees use of the brand. Kodak also devotes significant time and resources to programs consistent with its corporate values and commitments that are designed to protect and preserve its reputation, such as social responsibility and environmental sustainability. If these programs are not executed as planned or suffer negative publicity, Kodak's reputation and financial results could be adversely impacted.

Increased competition, including price competition, could have a material adverse impact on Kodak's revenue, gross margins, cash flow and market share.

The markets in which Kodak does business are highly competitive with large, entrenched, and well financed industry participants, many of which are larger than Kodak. In addition, it encounters aggressive price competition for many of its products and services from numerous companies globally. Any of its competitors may:

- foresee the course of market developments more accurately than it does;
- sell superior products and provide superior services or offer a broader variety of products and services;
- have the ability to produce or supply similar products and services at a lower cost;
- have better access to materials and supplies and the ability to acquire materials and supplies at a lower cost;
- develop stronger relationships with its suppliers or customers;
- adapt more quickly to new technologies or evolving customer requirements than it does; or
- have access to capital markets or other financing sources on more favorable terms than it can obtain.

As a result, Kodak may not be able to compete successfully with its competitors. Finally, it may not be able to maintain its operating costs or prices at levels which would allow it to compete effectively. Kodak's results of operations and financial condition may be adversely affected by these and other industry-wide pricing pressures. If its products, services and pricing are not sufficiently competitive with current and future competitors, it could also lose market share, adversely affecting its revenue, gross margins and cash flow.

An inability to provide competitive financing arrangements to Kodak's customers or extension of credit to customers whose creditworthiness deteriorates could adversely impact its revenue, profitability and financial position.

The competitive environment in which Kodak operates may require it to facilitate or provide financing to its customers. Customer financing arrangements may cover all or a portion of the purchase price invoices for its products and services. It may also assist customers in obtaining financing from banks and other sources. Its success may be dependent, in part, upon its ability to provide customer financing on competitive terms and on its customers' creditworthiness. Tightening of credit in the global financial markets can adversely affect the ability of Kodak's customers to obtain financing for significant purchases, which may result in a decrease in, or cancellation of, orders for its products and services. If Kodak is unable to provide competitive financing solutions to its customers or if it extends credit to customers whose creditworthiness deteriorates, its revenues, profitability and financial position could be adversely impacted.

The loss of one or more of Kodak's key personnel, or its failure to attract and retain other highly qualified personnel in the future, could harm its business.

In order for it to be successful, Kodak must continue to attract, retain and motivate executives and other key employees, including technical, managerial, marketing, sales, research and support positions. Hiring and retaining qualified executives, research and engineering professionals, and qualified sales representatives, particularly in Kodak's targeted growth markets, are critical to its future. It may be unable to attract and retain highly qualified management and employees, particularly if it does not offer employment terms competitive with the rest of the market. Failure to attract and retain qualified individuals, key leaders, executives and employees, or failure to develop and implement a viable succession plan, could result in inadequate depth of institutional knowledge or skill sets, which could adversely affect its business.

If Kodak cannot effectively anticipate or rapidly respond to technology trends and develop and market new products to respond to changing customer needs and preferences, its revenue, earnings and cash flow could be adversely affected.

Kodak serves imaging/print needs for business markets, including graphic communications, packaging, enterprise services, and printed electronics. Its success in these markets depends on its ability to offer differentiated solutions and technologies to capture market share and grow scale. To enable this, it must continually develop and introduce new products and services in a timely manner to keep pace with technological developments and achieve customer acceptance. In addition, the services and products it provides to customers may not or may no longer meet the needs of its customers as the business models of its customers evolve. Its customers may decide to outsource their imaging needs or may purchase imaging services and needs from other suppliers. In addition, it is difficult to predict successfully the products and services its customers will demand. The success of Kodak's business depends in part on its ability to identify and respond promptly to changes in customer preferences, expectations and needs. If it does not timely assess and respond to changing customer expectations, preferences and needs, its financial condition, results of operations or cash flows could be adversely affected.

If Kodak is unable to timely anticipate new technology trends, develop improvements to its current technology to address changing customer preferences, and effectively communicate its businesses, products, and the markets it serves, its revenue, earnings and cash flow could be adversely affected. The success of Kodak's technology development efforts may be affected by the development efforts of its competitors, which may have more financial and other resources to better ascertain technology trends, changing customer preferences, and changing business expectations or models. Kodak's assessment and response may as a result be incomplete or inferior when compared to its competitors, which could adversely affect its product roadmaps and associated revenue streams.

Kodak has reduced the scope of its corporate-focused research and development activities. If its investment in research and product development is inadequate, its response to changing customer needs and changing market dynamics may be too slow and this may adversely affect revenue streams from new products and services.

Kodak makes investments in new products and services that may not achieve expected returns.

Commercial success depends on many factors, including innovativeness, developer support, and effective distribution and marketing. If customers do not perceive Kodak's latest offerings as providing significant new functionality or other value, they may reduce their purchases of new products or upgrades, unfavorably affecting revenue. Kodak may not achieve significant revenue from new product, service, and distribution channel investments for several years, if at all.

New products and services may not be profitable, and even if they are profitable, operating margins for some new products and businesses may not be as high as the margins Kodak has experienced historically. Developing new technologies is complex. It can require long development and testing periods. Significant delays in new releases or significant problems in creating new products or services could adversely affect Kodak's revenue.

Kodak relies on third-party suppliers and service providers to support its manufacturing, logistics, and business operations and faces the risks associated with reliance on external business partners.

Kodak relies on third-party suppliers for goods and services to support its manufacturing, logistics, and business operations. To the extent it relies on third-parties, it faces the risks that those third parties may not be able to:

- develop manufacturing methods appropriate to Kodak's products;
- maintain an adequate control environment;
- quickly respond to changes in customer demand for Kodak's products;
- obtain supplies and materials necessary to deliver goods or services to Kodak; or
- mitigate the impact of labor shortages and/or other disruptions.

Suppliers may choose to unilaterally withhold products, components or services. In addition, Kodak may experience shortages in supply and disruptions in service and supply as a result of unexpected demand, transportation and logistical limitations, and/or disruptions or production difficulties at its suppliers, such as disruptions due to fires, medical epidemics, other natural disasters or events outside of a supplier's control. In addition, disruptions could result from a reduction in the number of its suppliers due to their own financial difficulties or a reduction in the products offered by such suppliers. As a result of the loss of any supplier, or a substantial decrease in the availability of products from its suppliers, Kodak may be unable to meet its customer commitments, its costs could be higher than planned, and its cash flows and the reliability of its products could be negatively impacted. Kodak will vigorously enforce its contractual rights under such circumstances, but there is no guarantee it will be successful in preventing or mitigating the effects of unilateral actions by its suppliers.

Other supplier problems that Kodak could encounter include electronic component shortages, excess supply, interruption of IT services, risks related to the duration and termination of its contracts with suppliers for components and materials, non-competitive pricing due to tariffs, and risks related to the ability to obtain products, components or services from single source suppliers on favorable terms or at all. The realization of any of these risks, should alternative third-party relationships not be available or established, could cause interruptions in supply or increases in costs which might result in Kodak's inability to meet customer demand for its products, damage to its relationships with its customers, and reduced market share, all of which could adversely affect its results of operations and financial condition.

Any significant negative change in the payment terms that Kodak has with its suppliers could adversely affect its liquidity. There is a risk that Kodak's key suppliers could respond to any actual or apparent decrease in or any concern with its financial results or liquidity by requiring or conditioning their sale of goods or services to Kodak on more stringent or more costly payment terms, such as by requiring standby letters of credit, earlier or advance payment of invoices, payment upon delivery, or shorter payment terms. Kodak's need for additional liquidity could significantly increase and its supply could be materially disrupted if a significant portion of its key suppliers and vendors took one or more of the actions described above, which could have a material adverse effect on its sales, customer satisfaction, cash flows, liquidity and financial position.

Business disruptions could seriously harm Kodak's future revenue and financial condition and increase its costs and expenses. Worldwide operations could be subject to earthquakes, power shortages, telecommunications failures, cyber-attacks, terrorism and other physical security threats, water shortages, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics, political or economic instability, and other natural or manmade disasters or business interruptions, for which Kodak is predominantly self-insured. The occurrence of any of these business disruptions could seriously harm its revenue and financial condition and increase its costs and expenses.

The ongoing outbreak of the coronavirus formally known as COVID-19 has resulted in travel restrictions, disruptions to suppliers' performance and delivery, as well as the temporary shutdown of many businesses.

Certain of Kodak's critical business functions, including its manufacturing and field service operations, cannot be performed remotely, and an inability of Kodak's employees to physically work at its or its customers locations due to government restrictions, health concerns or illness may disrupt its operations, perhaps significantly. Kodak has experienced some disruptions in its manufacturing and logistics operations due to the coronavirus outbreak. The full extent to which the coronavirus outbreak continues to impact Kodak's results will depend on future developments, which are highly uncertain and cannot be predicted at the time of this filing, including new information which may emerge concerning the coronavirus and the actions taken to contain the virus or treat its impact, among others. Complications from the coronavirus outbreak could have a material adverse effect on the continuity of our business operations and our results of operations and financial position.

In addition, some areas, including parts of the east and west coasts of the United States, have previously experienced, and may experience in the future, major power shortages and blackouts. These blackouts could cause disruptions to Kodak's operations or the operations of its suppliers, distributors and resellers, or customers. Kodak has operations including research and development facilities in geographically disparate locations, such as Israel, Japan, China, Canada and Germany.

The impact of these risks is greater in areas where products are manufactured at a sole or limited number of location(s), and where the sourcing of materials is limited to a sole or limited base of suppliers, since any material interruption in operations in such locations or suppliers could impact Kodak's ability to provide a particular product or service for a period of time.

Kodak's inability to effectively complete and manage strategic transactions could adversely impact its business performance, including its financial results.

As part of Kodak's strategy, it may be engaged in discussions with third parties regarding possible investments, acquisitions, strategic alliances, joint ventures, divestitures, asset sales, spin-offs and outsourcing transactions and may enter into agreements relating to such transactions in order to further its business objectives. In order to successfully pursue its strategic transaction strategy, it must identify suitable sellers, buyers and partners and successfully complete transactions, some of which may be large and complex, and manage post-closing issues such as the elimination of any remaining post-sale costs related to divested businesses. Transaction risk can be more pronounced for larger and more complicated transactions or when multiple transactions are pursued simultaneously. There are no assurances Kodak will be able to consummate any strategic transactions which it undertakes or, if consummated, Kodak will achieve the benefits sought to be achieved from such strategic transactions. If Kodak fails to identify and successfully complete transactions that further its strategic objectives, it may be required to expend resources to develop products and technology internally, it may be at a competitive disadvantage or it may be adversely affected by negative market perceptions. Any of these factors could have an adverse effect on its revenue, gross margins and profitability. In addition, unpredictability surrounding the timing of such transactions could adversely affect its financial results.

Kodak may pursue acquisitions or combinations which could fail or present unanticipated problems for its business in the future, which would adversely affect its ability to realize the anticipated benefits of those transactions or increase the price it would be required to pay.

Kodak may seek to enter into transactions which may include acquiring or combining with other businesses. It may not be able to identify suitable acquisition or combination opportunities or finance and complete any particular acquisition or combination successfully. Furthermore, acquisitions and combinations involve a number of risks and challenges, including:

- the ability to obtain required regulatory and other approvals;
- the need to integrate acquired or combined operations with its business;
- potential loss of key employees;
- difficulty in evaluating operating costs, infrastructure requirements, environmental and other liabilities and other factors beyond its control;
- wrong, inaccurate or changing business assumptions on which such acquisitions or combinations are predicated;
- potential lack of operating experience in new business or geographic areas;
- an increase in its expenses and working capital requirements;
- management's attention may be temporarily diverted; and
- the possibility it may be required to issue a substantial amount of additional equity or debt securities or assume additional debt in connection with any such transactions.

Any of these factors could adversely affect its ability to achieve anticipated levels of cash flows or realize synergies or other anticipated benefits from a strategic transaction. Furthermore, the market for transactions is highly competitive, which may adversely affect its ability to find transactions which fit its strategic objectives or increase the price it would be required to pay (which could decrease the benefit of the transaction or hinder its desire or ability to consummate the transaction). Strategic transactions may occur at any time and may be significant in size relative to its assets and operations.

Cyber-attacks or other data security incidents that disrupt Kodak's operations or result in the breach or other compromise of proprietary or confidential information about its workforce, its customers, or other third parties could disrupt its business, harm its reputation, cause it to lose customers, and expose it to costly regulatory enforcement and litigation.

To effectively manage Kodak's global business, it depends on secure and reliable information technology systems with accurate data. These systems and their underlying infrastructure are provided by a combination of Kodak and third-parties, and if unavailable or unreliable, could disrupt Kodak's operations, causing delays or cancellation of customer orders, impeding the manufacturing or delivery of products, delaying the reporting of financial results, or impacting other business processes critical to running its business.

Kodak's IT systems contain critical information about its business, including intellectual property and confidential information of its customers, business partners, and employees. Cyber-attacks or defects in its systems could result in this proprietary information being disclosed or modified, which could cause significant damage to its business or its reputation.

Kodak has system controls and security measures in place that are designed to protect its IT systems against intentional or unintentional disruptions of its operations or disclosure of confidential information, but it may not be able to implement solutions that result in stopping or detecting all of these threats to its internal information systems or those of its third-party providers. A breach of Kodak's security measures could result in unauthorized access to and misuse of its information, corruption of data, or disruption of operations, any of which could have a material adverse impact on its business.

Kodak also provides IT-based products and services to its customers, and operates services used by its customers and hosted by Kodak, both businesses and consumers, and a breach of its security or reliability measures, or those of its third-party service providers, could negatively impact its customers' operations or data privacy.

Attacks on IT systems continue to grow in frequency, complexity and sophistication, and Kodak is regularly targeted by unauthorized parties using malicious tactics, code and viruses.

Kodak has programs in place to prevent, detect and respond to data or cyber security incidents. However, because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, are increasingly more complex and sophisticated and may be difficult to detect for long periods of time, Kodak may be unable or fail to anticipate these techniques or implement adequate or timely preventive or responsive measures.

Failure to comply with anti-corruption laws and regulations, anti-money laundering laws and regulations, economic and trade sanctions, and similar laws could have a materially adverse effect on Kodak's reputation, results of operations or financial condition, or have other adverse consequences.

Regulators worldwide are exercising heightened scrutiny with respect to anti-corruption, economic and trade sanctions, and anti-money laundering laws and regulations. Such heightened scrutiny has resulted in more aggressive investigations and enforcement of such laws and more burdensome regulations, any of which could adversely impact Kodak's business. Kodak has a global operating presence, including in numerous developing economies where companies and government officials are more likely to engage in business practices that are prohibited by domestic and foreign laws and regulations, including the United States Foreign Corrupt Practices Act and the U.K. Bribery Act.

Such laws generally prohibit improper payments or offers of payments to foreign government officials and leaders of political parties, and in some cases, to other persons, for the purpose of obtaining or retaining business. Kodak is also subject to economic and trade sanctions programs, including those administered by the U.S. Treasury Department's Office of Foreign Assets Control, which prohibit or restrict transactions or dealings with specified countries, their governments, and in certain circumstances, their nationals, and with individuals and entities that are specially designated, including narcotics traffickers and terrorists or terrorist organizations, among others. In addition, Kodak is subject to anti-money laundering laws and regulations.

Kodak has implemented policies and procedures to monitor and address compliance with applicable anti-corruption, economic and trade sanctions and anti-money laundering laws and regulations, and it periodically reviews, upgrades and enhances certain of its policies and procedures. However, there can be no assurance that its employees, consultants or agents will not take actions in violation of its policies for which it may be ultimately responsible, or that its policies and procedures will be adequate or will be determined to be adequate by regulators. Any violations of applicable anti-corruption, economic and trade sanctions or anti-money laundering laws or regulations could limit certain of Kodak's business activities until they are satisfactorily remediated and could result in civil and criminal penalties, including fines, which could damage its reputation and have a materially adverse effect on its results of operation or financial condition.

Failure to comply with privacy, data protection and cyber security laws and regulations could have a materially adverse effect on Kodak's reputation, results of operations or financial condition.

Kodak receives, processes, transmits and stores information relating to identifiable individuals (personal information), both in its role as a technology provider and as an employer. As a result, Kodak is subject to numerous U.S. federal and state and foreign laws and regulations relating to personal information. These laws have been subject to frequent changes, and new legislation in this area may be enacted at any time. More recent examples of data privacy laws include the EU's General Data Protection Regulation (GDPR), California's Consumer Privacy Act (CCPA) and Privacy Rights Act (CPRA), and Brazil's General Data Protection Law (LGPD).

Recently enacted laws and regulations, as well as any other change to existing laws, the introduction of new laws in this area, or the failure to comply with existing laws that are applicable, may subject Kodak to, among other things, additional costs or changes to its business practices, liability for monetary damages, fines and/or criminal prosecution, unfavorable publicity, restrictions on its ability to obtain and process information and allegations by its customers and clients that it has not performed its contractual obligations. At the same time, the risk of cyber-attacks is relevant to the requirements regarding storage, transfer, sharing and handling of personal information.

This environment demands Kodak continuously improve its design and coordination of security controls and contractual arrangements across its businesses and geographies. Despite these efforts, it is possible its security controls over personal data, its training of employees and vendors on data privacy and data security, and other practices it follows may not prevent the improper disclosure of personal information. Improper disclosure of this information could harm its reputation or subject it to liability under laws which protect personal data, resulting in increased costs or loss of revenue.

If Kodak cannot protect the intellectual property rights on which its business depends, or if third parties assert it violates their intellectual property rights, its revenue, earnings, expenses and liquidity may be adversely impacted.

A key differentiator for Kodak in many of its businesses is its technological advantage over competitors' products and solutions. Its technological advantage is supported by Kodak's intellectual property rights. Patent, copyright, trademark and trade secret laws in the United States and similar laws in other countries, and non-disclosure, confidentiality and other types of agreements with Kodak's employees, customers, suppliers and other parties, may not be effective in establishing, maintaining, protecting and enforcing Kodak's intellectual property rights.

Any of Kodak's direct or indirect intellectual property rights could be challenged, invalidated, circumvented, infringed, diluted, disclosed or misappropriated, or such intellectual property rights may not be sufficient to permit it to take advantage of current market trends or otherwise to provide competitive advantages, which could result in costly product redesign efforts, discontinuance of certain product offerings or other competitive harm. Further, the laws of certain countries do not protect proprietary rights to the same degree as the laws of the United States.

Therefore, in certain jurisdictions, Kodak may be unable to protect its proprietary technology adequately against unauthorized third party copying, infringement or use, which could adversely affect its competitive position. Also, some of Kodak's business and some of its products rely on key technologies developed or licensed by third parties and, because of the rapid pace of technological change in the information technology industry, it may not be able to obtain or continue to obtain licenses and technologies from relevant third parties on reasonable terms, or at all.

Kodak also licenses third parties to use its trademarks. In an effort to preserve its trademark rights, Kodak enters into license agreements with these third parties which govern the use of its trademarks and require its licensees to abide by quality control standards with respect to the goods and services they provide under the trademarks. Although Kodak makes efforts to police the use of its trademarks by its licensees, there can be no assurance these efforts will be sufficient to ensure the licensees abide by the terms of their licenses. In the event Kodak's licensees fail to do so, its trademark rights could be diluted and its reputation harmed by its licensees' activities. Also, failure by Kodak and its licensees to sufficiently exploit any of Kodak's trademarks in any markets could erode Kodak's trademark rights with respect to the relevant trademarks. Because the laws and enforcement regimes of certain countries do not protect proprietary rights to the same degree as those in the United States, in certain jurisdictions Kodak may be unable to adequately prevent such unauthorized uses, which could result in impairment of its trademark rights.

Kodak has made substantial investments in new, proprietary technologies and has filed patent applications and obtained patents to protect its intellectual property rights in these technologies as well as the interests of its licensees.

There can be no assurance Kodak's patent applications will be approved, any patents issued will be of sufficient scope or strength to provide it with meaningful protection, or such patents will not be challenged by third parties. Furthermore, Kodak may fail to accurately predict all of the countries where patent protection will ultimately be desirable, and if it fails to timely file a patent application in any such country, it may be precluded from doing so at a later date. The patents issuing may vary in scope of coverage depending on the country in which such patents issue.

In addition, the intellectual property rights of others could inhibit Kodak's ability to conduct its business. Other companies may hold patents on technologies used in Kodak's industries and some of these companies may be aggressively seeking to expand, enforce or license their patent portfolios. Third parties may claim Kodak and its customers, licensees or other parties indemnified by it are infringing upon their intellectual property rights. Such claims may be made by competitors seeking to block or limit Kodak's access to certain markets. Additionally, certain individuals and groups have purchased intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from large companies like Kodak. Even if it believes the claims are without merit, these claims may have the following negative impacts on its business:

- claims can be time consuming and costly to defend and may distract management's attention and resources;
- claims of intellectual property infringement may require it to redesign affected products, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting it from marketing or selling certain of its products;
- even if it has an agreement with a third party to indemnify it against such costs, the indemnifying party may be unable to uphold such party's contractual obligations; and
- if it cannot or does not license the infringed technology at all, license the technology on reasonable terms or substitute similar technology from another source, its revenue and earnings could be adversely impacted.

Finally, Kodak uses open source software in connection with some of its products and services. Companies which incorporate open source software into their products have, from time to time, faced claims challenging the ownership of open source software and/or compliance with open source license terms. As a result, Kodak could be subject to suits by parties claiming ownership of what it believes to be open source software or noncompliance with open source licensing terms. Some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code to such software and/or make available any derivative works of the open source code on unfavorable terms or at no cost. Any requirement to disclose Kodak's source code or pay damages for breach of contract could be harmful to its business results of operations and financial condition.

Kodak's future pension and other postretirement benefit plan costs and required level of contributions could be unfavorably impacted by changes in actuarial assumptions, market performance of plan assets and obligations imposed by legislation or pension authorities which could adversely affect its financial position, results of operations, and cash flow.

Kodak has significant defined benefit pension and other postretirement benefit obligations.

The funded status of its U.S. and non-U.S. defined benefit pension plans (and other postretirement benefit plans), and the related cost reflected in its financial statements, are affected by various factors subject to an inherent degree of uncertainty. Key assumptions used to value these benefit obligations, funded status and expense recognition include the discount rate for future payment obligations, the long term expected rate of return on plan assets, salary growth, healthcare cost trend rates, mortality trends, and other economic and demographic factors. Significant differences in actual experience, or significant changes in future assumptions or obligations imposed by legislation or pension authorities, could lead to a potential future need to contribute cash or assets to Kodak's plans in excess of currently estimated contributions and benefit payments and could have an adverse effect on Kodak's consolidated results of operations, financial position or liquidity.

In past years, Kodak has experienced increases in the costs of these defined benefit pension and postretirement benefit obligations as a result of macro-economic factors beyond its control, including increases in health care costs, declines in investment returns on pension plan assets, and changes in discount rates and mortality rates used to calculate pension and related liabilities. At least some of these macro-economic factors may again put pressure on the cost of providing pension and medical benefits. There can be no assurance it will succeed in limiting cost increases. In addition, continued upward pressure, including any as a result of new legislation, could reduce the profitability of its businesses.

Kodak may be required to recognize impairments in the value of its goodwill and/or other long-lived assets which could adversely affect its results of operations.

Upon emergence from bankruptcy, Kodak applied fresh start accounting pursuant to which the reorganization value was allocated to the individual assets and liabilities based on their estimated fair values. The excess reorganization value over the fair value of identified tangible and intangible assets is reported as goodwill. In connection with fresh start, Kodak also determined the fair value of its other long-lived assets, including intangible assets. The determination of reorganization value, equity value of the Company's common stock and fair value of assets and liabilities is dependent on various estimates and assumptions, including financial projections and the realization of certain events. Kodak tests goodwill and indefinite lived intangible assets for impairment annually or whenever events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Kodak evaluates other long-lived assets for impairments whenever events or changes in circumstances indicate the carrying value may not be recoverable. Impairments could occur in the future if Kodak's expected future cash flows decline, market or interest rate environments deteriorate, or if carrying values change materially compared with changes in their respective fair values.

Kodak's businesses experience seasonality of sales. Therefore, lower demand for Kodak's products or increases in costs during periods which are expected to be at peak in seasonality may have a pronounced negative effect on its results of operations.

Equipment and consumables sales generally exhibit higher levels in the fourth quarter due to the seasonal nature of placements, resulting from customer or industry budgeting practices. As a result, a sequential quarter-to-quarter comparison is not a good indication of Kodak's performance or how it will perform in the future. In addition, adverse developments during what are expected to be peak periods in seasonality, such as lower-than-anticipated demand for its products, an internal systems failure, increases in materials costs, or failure of or performance problems with one of its key logistics, components supply, or manufacturing partners, could have a material adverse impact on its financial condition and operating results. Tight credit markets which limit capital investments or a weak economy which decreases print demand could negatively impact equipment or consumable sales. These external developments are often unpredictable and may have an adverse impact on its business and results of operations.

If Kodak fails to manage distribution of its products and services properly, its revenue, gross margins and earnings could be adversely impacted.

Kodak uses a variety of distribution methods to sell and deliver its products and services, including direct sales, third-party resellers and distributors. Successfully managing the interaction of direct and indirect channels across customer segments for its products and services is complex. Since each distribution method has distinct risks and financial implications, Kodak's failure to achieve the most advantageous delivery model for its products and services could adversely affect its revenue and earnings.

Kodak's future results could be harmed if it is unsuccessful in its sales in emerging markets.

Because Kodak is seeking to expand its sales and number of customer relationships outside the United States, including in emerging markets in Asia, Latin America and Eastern Europe, Kodak's business is subject to risks associated with doing business internationally, such as:

- support of multiple languages;
- recruitment of sales and technical support personnel with the skills to design, manufacture, sell and supply products;
- compliance with governmental regulation of imports and exports, including obtaining required import or export approval for its products;
- complexity of managing international operations;
- exposure to foreign currency exchange rate fluctuations;
- commercial laws and business practices which may favor local competition and the imposition of tariffs on products or raw materials imported into or exported from the U.S.;
- multiple, potentially conflicting, and changing governmental laws, regulations and practices, including differing export, import, tax, anti-corruption, anti-dumping, economic sanction, labor, and employment laws;
- difficulties in collecting accounts receivable;
- limitations or restrictions on the repatriation of cash;
- limitations or reductions in protection of intellectual property rights;
- complications in logistics and distribution arrangements; and
- political or economic instability.

There can be no assurance Kodak will be able to market and sell its products in all of its targeted markets. If its efforts are not successful, its business growth and results of operations could be harmed.

As a global company, Kodak is subject to regulatory requirements and laws in the jurisdictions in which it operates, and any alleged non-compliance with these requirements or laws could result in an adverse financial or reputational impact.

Kodak is subject to environmental laws and regulations. Failure to comply with such laws and regulations or liabilities imposed as a result of such laws and regulations could have an adverse effect on its business, results of operations and financial condition.

Kodak is subject to environmental laws and regulations world-wide that govern, for example, the discharge of pollutants, the management of hazardous materials, the cleanup of contaminated sites, and the composition and end-of-life management of its products.

Non-compliance with applicable laws or liability incurred without regard to fault could have a material adverse effect on its business, results of operations and financial condition. The cost of complying with such laws could have a material adverse effect on its business, results of operations and financial condition. Any uncertainties related to environmental conditions or obligations at Kodak's properties may impact its ability to further develop or sell such properties.

Kodak may have additional tax liabilities.

Kodak is subject to income taxes in the U.S. and in many foreign jurisdictions. Significant judgment is required in determining Kodak's worldwide provision for income taxes. In the course of its business, there are transactions and calculations where the ultimate tax determination is uncertain.

Kodak operates within multiple taxing jurisdictions worldwide and is subject to audit in these jurisdictions. These audits can involve complex issues, which may require an extended period of time for resolution.

Management's ongoing assessments of the outcomes of these issues and related tax positions require judgment, and although management believes that adequate provisions have been made for such issues, there is the possibility that the ultimate resolution of such issues could have an adverse effect on the earnings and cash flow of Kodak.

Kodak's business, financial position, results of operations, cash flows and reputation may be negatively impacted by legal matters.

Kodak has various contingencies which are not reflected on its balance sheet, including those arising as a result of being involved from time to time in a variety of claims, lawsuits, investigations, remediations and proceedings concerning commercial, tax, tort, customs, employment, health and safety and intellectual property matters, licensee activities, and compliance with various domestic and international laws and regulations. Should developments in any of these matters cause a change in its determination as to an unfavorable outcome and result in the need to recognize a material accrual or should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on its business, financial position, results of operations, and cash flows.

On July 28, 2020, the U.S. International Development Finance Corporation (the "DFC") announced (the "DFC Announcement") the signing of a non-binding letter of interest to provide a subsidiary of the Company with a potential \$765 million loan (the "DFC Loan") to support the launch of Kodak Pharmaceuticals, an initiative that would manufacture pharmaceutical ingredients for essential generic drugs (the "DFC Pharmaceutical Project"). The DFC Announcement and circumstances surrounding it prompted congressional investigations, an SEC investigation and a New York Attorney General's investigation. A number of lawsuits have been filed or threatened alleging various securities law violations and breaches of fiduciary duties based on circumstances surrounding the DFC Announcement. If the findings of the ongoing investigations are unfavorable or the Company is not successful in defending the lawsuits associated with the DFC Announcement, Kodak's reputation could be damaged, its existing business could be adversely affected, and it may incur significant costs which may not be fully covered by insurance.

Regulations related to "conflict minerals" may require Kodak to incur additional expenses and could limit the supply and increase the cost of certain metals used in manufacturing Kodak's products.

The Dodd-Frank Wall Street Reform and Consumer Protection Act contains provisions to improve transparency and accountability concerning the supply of minerals originating from the conflict zones of the Democratic Republic of Congo ("DRC") and adjoining countries.

As a result, in August 2012, the SEC adopted rules requiring disclosure related to sourcing of specified minerals, known as "conflict minerals," which are necessary to the functionality or production of products manufactured or contracted to be manufactured by public companies. Kodak has designed its overall conflict minerals policies and procedures to be consistent with the guidance issued by the Organization for Economic Co-operation and Development ("OECD") and continues to perform due diligence on its supply chain. Kodak filed its most recent Conflict Minerals Disclosure report for the reporting period from January 1, 2019 to December 31, 2019 on May 29, 2020. As of the date of the report, Kodak determined certain of its products contain such specified minerals but was unable to determine whether or not such minerals originate from the DRC or an adjoining country. Kodak may incur additional costs to comply with these disclosure requirements, including costs related to determining the sources of the specified minerals used in its products, in addition to the cost of any changes to products, processes, or sources of supply as a consequence of such verification activities, which may adversely affect its business.

In addition, the number of suppliers who provide "conflict-free" minerals may be limited, which may make it difficult to satisfy customers who require all of the components of its products be certified as conflict-free, which could place it at a competitive disadvantage if it is unable to do so. Because Kodak's supply chain is complex, it may also not be able to sufficiently verify the origins of the relevant minerals used in its products through its due diligence procedures, which may harm its reputation.

Risks Related to the Company's Indebtedness and Access to Capital Markets

There can be no assurance the Company will be able to comply with the terms of its various credit facilities.

A breach of any of the financial or other covenants contained in the cash collateralized Letter of Credit Facility Agreement (the "LC Credit Agreement"), Asset Based Revolving Credit Agreement (the "ABL Credit Agreement"), Term Loan Credit Agreement or the Convertible Notes, (together, the "Credit Agreements") could result in an event of default under these facilities.

If any default or event of default occurs under the LC Credit Agreement or ABL Credit Agreement and the Company is not able to either cure it or obtain a waiver from the requisite lenders under the LC Credit Agreement and ABL Credit Agreement, the administrative agent under the LC Credit Agreement and ABL Credit Agreement may, and at the request of the requisite lenders for that facility must, declare all of the Company's outstanding obligations under the LC Credit Agreement and ABL Credit Agreement, together with accrued interest and fees, to be immediately due and payable. In addition, the agent under the LC Credit Agreement and ABL Credit Agreement may, and at the request of the requisite lenders must, terminate the lenders' commitments under that facility and cease making further loans. If any default or event of default occurs under the Term Loan Credit Agreement or Convertible Notes and the Company is not able to either cure it or obtain a waiver from the holders of the Term Loan Credit Agreement or Convertible Notes, such holders may declare all of the Company's outstanding obligations under the Term Loan Credit Agreement and Convertible Notes, together with accrued interest and fees, to be immediately due and payable. If applicable, the administrative agent under the LC Credit Agreement, ABL Credit Agreement and Term Loan Credit Agreement and the collateral agent for the Convertible Notes could institute foreclosure proceedings against the pledged assets. Any of these outcomes would likely have an adverse effect on the Company's operations and its ability to satisfy its obligations as they come due.

On March 6, 2020 Kodak obtained a waiver from the agent and lenders under the ABL Credit Agreement with respect to any event of default under the reporting covenant in the ABL Credit Agreement that may be deemed to have occurred in relation to the going concern explanatory paragraph contained in the audit report on Kodak's financial statements as of and for the year ended December 31, 2019. The additional liquidity provided by the financing transactions which closed on February 26, 2021, the extension of the maturity date of the ABL Credit Agreement, and the repurchase and exchange of the Series A Preferred Stock alleviated the substantial doubt about Kodak's ability to continue as a going concern within one year after the date its financial statements are issued (March 16, 2021) and therefore a waiver from the agent and lenders under the ABL Credit Agreement was not required for the financial statements as of and for the year ended December 31, 2020. For more information on the reporting covenants under the Credit Agreements and the potential impact of the explanatory paragraph in the audit report refer to Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of Liquidity."

The current non-investment grade status and Kodak's financial condition may adversely impact Kodak's commercial operations, increase its liquidity requirements and increase the cost of refinancing opportunities. It may not have adequate liquidity to post required amounts of additional collateral.

The Company's corporate family credit rating is currently below investment grade and there are no assurances its credit ratings will improve, or they will not decline, in the future. In addition, the Company may not continue to maintain credit ratings from the recognized rating agencies.

Its credit ratings and financial condition may affect the evaluation of its creditworthiness by trading counterparties and lenders, which could put it at a disadvantage to competitors with higher or investment grade ratings.

In carrying out its commercial business strategy, the current non-investment grade credit ratings have resulted and will likely continue to result in requirements that Kodak either prepay obligations or post significant amounts of collateral to support its business.

Should its ratings continue at their current levels, or should its ratings be further downgraded, it would expect these negative effects to continue and, in the case of a downgrade, become more pronounced. In particular, given the Company's current credit ratings it would be required, if requested, to provide up to \$3 million of additional letters of credit to the issuers of certain surety bonds to fully collateralize such bonds.

The availability of borrowings and letters of credit under the ABL Credit Agreement and LC Credit Agreement is limited by the amount of various types of assets and, under certain circumstances, the administrative agent under the ABL Credit Agreement will have greater control over Kodak's cash.

Availability under the Company's ABL Credit Agreement is based on the amount of Eligible Receivables, Eligible Inventory, Eligible Machinery and Equipment less specified reserves as described in Note 9, "Debt and Finance Leases" to the consolidated financial statements. Kodak's U.S. Accounts Receivable and Inventory levels have declined over the past four years, and Machinery and Equipment for purposes of the ABL Credit Agreement amortizes down by \$1 million per quarter.

Availability under the Company's LC Credit Agreement is based on cash collateral in an amount greater than or equal to 103% of the aggregate amount of letters of credit issued and outstanding at any given time (the "LC Cash Collateral").

If Eligible Receivables, Eligible Inventory and Eligible Machinery and Equipment continue to decline and an asset base cannot be maintained to support the \$42 million of letters of credit outstanding under the ABL Credit Agreement and the \$11 million of Excess Availability required under the ABL Credit Agreement, or if LC Cash Collateral is not maintained to support the 103% of the \$49 million of letters of credit outstanding under the LC Credit Agreement, the Company would be required to remain in compliance with the ABL Credit Agreement's Fixed Charge Coverage Ratio and operate under cash dominion by the administrative agent under the ABL Credit Agreement.

Additional LC Cash Collateral would be classified as restricted cash and would not be available to support ongoing working capital and investment needs.

If the administrative agent under the ABL Credit Agreement executed cash dominion, it would increase operational complexities for the Company. An event of default would occur under these circumstances if the Company is unable to remain in compliance with the ABL Credit Agreement's Fixed Charge Coverage Ratio and operate under cash dominion by the administrative agent under the ABL Credit Agreement.

The Company's substantial monetary obligations require a portion of its cash flow be used to fund other obligations rather than be invested in the business and could adversely affect its ability to fund its operations.

The Company's indebtedness under the Credit Agreements and its other obligations could have important negative consequences to the Company and investors in its securities. These include the following:

- it may not be able to satisfy all of its obligations, including, but not limited to, its obligations under the Credit Agreements, which may cause a cross-default or cross-acceleration on other debt it may have incurred;
- it could have difficulties obtaining necessary financing in the future for working capital, capital expenditures, debt service requirements, refinancing or other purposes;
- it will have to use a significant part of its cash flow or cash balances to make payments on its debt and Series B Preferred Stock and to satisfy the other obligations set forth above, which may reduce the capital available for operations and expansion; and
- adverse economic or industry conditions may have more of a negative impact.

The Company cannot be sure cash generated from its business will be as high as it expects, or its expenses will not be higher than it expects. Because a portion of its expenses are fixed in any given year, its operating cash flow margins are highly dependent on revenues, which are largely driven by customer demand. A lower amount of cash generated from its business or higher expenses than expected, when coupled with its debt obligations, could adversely affect its ability to fund its operations.

Kodak may desire additional capital funding and such capital may not be available to it and/or may be limited.

Kodak may desire to raise additional capital, including to pursue additional growth opportunities, strategic transactions or additional reorganization initiatives or refinance or redeem outstanding debt or preferred stock. Because of Kodak's current non-investment grade credit rating and financial condition, and/or general conditions in the financial and credit markets, its access to the capital markets may be limited.

Kodak's ability to obtain capital and the costs of such capital are dependent on numerous factors, including:

- covenants in the Credit Agreements;
- obtaining a consent from the holders of Series B and C Preferred Stock for the issuance of additional preferred shares which rank senior or *pari passu* to the Series B and C Preferred Stock;
- investor confidence in Kodak and the markets in which it operates;
- its financial performance and projected financial performance and the financial performance and projected financial performance of its subsidiaries;
- its levels of debt and redemption obligations;
- its ability to generate positive cash flow;
- its ability to consummate monetization transactions including asset sales;
- its requirements for posting collateral under various commercial agreements;
- its current non-investment grade credit rating;
- its long-term business prospects; and
- general economic and capital market conditions.

Kodak may not be successful in obtaining additional capital for these or other reasons. An inability to access capital may limit its ability to capitalize on growth or efficiency opportunities or refinancings it would otherwise like to pursue.

Risks Related to the Company's Common Stock

The conversion of the Series B Preferred Stock, Series C Preferred Stock and Convertible Notes into shares of the Company's common stock may dilute the value for the current holders of the Company's common stock.

The 1,000,000 outstanding shares of the Company's Series B Preferred Stock are convertible into shares of the Company's common stock at a conversion rate of 9.5238 shares of common stock per share of Series B Preferred Stock, the 750,000 outstanding shares of the Company's Series C Preferred Stock (expected to increase to 1,000,000 outstanding shares) are convertible into shares of the Company's common stock at a conversion rate of 10 shares of common stock per share of Series C Preferred Stock, and the Convertible Notes are convertible into shares of the Company's common stock at a conversion rate of 100 shares of common stock per \$1,000 principal amount of Convertible Notes. The outstanding shares of Series C Preferred Stock and outstanding principal amount of the Convertible Notes are expected to increase as a result of the payment of dividends and interest in kind at a rate of 5.0% per annum. As a result of the conversion of any issued and outstanding Series B Preferred Stock, Series C Preferred Stock or Convertible Notes (collectively, the "Convertible Securities"), the Company's existing shareholders will own a smaller percentage of its outstanding common stock. Based on the capitalization of the Company as of February 26, 2021 after giving effect to the issuance of the Convertible Securities, the conversion of all Convertible Securities would result in the issuance to holders thereof of approximately 22% of the outstanding common stock after giving effect to such conversion. Further, additional shares of common stock may be issuable pursuant to certain other features of the Convertible Securities, with such issuances being further dilutive to existing holders of common stock.

If Convertible Securities are converted into common stock, holders of such converted common stock will be entitled to the same dividend and distribution rights as holders of the common stock currently authorized and outstanding. As such, another dilutive effect resulting from the conversion of any issued and outstanding Convertible Securities will be a dilution to dividends and distributions.

Holders of the Company's common stock will not realize any dilution in their ownership, dividend or distribution rights solely as a result of the reservation of any shares of common stock for issuance upon conversion of the Convertible Securities or for issuance of additional shares of common stock pursuant to certain other features of the Convertible Securities, but will experience such dilution to the extent additional shares of common stock are issued in the future as described above.

The holder of the Series C Preferred Stock own a large portion of the voting power of the Company's outstanding securities, and the holders of the Series C Preferred Stock and Convertible Notes each have the right to nominate one member for election to the Company's Board. As a result, these holders may influence the composition of the Board and future actions taken by the Board.

The holder of the Company's Series C Preferred Stock are entitled to vote upon all matters upon which holders of the Company's common stock have the right to vote and is entitled to the number of votes equal to the number of full shares of common stock into which such shares of Series C Preferred Stock could be converted at the then applicable conversion rate.

Assuming the issuance of all shares of Series C Preferred Stock under contract to be issued, the holder of the Series C Preferred Stock would hold approximately 11% of the voting power of the Company on an as-converted basis. As a result, this holder may have the ability to influence future actions by the Company requiring shareholder approval.

The holder of the Series C Preferred Stock also has the right to nominate one member for election to the Company's board of directors (the "Board"). This nomination right expires upon the earlier to occur of the third anniversary of the initial issuance of the Series C Preferred Stock or the holder ceasing to directly or indirectly hold at least a majority of the shares of Series C Preferred Stock purchased or the common stock received upon the conversion of such shares, and is exclusive to the initial holder and does not transfer with the Series C Preferred Stock.

Also, an affiliate of the Term Loan Lenders has the right to nominate one member for election to the Board until the third anniversary of the initial issuance of the Term Loans or until the Term Loan Lenders cease to hold at least 50% of the original principal amount of the Term Loans and commitments under the Credit Agreement, whichever is earlier. Until the Term Loan Lenders cease to hold at least 50% of the original principal amount of the Term Loans and commitments under the Credit Agreement, at any time that the director nominated by the affiliate of the Term Loan Lenders is not serving on the Board, such affiliate will have the right to designate a non-voting observer to the Board.

Also, if dividends on the Series B Preferred Stock are in arrears for six or more consecutive or non-consecutive dividend periods, the holders of the Series B Preferred Stock will be entitled to nominate one director at the next annual shareholder meeting and all subsequent shareholder meetings until all accumulated dividends on the Series B Preferred Stock have been paid or set aside. As a result, the presence of directors on the Board nominated by the current holder of Series C Preferred Stock or an affiliate of the Term Loan Lenders or nominated in the future by the holders of Series B Preferred Stock would enable such holders and lenders to influence the composition of the Board and, in turn, potentially influence and impact future actions taken by the Board.

The Company has registered, and has a duty to register, the resale of a large portion of its outstanding securities. The resale of the Company's common stock, or the perception that such resale may occur, may adversely affect the price of its common stock.

In compliance with a Registration Rights Agreement to which the Company is a party, it has registered the resale of an aggregate of approximately 16.5 million shares of outstanding common stock. The Company is also a party to Registration Rights Agreements pursuant to which it is obligated to register for resale the approximately 22 million shares of common stock issuable upon conversion of the Convertible Securities. The resale of a substantial number of shares of common stock in the public market, or the perception that such resale might occur, could cause the market price of the Company's common stock to decline. Under the terms of the Registration Rights Agreements to which the Company is subject, certain of the counterparties to such Registration Rights Agreements can, in certain circumstances, require the Company to participate in an underwritten public offering of the registered securities. Any shares sold in a registered resale will be freely tradable without restriction under the Securities Act. While the Company cannot predict the size of future resales or distributions of its common stock, if there is a perception that such resales or distributions could occur, or if the holders of the Company's securities registered for resale sell a large number of the registered securities, the market price for the Company's common stock could be adversely affected.

The resale of a significant portion of the Company's securities or certain accumulations or transfers of the Company's securities could result in a change of control of the Company and the loss of favorable tax attributes.

Holders of the Convertible Securities and holders of large blocks of the Company's common stock collectively have a significant influence over matters presented to the Company's shareholders for approval, including election of members to the Board and change of control transactions. In addition, the holders of such securities collectively would be able to cause a significant change in the ownership of the Company by selling a sufficient portion of the Company's securities held by them. If such a transaction, in combination with other transactions in securities of the Company which have already occurred or future issuances of securities by the Company, were to result in an "ownership change" as determined under Section 382 of the Internal Revenue Code of 1986, as amended, then the Company's ability to offset taxable income with tax attributes generated prior to the ownership change date could be limited, possibly substantially. Certain accumulations or transfers of the Company's outstanding securities not involving these holders, could also cause such an "ownership change". For more information on the Company's tax attributes refer to Note 18, "Income Taxes". The interests of the holders of the Convertible Securities and holders of large blocks of the Company's common stock may not always coincide with the interests of the other holders of our common stock.

The Company's stock price has been and may continue to be volatile.

The market price of the Company's common stock has fluctuated substantially, experienced extreme volatility in the context of the DFC Announcement and may continue to fluctuate significantly. Future announcements or disclosures concerning the Company, its strategic initiatives (including the potential DFC Loan and any announcement concerning any initiatives concerning pharmaceuticals), its sales and profitability, quarterly variations in actual or anticipated operating results or comparable sales, any failure to meet analysts' expectations, sales of large blocks of its common stock and developments concerning the investigations, lawsuits and claims relating to the DFC Announcement, among other factors, could cause the market price of its common stock to fluctuate substantially.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Kodak's worldwide headquarters is located in Rochester, New York.

Kodak owns 11 million square feet and leases, as a lessee, approximately 4 million square feet of space that includes administrative, research and development, manufacturing and marketing facilities in several worldwide locations. Out of the owned space, Kodak leases out approximately 1 million square feet to third party tenants. The leases are for various periods and are generally renewable.

Kodak's principal manufacturing facilities, by segment, are listed below. Properties in a location may be shared by all segments operating in that location.

<i>Digital Printing</i>	<i>Traditional Printing</i>	<i>Advanced Materials and Chemicals</i>
Rochester, New York, USA	Rochester, New York, USA	Rochester, New York, USA
Dayton, Ohio, USA	Columbus, Georgia, USA	Xiamen, China
Vancouver, Canada	Osterode, Germany	
(software development)	Gunma, Japan	
Shanghai, China	Shanghai, China	
(software development)	Vancouver, Canada	

Regional distribution centers are located in various places within and outside of the United States.

Research and development is headquartered at the Kodak Research Laboratories which is part of the Eastman Business Park in Rochester, New York, where Kodak conducts research and files patent applications with fundamental inventions. Other U.S. research and development groups are located in Dayton, Ohio and Columbus, Georgia. Outside the U.S., research and development groups are located in Canada, Israel, Germany, Japan and China. The research and development groups work in close cooperation with manufacturing units and marketing organizations to develop new products and applications to serve both existing and new markets.

Kodak has excess capacity in some locations. Kodak is pursuing monetizing its excess capacity by selling or leasing the associated properties.

ITEM 3. LEGAL PROCEEDINGS

On August 13, 2020 Tiandong Tang commenced a class action lawsuit against the Company, its Executive Chairman and Chief Executive Officer and its Chief Financial Officer in Federal District Court in the District of New Jersey, and on August 26, 2020 Jimmie A. McAdams and Judy P. McAdams commenced a class action lawsuit against the Company and its Executive Chairman and Chief Executive Officer in Federal District Court in the Southern District of New York (collectively, the "Securities Class Actions"). The Securities Class Actions seek damages and other relief based on alleged violations of federal securities laws in the context of the DFC Announcement of the potential DFC Loan and DFC Pharmaceutical Project discussed under Item 1A. Risk Factors above. Since the filing of the Securities Class Actions, procedural activities have been ongoing relating to the determination of venue and lead plaintiff. The Company intends to vigorously defend itself against the Securities Class Actions.

In addition to the Securities Class Actions, on December 29, 2020 Robert Garfield commenced a class action lawsuit against the Company and each of the members of its Board of Directors in the Superior Court of Mercer County, New Jersey seeking equitable relief and damages in favor of the Company based on alleged breaches of fiduciary duty by the Company's Board of Directors associated with alleged false and misleading proxy statement disclosure (the "Fiduciary Class Action"). The Company has also received three requests under New Jersey law demanding, among other things, that the Company take certain actions in response to alleged breaches of fiduciary duty relating to option grants and securities transactions in the context of the DFC Announcement and alleged proxy statement disclosure deficiencies. The Company has responded to and engaged in discussions concerning these requests, and its response and discussions may serve as the basis for the requestors to bring shareholder derivative lawsuits (any such lawsuits, collectively with the Fiduciary Class Action, the "Fiduciary Matters"). The Company intends to vigorously defend the Fiduciary Matters.

The DFC Announcement has also prompted investigations by several congressional committees, the SEC and the New York Attorney General's office. The Company is cooperating in those investigations.

Kodak's Brazilian operations are involved in various litigation matters and have received or been the subject of numerous governmental assessments related to indirect and other taxes in various stages of litigation, as well as civil litigation and disputes associated with former employees and contract labor.

The tax matters, which comprise the majority of the litigation matters, are primarily related to federal and state value-added taxes and income taxes. Kodak's Brazilian operations are disputing these matters and intend to vigorously defend their position. Kodak routinely assesses these matters as to the probability of ultimately incurring a liability in its Brazilian operations and records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable. As of December 31, 2020, Kodak's Brazilian operations maintained accruals of approximately \$3 million for claims aggregating approximately \$117 million inclusive of interest and penalties where appropriate. In connection with assessments and litigation in Brazil, local regulations may require Kodak's Brazilian operations to post security for a portion of the amounts in dispute. Generally, any encumbrances of the Brazilian assets would be removed to the extent the matter is resolved in Kodak's favor.

Kodak is involved in various lawsuits, claims, investigations, remediations and proceedings, including, from time to time, commercial, customs, employment, environmental, tort and health and safety matters, which are being handled and defended in the ordinary course of business.

Kodak is also subject, from time to time, to various assertions, claims, proceedings and requests for indemnification concerning intellectual property, including patent infringement suits involving technologies that are incorporated in a broad spectrum of Kodak's products. These matters are in various stages of investigation and litigation and are being vigorously defended. Based on information currently available, Kodak does not believe that it is probable that the outcomes in any of these matters, individually or collectively, will have a material adverse effect on its financial condition or results of operations. Litigation is inherently unpredictable, and judgments could be rendered or settlements entered that could adversely affect Kodak's operating results or cash flows in a particular period. Kodak routinely assesses all of its litigation and threatened litigation as to the probability of ultimately incurring a liability and records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable.

ITEM 4. MINE SAFETY DISCLOSURES

None.

INFORMATION ABOUT ITS EXECUTIVE OFFICERS

Pursuant to General Instructions G (3) of Form 10-K, the following list is included as an unnumbered item in Part I of this report in lieu of being included in the Proxy Statement for the Annual Meeting of Shareholders.

Name	Age	Positions Held
James V. Continenza	58	Executive Chairman and Chief Executive Officer
David E. Bullwinkle	46	Chief Financial Officer and Senior Vice President
Roger W. Byrd	55	General Counsel, Secretary and Senior Vice President
John O'Grady	57	Vice President
Eric H. Samuels	53	Chief Accounting Officer and Corporate Controller
Terry R. Taber	66	Vice President
Randy D. Vandagriff	58	Vice President

The executive officers' biographies follow:

James V. Continenza

James V. Continenza leads the transformation of Kodak as Executive Chairman and Chief Executive Officer. He was appointed Executive Chairman by the Board of Directors on February 20, 2019 and was appointed Chief Executive Officer by the Board of Directors on July 27, 2020. Continenza joined the Board of Directors of Kodak in April 2013 and became Chairman of the Board in September 2013.

Continenza brings a proven track record of guiding leading technology companies through transformations. Since September 2012, Continenza has served as the Chairman and Chief Executive Officer of Vivial Inc., a privately held marketing technology and communications company. He has also held leadership roles at STI Prepaid, LLC, a telecommunications company; Anchor Glass Container Corp., a leading manufacturer of glass containers; Teligent, Inc., a provider of communications services including voice, data, and internet access; Lucent Technologies Product Finance, a global leader in telecom equipment; and AT&T.

In addition to his management experience, Continenza currently serves on the board of Cenveo Corporation, an industry leader in transformative publishing solutions. He has also served on the boards of Datasite LLC (formerly known as Merrill Corp.), NII Holdings, Inc., Tembec, Inc. and Neff Corporation. He also serves or has served on the boards of a number of private companies.

David E. Bullwinkle

Dave Bullwinkle is the Chief Financial Officer and Senior Vice President of Kodak. The Board of Directors elected Bullwinkle to this position effective July 2016. Effective November 6, 2018, Bullwinkle is President of the Eastman Business Park Division. Bullwinkle is responsible for advancing the growth strategy for Eastman Business Park and leading Kodak's worldwide finance, corporate development, internal audit and purchasing teams. Bullwinkle reports to Executive Chairman Jim Continenza.

Bullwinkle joined Kodak in 2004 and has worked in several financial management roles at the company including Worldwide BU Controller, Assistant Corporate Controller and External Reporting Manager. He served as the Director of Corporate Financial Planning and Analysis and Vice President, Finance at Kodak from November 2010 to June 2016, and Director of Investor Relations from August 2013 to June 2016.

Prior to joining Kodak, Bullwinkle worked as the Manager of Financial Reporting at Birds Eye Foods, Inc. and previously at PricewaterhouseCoopers from 1996 to 2002 in various roles including serving as an Assurance Manager.

Bullwinkle has an MBA from St. John Fisher College and Bachelor of Science in Accounting degree from SUNY Geneseo. Bullwinkle is also a Certified Public Accountant in the State of New York.

Roger W. Byrd

Roger Byrd was appointed General Counsel, Secretary and Senior Vice President of Kodak in January 2019. He is responsible for leading the company's global legal function and for providing legal guidance to senior leadership and the Board of Directors. He also oversees the corporate development function. Byrd reports to Executive Chairman Jim Continenza.

Byrd joined Kodak in 2015 as Assistant General Counsel and Vice President, Legal Department and while at Kodak has focused on M&A and financing transactions, joint ventures, and other strategic initiatives. Byrd has also been active in providing credit agreement compliance, securities reporting and corporate governance support to the Company. The Board of Directors elected him to Senior Vice President and Secretary in January 2019.

Prior to joining Kodak, Byrd was a Partner at Nixon Peabody LLP. During his 23-year career at Nixon Peabody, he represented a broad range of clients in connection with a variety of M&A, financing and other corporate transactions. Byrd also served as General Counsel at Choice One Communications, Inc. from 2005 – 2006, a competitive local exchange carrier.

Byrd received a B.S. degree in accounting from Bob Jones University and a J.D. from Duke University School of Law.

John O'Grady

Effective January 2020, John O'Grady is Senior Vice President of Print, with senior responsibilities relating to the Traditional Printing segment. He reports to Executive Chairman Jim Continenza.

From April 24, 2018 to January 2020, O'Grady was President, Print Systems Division, which served graphic arts and commercial print customers with printing plates, computer to plate imaging solutions, electrophotographic printing solutions, OEM toner, and equipment services. From December 1, 2017 to April 24, 2018, O'Grady was President of Consumer Imaging Division. In this role, he was responsible for motion picture and commercial films, synthetic chemicals, and consumer products, including products from Kodak brand licensees. From January 2016 to December 2017, O'Grady was General Manager, Worldwide Sales, Print Systems Division, responsible for managing the sales, service and regional marketing for the Print Systems Division on a worldwide basis in addition to the go-to-market back office operations for Kodak. From January 2015 to December 2015, O'Grady was Managing Director of the Europe, United States and Canada, Australia and New Zealand (EUCAN) Region. From December 2010 to December 2014, he was Managing Director, U.S. & Canada Region. From December 2008 to December 2010, O'Grady was Regional Managing Director, Europe, Africa and Middle East Region (EAMER) and Chairman Eastman Kodak Sàrl, and from May 2007 to December 2008, he was Managing Director, EAMER, Consumer Businesses. O'Grady has served as a corporate vice president since March 2007, including as a senior vice president from August 2016 through February 2020.

O'Grady joined Kodak in 1997 and has held key business development and regional management positions in Kodak's digital imaging businesses.

Prior to joining Kodak, O'Grady had a 12-year career at Verbatim.

O'Grady graduated from the University of Limerick in Ireland with a B.S. degree in Electronics.

Eric H. Samuels

Eric Samuels was appointed Corporate Controller and Chief Accounting Officer in July 2009. Samuels previously served as the Company's Assistant Corporate Controller and brings to his position more than 20 years of leadership experience in corporate finance and public accounting. He joined Kodak in 2004 as Director, Accounting Research and Policy. Samuels reports to Chief Financial Officer David Bullwinkle.

Prior to joining Kodak, Samuels had a 14-year career in public accounting during which he served as a senior manager at KPMG LLP's Department of Professional Practice (National Office) in New York City. Prior to joining KPMG in 1996, he worked in Ernst & Young's New York City office.

Samuels has a B.S. degree in business economics from the State University of New York College at Oneonta. He is a Certified Public Accountant in New York and a member of the American Institute of Certified Public Accountants.

Terry R. Taber, PhD

Terry Taber has served as Kodak's Chief Technical Officer since January 2009. Effective January 2020, he is a Senior Vice President of Advanced Materials and Chemicals. He reports to Executive Chairman Jim Continenza.

From May 1, 2017 to January 2020, Taber was named President of the Advanced Materials and 3D Printing Technology Division which contained the research laboratories and included licensing as well as new business development activities related to Kodak's patents and proprietary technology, and focused on opportunities in smart material applications, printed electronics markets and 3D printing materials.

From January 1, 2015 to May 1, 2017, Taber was named President of the Intellectual Property Solutions Division. From January 2007 to December 2008 he was the Chief Operating Officer of Kodak's Image Sensor Solutions ("ISS") business, a leading developer of advanced CCD and CMOS sensors serving imaging and industrial markets, and prior to Taber's role with ISS, he held a series of senior positions in Kodak's research and development and product organizations. Taber has served as a corporate vice president since December 2008, including as a senior vice president from December 2010 through February 2020.

During his more than 40 years at Kodak, Taber has been involved in new materials research, product development and commercialization, manufacturing, and executive positions in R&D and business management.

Taber's early responsibilities included research on new synthetic materials, an area in which he holds several patents, program manager for several film products, worldwide consumer film business product manager, Associate Director of R&D and director of Materials & Media R&D.

Taber received a B.S. degree in Chemistry from Purdue University and a Ph.D. in Organic Chemistry from the California Institute of Technology. He also received an M.S. in General Management from MIT as a Kodak Sloan Fellow. In past board service, he was a founding Board Member of the Innovation & Material Sciences Institute and served on the Executive Advisory Board of FIRST Rochester (For Inspiration and Recognition of Science and Technology). Taber currently serves on the George Eastman Museum Board, effective June 2018. He also serves on the Executive Committee of the Greater Rochester Chamber of Commerce and on the Board of Trustees for Roberts Wesleyan College and Northeastern Seminary.

Randy D. Vandagriff

Effective January 2020, Randy D. Vandagriff is Senior Vice President of Print, with senior responsibilities relating to the Digital Print segment. He reports to Executive Chairman Jim Continenza.

From May 1, 2017 to January 2020 Vandagriff was President, Enterprise Inkjet Systems Division, responsible for delivering commercial inkjet technology, printers and solutions to the market. Vandagriff has spent his 37-year career innovating inkjet technology for the printing market. From January 2004 to August 2012, Vandagriff was Vice President, Research and Development for Kodak Versamark, responsible for leading a worldwide R&D organization responsible for developing four generations of inkjet technologies and delivering industry-leading performance, including Kodak Stream and Ultrastream inkjet technologies. From January 2015 to May 2017, Vandagriff led the Kodak Creo Server business located in Tel Aviv, Israel. He has served as a corporate vice president since May 2017.

In addition to his strong product development capabilities, Vandagriff has traveled internationally, working with key Kodak customers to successfully implement commercial inkjet into their production processes. His respected knowledge, broad background, and deep industry network has contributed to making Kodak the world's leader in high volume variable printing solutions.

Vandagriff holds an MBA degree from the University of Phoenix and a Bachelor of Science in Mechanical Engineering from Wright State University.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is listed on the New York Stock Exchange (NYSE) under the symbol "KODK".

There were 2,082 shareholders of record of common stock on December 31, 2020.

Information regarding securities authorized for issuance under equity compensation plans is included in Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" under the caption "Equity Compensation Plan Information."

DIVIDEND INFORMATION

No dividends on common stock were declared or paid during 2020 or 2019.

Dividends for common shareholders may be restricted under Kodak's Term Loan Credit Agreement, ABL Credit Agreement, the Series B Preferred Stock and the Series C Preferred Stock.

ISSUER PURCHASES OF EQUITY SECURITIES DURING THE QUARTER ENDED DECEMBER 31, 2020

There were no issuer purchases of equity securities with an effective date in the quarter ended December 31, 2020.

ITEM 6. SELECTED FINANCIAL DATA

Kodak is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information under this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the results of operations and financial condition of Kodak for the years ended December 31, 2020 and 2019. All references to Notes relate to Notes to the Financial Statements in Item 8. "Financial Statements and Supplementary Data."

CAUTIONARY STATEMENT PURSUANT TO SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report on Form 10-K includes "forward-looking statements" as that term is defined under the Private Securities Litigation Reform Act of 1995.

Forward-looking statements include statements concerning Kodak's plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, liquidity, investments, financing needs and business trends and other information that is not historical information. When used in this document, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "predicts," "forecasts," "strategy," "continues," "goals," "targets" or future or conditional verbs, such as "will," "should," "could," or "may," and similar expressions, as well as statements that do not relate strictly to historical or current facts, are intended to identify forward-looking statements. All forward-looking statements, including management's examination of historical operating trends and data, are based upon Kodak's expectations and various assumptions. Future events or results may differ from those anticipated or expressed in the forward-looking statements. Important factors that could cause actual events or results to differ materially from the forward-looking statements include, among others, the risks and uncertainties described in more detail in this report on Form 10-K under the headings "Business," "Risk Factors," "Legal Proceedings" and/or "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources," and in other filings the Company makes with the SEC from time to time, as well as the following:

- Kodak's ability to improve and sustain its operating structure, cash flow, profitability and other financial results;
- Kodak's ability to achieve cash forecasts, financial projections, and projected growth;
- Kodak's ability to achieve the financial and operational results contained in its business plans;
- Kodak's ability to comply with the covenants in its various credit facilities;
- Kodak's ability to fund continued investments, capital needs and restructuring payments and service its debt and Series B Preferred Stock and Series C Preferred Stock;
- The impact of the global economic environment or medical epidemics such as the COVID-19 pandemic;
- The impact of the investigations, litigations and claims arising out of the circumstances surrounding the DFC Announcement;
- Changes in foreign currency exchange rates, commodity prices, interest rates and tariff rates;
- Kodak's ability to effectively anticipate technology trends and develop and market new products, solutions and technologies;
- Kodak's ability to effectively compete with large, well-financed industry participants;
- Continued sufficient availability of borrowings and letters of credit under the ABL Credit Agreement and L/C Facility Agreement, Kodak's ability to obtain additional financing if and as needed and Kodak's ability to provide or facilitate financing for its customers;
- The performance by third parties of their obligations to supply products, components or services to Kodak and the ability to address supply chain disruptions and continue to obtain raw materials and components available from single sources of supply; and
- Kodak's ability to effect strategic transactions, such as acquisitions, strategic alliances, divestitures and similar transactions, or to achieve the benefits sought to be achieved from such strategic transactions.

There may be other factors that may cause Kodak's actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to Kodak or persons acting on its behalf apply only as of the date of this report on Form 10-K and are expressly qualified in their entirety by the cautionary statements included in this document. Kodak undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, except as required by law.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Revenue Recognition

Kodak's revenue transactions include sales of products (such as components and consumables for use in Kodak, and other manufacturers' equipment, specialty materials and film-based products), equipment, software, services, integrated solutions, and intellectual property and brand licensing. Complex arrangements with nonstandard terms and conditions may require significant contract interpretation to determine the appropriate accounting, including the allocation of transaction price to the various performance obligations and determination of the stand-alone selling price of each performance obligation. For equipment sales, revenue recognition may depend on completion of installation based on the type of equipment, level of customer specific customization and other contractual terms. In instances in which the agreement with the customer contains a customer acceptance clause, revenue is deferred until customer acceptance is obtained, provided the customer acceptance clause is considered to be substantive.

At the time revenue is recognized, Kodak also records reductions to revenue for customer incentive programs. Such incentive programs include cash and volume discounts and promotional allowances. For those incentives that require the estimation of sales volumes or redemption rates, such as for volume rebates, Kodak uses historical experience and both internal and customer data to estimate the sales incentive at the time revenue is recognized. In the event that the actual results of these items differ from the estimates, adjustments to the sales incentive accruals are recorded. Future market conditions and product transitions may require Kodak to take actions to increase customer incentive offers, possibly resulting in an incremental reduction of revenue at the time the incentive is offered.

Valuation and Useful Lives of Long-Lived Assets, Including Goodwill and Intangible Assets

Kodak performs a test for goodwill impairment annually and whenever events or changes in circumstances occur that would more likely than not reduce the fair value of the reporting unit below its' carrying amount.

Goodwill is tested for impairment at a level of reporting referred to as a reporting unit, which is an operating segment or one level below an operating segment (a component) if the component constitutes a business for which discrete financial information is available and regularly reviewed by segment management.

As a result of the change in segments that became effective as of January 1, 2020, Kodak's goodwill reporting units changed. The Digital Printing segment has three goodwill reporting units: Electrophotographic Printing Solutions, Prosper and Versamark, and Software. The Advanced Materials and Chemicals segment has two goodwill reporting units: Motion Picture and Industrial Films and Chemicals, and Advanced Materials and Functional Printing. The Traditional Printing segment, Brand segment and Eastman Business Park segment each have one goodwill reporting unit.

As of December 31, 2019, the goodwill balance of \$12 million under the prior year segment reporting structure was comprised of \$6 million for the Brand, Film and Imaging segment and \$6 million for the Kodak Software segment, which had only one reporting unit (Software). The goodwill in the Brand, Film and Imaging segment was reported in the Consumer Products reporting unit.

The goodwill previously reported in the Consumer Products goodwill reporting unit was transferred to the Brand goodwill reporting unit using a relative fair value allocation to affected reporting units. Goodwill previously reported in the Software reporting unit was transferred to the Digital Printing segment and remains in its own reporting unit. As of December 31, 2020, goodwill is recorded in the Brand and Software reporting units.

Determining the fair value of a reporting unit involves the use of significant estimates and assumptions. Kodak estimates the fair value of its reporting units using the guideline public company method and discounted cash flow method. To estimate fair value utilizing the guideline public company method, Kodak applies valuation multiples, derived from the operating data of publicly-traded benchmark companies, to the same operating data of the reporting units. The valuation multiples are based on earnings before interest, taxes, depreciation and amortization ("EBITDA"). To estimate fair value utilizing the discounted cash flow method, Kodak establishes an estimate of future cash flows for each reporting unit and discounts those estimated future cash flows to present value.

Kodak performed a quantitative test of impairment for all reporting units for its annual goodwill impairment test as of December 31, 2020. Kodak utilized the discounted cash flow method and guideline public company method to estimate the fair value of reporting units with goodwill. For these reporting units, Kodak selected equal weighting of the guideline public company method and the discounted cash flow method as the valuation approaches produced comparable ranges of fair value. Fair values for the other reporting units were estimated using the discounted cash flow method only.

To estimate fair value utilizing the discounted cash flow method, Kodak established an estimate of future cash flows for the period ranging from January 1, 2021 to December 31, 2025 and discounted the estimated future cash flows to present value. The expected cash flows were derived from earnings forecasts and assumptions regarding growth and margin projections, as applicable. The discount rates are estimated based on an after-tax weighted average cost of capital ("WACC") for each reporting unit reflecting the rate of return that would be expected by a market participant. The WACC also takes into consideration a company specific risk premium for each reporting unit reflecting the risk associated with the overall uncertainty of the financial projections. Discount rates of 14% to 30% were utilized in the valuation based on Kodak's best estimates of the after-tax WACC of each reporting unit.

A terminal value was included for all reporting units at the end of the cash flow projection period to reflect the remaining value that the reporting unit is expected to generate. The terminal value was calculated using either the constant growth method ("CGM") based on the cash flows of the final year of the discrete period or the H-model, which assumes the growth during the terminal period starts at a higher rate and declines in a linear manner over a specified transition period toward a stable growth rate.

Based upon the results of Kodak's December 31, 2020 analysis, Kodak concluded that the fair value of the reporting units substantially exceeded their carrying values, therefore no impairment of goodwill was indicated. Impairment of goodwill could occur in the future if a reporting unit's fair value changes significantly, if Kodak's market capitalization significantly declines, if a reporting unit's carrying value changes materially compared with changes in its fair values, or as a result of changes in operating segments or reporting units.

Kodak performed interim tests of impairment for goodwill as of June 30, 2020 due to the continued uncertainty regarding the negative impact of the COVID-19 pandemic on its operations, and as of March 31, 2020, due to the decline in market capitalization as of that date since the last goodwill impairment test (December 31, 2019) and the uncertainty regarding the negative impact of the COVID-19 pandemic at that time. Kodak utilized the discounted cash flow method to estimate the fair value of all reporting units for both tests. Kodak established an estimate of future cash flows for the period ranging from July 1, 2020 to December 31, 2024 for the June 30, 2020 interim test, and April 1, 2020 to December 31, 2024 for the March 31, 2020 interim test. The future cash flows were discounted to present value. The expected cash flows were derived from earnings forecasts and assumptions regarding the timing and impact of the COVID-19 pandemic on each reporting unit as of each applicable interim test date. The discount rates are estimated based on an after-tax WACC for each reporting unit reflecting the rate of return that would be expected by a market participant. The WACC also takes into consideration a company specific risk premium for each reporting unit reflecting the risk associated with the overall uncertainty of the financial projections. Discount rates of 16% to 55% were utilized in the June 30, 2020 valuation, and 21% to 55% for the March 31, 2020 valuation, both based on Kodak's best estimates of the after-tax WACC of each reporting unit as of the applicable valuation date.

A terminal value was included for all reporting units at the end of the cash flow projection period to reflect the remaining value that the reporting unit is expected to generate. The terminal value was calculated using either the CGM based on the cash flows of the final year of the discrete period or the H-model, which assumes the growth during the terminal period starts at a higher rate and declines in a linear manner over a specified transition period toward a stable growth rate.

Based upon the results of Kodak's June 30, 2020 and March 31, 2020 analyses, no impairment of goodwill was indicated. No interim impairment test for goodwill was performed as of September 30, 2020.

The carrying value of the indefinite-lived intangible asset related to the Kodak trade name is evaluated for potential impairment annually or whenever events or changes in circumstances indicate that it is more likely than not that the asset is impaired.

Kodak performed its annual test of impairment for the Kodak trade name as of December 31, 2020. The fair value of the Kodak trade name was valued using the income approach, specifically the relief from royalty method based on the following significant assumptions: (a) forecasted revenues ranging from January 1, 2021 to December 31, 2025, including a terminal year with growth rates ranging from -4.5% to 2.5%; (b) an after-tax royalty rate of 0.4% of expected net sales determined with regard to comparable market transactions and profitability analysis; and (c) discount rates ranging from 16% to 30%, which were based on the after-tax WACC.

Based on the results of Kodak's December 31, 2020 assessment, the fair value of the Kodak trade name exceeded its carrying value. Impairment of the Kodak trade name could occur in the future if expected revenues decline or if there are significant changes in the discount rates or royalty rates. A one percent increase in the discount rate and a 10% miss in expected revenues would impact the fair value of the Kodak trade name by \$3 million.

Kodak performed an interim impairment test of the Kodak trade name as of June 30, 2020 and March 31, 2020. The fair value of the Kodak trade name was valued using the income approach, specifically the relief from royalty method based on the following significant assumptions: (a) forecasted revenues ranging from July 1, 2020 to December 31, 2024 for the June 30, 2020 interim test, and April 1, 2020 to December 31, 2024 for the March 31, 2020 interim test, both valuations included a terminal year with growth rates ranging from -3% to 2.5% (b) an after-tax royalty rate of 0.4% of expected net sales, and (c) discount rates ranging from 16% to 25% for the June 30, 2020 interim test, and 23% to 32% for the March 31, 2020 interim test. The discount rates are based on the after-tax WACC.

Based on the results of Kodak's March 31, 2020 assessment, the carrying value of the Kodak trade name exceeded its fair value and Kodak recorded a pre-tax impairment charge of \$3 million. Based on the results of Kodak's June 30, 2020 assessment, the fair value of the Kodak trade name exceeded its carrying value. No interim impairment test for the Kodak tradename was deemed necessary as of September 30, 2020.

Long-lived assets other than goodwill and indefinite-lived intangible assets are evaluated for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. When evaluating long-lived assets for impairment, the carrying value of an asset group is compared to its estimated undiscounted future cash flows. An impairment is indicated if the estimated future cash flows are less than the carrying value of the asset group. The impairment is the excess of the carrying value over the fair value of the long-lived asset group. Kodak updated its estimate of undiscounted cash flows for each asset group as of June 30, 2020 and March 31, 2020 using a probability weighted approach in determining the likelihood of possible adverse impacts from the COVID-19 pandemic as of each applicable interim test date. In addition, Kodak updated its estimate of undiscounted cash flows for each asset group as of December 31, 2020. Based on the results of the impairment tests, no impairments were recorded.

The value of property, plant, and equipment is depreciated over its expected useful life in such a way as to allocate it as equitably as possible to the periods during which services are obtained from their use, which aims to distribute the value over the remaining estimated useful life of the unit in a systematic and rational manner. An estimate of useful life not only considers the economic life of the asset, but also the remaining life of the asset to the entity. Impairment of long-lived assets other than goodwill and indefinite lived intangible assets could occur in the future if expected future cash flows decline or if there are significant changes in the estimated useful life of the assets.

Series A Preferred Stock and Convertible Notes Embedded Conversion Features and Term Extension Derivatives

On November 15, 2016, the Company issued 2,000,000 shares of Series A Preferred Stock no par value per share. On May 24, 2019, the Company issued \$100 million aggregate principal amount of Convertible Notes. The Company concluded that the Series A Preferred Stock and Convertible Notes are considered more akin to debt-type instruments and that the economic characteristics and risks of the embedded conversion features and term extension at the Company's option (in the case of the Convertible Notes), except where the conversion price is increased to the liquidation preference in the case of the Series A Preferred Stock, were not considered clearly and closely related to the Series A Preferred Stock or the Convertible Notes. Accordingly, these embedded features were bifurcated from the Series A Preferred Stock and Convertible Notes and separately accounted for on a combined basis at fair value as two single derivatives. The Company allocated \$43 million of the net Series A Preferred Stock proceeds to the Series A Preferred Stock derivative liability based on the aggregate fair value of the embedded conversion features on the date of issuance which reduced the original carrying value of the Series A Preferred Stock. The Company allocated \$14 million of the net Convertible Notes proceeds to the Convertible Notes derivative liability based on the aggregate fair value of the embedded features on the date of issuance which reduced the original carrying value of the Convertible Notes. The derivatives are being accounted for at fair value with subsequent changes in the fair value being reported as part of Other charges, net in the Consolidated Statement of Operations. With the conversion of the Convertible Notes in the third quarter of 2020, the Convertible Notes derivative liability expired. The fair value of the Convertible Notes derivative was a liability of \$51 million at December 31, 2019 and was reported in Other long-term liabilities in the Consolidated Statement of Financial Position. The fair value of the Series A Preferred Stock derivative as of December 31, 2020 was a liability of \$9 million which is reported in Other current liabilities and as of December 31, 2019 was a liability of \$1 million which is included in Other long-term liabilities in the accompanying Consolidated Statement of Financial Position.

The fair value of the embedded conversion features derivative is calculated using unobservable inputs (Level 3 fair measurements). The value of the Optional Conversion associated with the Series A Preferred Stock is calculated using a binomial lattice model.

The following table presents the key inputs in the determination of fair value for the Series A Preferred Stock embedded conversion features derivative:

	Valuation Date	
	2020	December 31, 2019
Total value of embedded derivative liability (in millions)	\$ 9	\$ 1
Kodak's closing stock price	8.14	4.65
Expected stock price volatility	133.44%	104.61%
Risk free rate	0.10%	1.58%
Yield on the preferred stock	11.97%	16.27%

The Fundamental Change and Reorganization Conversion values at issuance were calculated as the difference between the total value of the Series A Preferred Stock and the sum of the net present value of the cash flows if the Series A Preferred Stock is redeemed on its fifth anniversary and the values of the other embedded derivatives. The Fundamental Change and Reorganization Conversion values reduce the value of the embedded conversion features derivative liability. Other than events which alter the likelihood of a fundamental change or reorganization event, the value of the Fundamental Change and Reorganization Conversion reflects the value as of the issuance date, amortized for the passage of time.

Taxes

Kodak recognizes deferred tax liabilities and assets for the expected future tax consequences of operating losses, credit carry-forwards and temporary differences between the carrying amounts and tax basis of Kodak's assets and liabilities.

Kodak records a valuation allowance to reduce its net deferred tax assets to the amount that is more likely than not to be realized. Kodak has considered forecasted earnings, future taxable income, the geographical mix of earnings in the jurisdictions in which Kodak operates and prudent and feasible tax planning strategies in determining the need for these valuation allowances. As of December 31, 2020, Kodak has net deferred tax assets before valuation allowances of approximately \$1,081 million and a valuation allowance related to those net deferred tax assets of approximately \$1,112 million, resulting in net deferred tax liabilities of approximately \$31 million.

Kodak considers both positive and negative evidence, in determining whether a valuation allowance is needed by territory, including, but not limited to, whether particular entities are in three-year cumulative income positions. As of March 31, 2020, Kodak determined that it was more likely than not that deferred tax assets outside the U.S. which were not offset with valuation allowances as of March 31, 2020 would not be realized due to reductions in estimates of future profitability as a result of the COVID-19 pandemic in locations outside the U.S. Accordingly, Kodak recorded a provision of \$167 million associated with the establishment of a valuation allowance on those deferred tax assets. During 2019, Kodak determined that it was more likely than not that a portion of the deferred tax assets outside the U.S. would not be realized due to reduced sales volumes and profits in locations outside the U.S. and accordingly recorded a provision of \$19 million associated with the establishment of a valuation allowance on those deferred tax assets.

Kodak may be able to make the determination that the realization of deferred tax assets in certain foreign jurisdictions is more likely than not in the future. Kodak will continue to evaluate whether valuation allowances are needed, at a jurisdictional level, in future reporting periods. It is possible that sufficient positive evidence, including sustained profitability, may become available in future periods with respect to one or more jurisdictions to reach a conclusion that all or part of the valuation allowance with respect to such jurisdictions could be reversed.

Utilization of net operating losses ("NOL") and tax credits may be subject to limitations in the event of significant changes in stock ownership of the Company in the future. Section 382 of the Internal Revenue Code of 1986, as amended, imposes annual limitations on the utilization of NOL carryforwards, other tax carryforwards, and certain built-in losses as defined under that Section, upon an ownership change. In general terms, an ownership change may result from transactions that increase the aggregate ownership of five percent stockholders in Kodak's stock by more than 50 percentage points over a three-year testing period. The Company has a relatively high concentration of stockholders that hold 5% or more of the outstanding stock. Future transactions, when combined with reported transactions within the testing period could aggregate an ownership change during the testing period in excess of 50 percentage points. A Section 382 ownership change would significantly impair Kodak's ability to utilize NOLs and tax credits in the U.S. As of December 31, 2020, Kodak had available U.S. NOL carry-forwards for income tax purposes of approximately \$1,309 million and unused foreign tax credits of \$358 million. Any impairment of these tax attributes would be fully offset by a corresponding decrease in Kodak's U.S. valuation allowance, which would result in no net tax provision.

Kodak has deferred tax liabilities of \$22 million and \$19 million for potential taxes on undistributed earnings, including foreign withholding taxes, as of December 31, 2020 and 2019, respectively.

In general, the amount of tax expense or benefit from continuing operations is determined without regard to the tax effects of other categories of income or loss, such as Other comprehensive (loss) income. However, an exception to this rule applies when there is a loss from continuing operations and income from items outside of continuing operations that must be considered. This exception requires that income from discontinued operations, extraordinary items, and items charged or credited directly to other comprehensive income be considered in determining the amount of tax benefit that results from a loss in continuing operations. This exception affects the allocation of the tax provision amongst categories of income.

Kodak operates within multiple taxing jurisdictions worldwide and is subject to audit in these jurisdictions. These audits can involve complex issues, which may require an extended period of time for resolution. Management's ongoing assessments of the outcomes of these issues and related tax positions require judgment, and although management believes that adequate provisions have been made for such issues, there is the possibility that the ultimate resolution of such issues could have an adverse effect on the earnings of Kodak. Conversely, if these issues are resolved favorably in the future, the related provisions would be reduced, thus having a positive impact on earnings.

Pension and Other Postretirement Benefits

Kodak's defined benefit pension and other postretirement benefit costs and obligations are estimated using several key assumptions. These assumptions, which are reviewed at least annually by Kodak, include the discount rate, long-term expected rate of return on plan assets ("EROA"), salary growth, healthcare cost trend rate, mortality trends and other economic and demographic factors. Actual results that differ from Kodak's assumptions are recorded as unrecognized gains and losses and are amortized to earnings over the estimated future service period of the active participants in the plan or, if the plan is almost entirely inactive, the average remaining lifetime expectancy of inactive participants, to the extent such total net unrecognized gains and losses exceed 10% of the greater of the plan's projected benefit obligation or the calculated value of plan assets. Significant differences in actual experience or significant changes in future assumptions would affect Kodak's pension and other postretirement benefit costs and obligations.

Asset and liability modeling studies are utilized by Kodak to adjust asset exposures and review a liability hedging program through the use of forward-looking correlation, risk and return estimates.

Those forward-looking estimates of correlation, risk and return generated from the modeling studies are also used to estimate the EROA. The EROA is estimated utilizing a forward-looking building block model factoring in the expected risk of each asset category, return and correlation over a five to seven-year horizon, and weighting the exposures by the current asset allocation.

Historical inputs are utilized in the forecasting model to frame the current market environment with adjustments made based on the forward-looking view. Kodak aggregates investments into major asset categories based on the underlying benchmark of the strategy. Kodak's asset categories include broadly diversified exposure to U.S. and non-U.S. equities, U.S. and non-U.S. government and corporate bonds, inflation-linked bonds, commodities and absolute return strategies. Each allocation to these major asset categories is determined within the overall asset allocation to accomplish unique objectives, including enhancing portfolio return, providing portfolio diversification, or hedging plan liabilities.

The EROA, once set, is applied to the calculated value of plan assets in the determination of the expected return component of Kodak's pension expense. Kodak uses a calculated value of plan assets, which recognizes gains and losses in the fair value of assets over a four-year period, to calculate expected return on assets. At December 31, 2020, the calculated value of the assets of Kodak's major U.S. and non-U.S. defined benefit pension plans was approximately \$4.1 billion and the fair value of the assets of Kodak's major U.S. and non-U.S. defined benefit pension plans was approximately \$4.4 billion. Asset gains and losses that are not yet reflected in the calculated value of plan assets are not included in amortization of unrecognized gains and losses.

Kodak reviews its EROA assumption annually. To facilitate this review, every three years, or when market conditions change materially, Kodak's larger plans will undertake asset allocation or asset and liability modeling studies. The weighted average EROA used to determine the 2020 net pension expense for major U.S. and non-U.S. defined benefit pension plans was 6.00% and 3.27%, respectively.

Generally, Kodak bases the discount rate assumption for its significant plans on high quality corporate bond yields in the respective countries as of the measurement date. Specifically, for its U.S., Canadian, Euro-zone and UK plans, Kodak determines a discount rate using a cash flow model to incorporate the expected timing of benefit payments and an AA-rated corporate bond yield curve. For Kodak's U.S. plans, the Citigroup Above Median Pension Discount Curve is used. For Kodak's other non-U.S. plans, discount rates are determined by comparison to published local high-quality bond yields or indices considering estimated plan duration and removing any outlying bonds, as warranted.

Kodak uses the spot yield curve approach to estimate the service and interest costs by applying the specific spot rates along the yield curve used to determine the benefit obligations to relevant projected cash outflows.

The salary growth assumptions are determined based on Kodak's long-term actual experience and future and near-term outlook. The healthcare cost trend rate assumptions are based on historical cost and payment data, the near-term outlook and an assessment of the likely long-term trends.

The following table illustrates the sensitivity to a change to certain key assumptions used in the calculation of expense for the year ending December 31, 2021 and the projected benefit obligation ("PBO") at December 31, 2020 for Kodak's major U.S. and non-U.S. defined benefit pension plans:

(in millions)	Impact on 2021 Pre-Tax Pension Expense Increase (Decrease)		Impact on PBO December 31, 2020 Increase (Decrease)	
	U.S.	Non-U.S.	U.S.	Non-U.S.
	Change in assumption:			
25 basis point decrease in discount rate	\$ 6	\$ 1	\$ 99	\$ 34
25 basis point increase in discount rate	(3)	—	(74)	(25)
25 basis point decrease in EROA	8	2	N/A	N/A
25 basis point increase in EROA	(8)	(2)	N/A	N/A

Total pension income from continuing operations before special termination benefits, curtailments and settlements for the major defined benefit pension plan in the U.S. was \$91 million for 2020 and is expected to be approximately \$86 million in 2021. Pension income from continuing operations before special termination benefits, curtailments and settlements for the major non-U.S. defined benefit pension plans was less than \$1 million for 2020 and is projected to be \$3 million of expense in 2021.

Workers' Compensation

Kodak self-insures and participates in high-deductible insurance programs with retention and per occurrence deductible levels for claims related to workers' compensation. The estimated liability for workers' compensation is based on actuarially estimated, discounted cost of claims, including claims incurred but not reported. Historical loss development factors are utilized to project the future development of incurred losses, and the amounts are adjusted based on actual claim experience, settlements, claim development trends, changes in state regulations and judicial interpretations.

A 25 basis-point change in the discount rate would have had a \$2 million impact on the expense and net liability as of December 31, 2020.

Stock Compensation

Officers, directors and employees of the Company and its consolidated subsidiaries are eligible to receive awards. The principal awards issued are non-qualified stock options and restricted stock units. Stock options are at exercise prices equal to or greater than the closing price of Kodak's stock on the date of grant and expire seven years after the grant date. Stock-based compensation awards granted under Kodak's stock incentive plan are generally subject to a three-year vesting period from the date of grant, or a later date as determined by the Executive Compensation Committee.

Compensation expense is recognized over the service or performance period for each separately vesting tranche of the award and is adjusted for actual forfeitures before vesting. Kodak assesses the likelihood that performance-based shares will be earned based on the probability of meeting the performance criteria. For those performance-based awards that are deemed probable of achievement, expense is recorded, and for those awards that are deemed not probable of achievement, no expense is recorded. Kodak assesses the probability of achievement each quarter.

The fair value of restricted stock units is based on the closing market price of the Company's stock on the grant date.

Kodak generally utilizes the Black-Scholes option valuation model to estimate the fair value of stock options. The expected term of options granted is the period of time the options are expected to be outstanding and is calculated using a simplified method based on the option's vesting period and original contractual term. The historical volatility of the Company's stock is used to estimate expected volatility. The risk-free rate is based on the yield on U.S. Treasury notes with a term equal to the option's expected term.

Given the volatility of the Company's stock price in the third quarter of 2020, the Company utilized a lattice-based valuation model to value time-based vesting awards granted July 27, 2020 and a Monte Carlo simulation valuation model to value options granted on July 27, 2020 which vested upon conversion of the Convertible Notes.

Inventories

Inventories are stated at the lower of cost or market. Carrying values of excess and obsolete inventories are reduced to net realizable value. Judgment is required to assess the ultimate demand for and realizable value of inventory. The analysis of inventory carrying values considers several factors including length of time inventory is on hand, historical sales, product shelf life, product life cycle, product category, and product obsolescence.

Accounts Receivable Reserves

Accounts receivable reserves are based on historical collections experience as well as reserves for specific receivables deemed to be at risk for collection. The collectability of customer receivables is reviewed on an ongoing basis considering past due invoices and the current creditworthiness of each customer. Judgment is required in assessing the ultimate realization of accounts receivables.

New Accounting Pronouncements

A description of new accounting pronouncements is contained in Note 1, "Summary of Significant Accounting Policies".

OVERVIEW

Revenue declined \$213 million (17%) from 2019 to 2020. Currency impacted revenue favorably in 2020 compared to 2019 (\$9 million).

Segments within the print industry and the film industry face competition from digital substitution. Kodak's strategy is to:

- Focus product investment in core competency areas of print, advanced materials and chemicals, leveraging Kodak's proprietary technologies to deliver technologically advanced products in the product goods packaging, graphic communications, and functional printing markets;
- Grow revenues through a focus on customers across Kodak's print divisions, increasing overall share;
- Promote the use of film and expand the applications of Kodak's film and chemicals to best utilize the existing infrastructure; and
- Continue to streamline processes to drive cost reductions and improve operating leverage.

A discussion of opportunities and challenges related to Kodak's strategy follows:

- The COVID-19 pandemic had a material impact on 2020 revenues and earnings. The duration and extent of demand declines and recovery is unclear. Kodak has worked closely with government officials in the jurisdictions where it operates to keep its manufacturing facilities open. The manufacturing facilities have generally been operating at below normal capacity during the pandemic to date. Kodak has endeavored to address the recommended actions of government and health authorities to protect employees world-wide, with particular measures in place for those working in plants and distribution facilities. Kodak intends to continue to work with government authorities and implement employee safety measures so that the manufacturing and distribution of products during the pandemic can continue. However, uncertainty resulting from the pandemic could result in an unforeseen disruption to Kodak's operations or supply chain. Kodak reduced operating costs, largely beginning in the second quarter of 2020, through the use of temporary furloughs and pay cuts (approximately \$25 million in 2020) for its employees and direct government assistance around the world reimbursing certain salary and benefits of employees (approximately \$8 million in 2020). The furloughs and pay cuts were maintained through the end of 2020 and largely ended in January 2021.
- Traditional Printing's digital plate products include traditional digital plates and KODAK SONORA Process Free Plates. SONORA Process Free Plates allow Kodak customers to skip the plate processing step prior to mounting plates on a printing press. This improvement in the printing process saves time and costs for customers. Also, SONORA Process Free Plates reduce the environmental impact of the printing process because they eliminate the use of chemicals (including solvents), water and power that is otherwise required to process a traditional plate. While traditional digital plate offerings are experiencing volume and pricing pressure, innovations in Kodak product lines which command premium prices, such as SONORA Process Free Plates, are expected to offset some of the long-term price erosion in the market and manufacturing efficiencies. Traditional Printing's revenues accounted for 58% of Kodak's total revenues in 2020. Traditional Printing's revenues declined \$135 million (19%) in 2020. The prior year period included \$13 million of intellectual property licensing revenue associated with the strategic relationship established with HuaGuang in September 2019. Excluding the \$13 million of licensing revenue, 2020 revenues declined \$122 million, primarily reflecting volume and pricing declines. Segment earnings declined by \$27 million (56%) compared to the prior year period, reflecting the license revenue in the prior year, the impact of reduced volumes on manufacturing costs and revenue partially offset by operating cost reductions through the use of temporary furloughs and pay cuts.

None of the Traditional Printing segment's manufacturing facilities were ordered to close by governmental authorities. Many of the segment's customers around the globe continued to operate, but at decreased volumes. Therefore, demand for the segment's products declined. The Traditional Printing segment may also be impacted by supply chain disruptions and travel restrictions. With the decline in customer demand, manufacturing volumes were reduced. The duration and extent of demand declines and recovery is unclear. Manufacturing employees were temporarily furloughed, as necessary, under reduced production plans. The segment utilized furloughs and pay-cuts for non-manufacturing employees in a way which allowed continued operation and product development.

- In Digital Printing, the legacy Versamark business is expected to continue to decline as a percentage of the segment's total revenue as the Prosper business continues to grow. The Prosper Inkjet Systems business is expected to continue to build profitability, excluding the negative impacts during the COVID-19 pandemic. Investment in the next generation technology, Ultrastream, is focused on the ability to place Ultrastream writing systems in OEM and hybrid applications. Digital Printing revenue declined \$52 million (18%) in 2020, primarily reflecting volume declines. Despite the revenue declines, segment earnings only declined \$1 million (11%) from 2019 to 2020 driven by cost reductions.

None of the Digital Printing segment's manufacturing facilities were ordered to close by governmental authorities. Many of the segment's customers around the globe continued to operate, but at decreased volumes. Therefore, demand for the segment's products declined. The Digital Printing segment may also be impacted by supply chain disruptions and travel restrictions. With the decline in customer demand, manufacturing volumes were reduced.

The duration and extent of demand declines and recovery is unclear. Manufacturing employees were temporarily furloughed, as necessary, under reduced production plans. The segment utilized furloughs and pay-cuts for non-manufacturing employees in a way which allowed continued operation and product development.

- Advanced Materials and Chemicals revenue declined \$28 million (14%) from 2019 to 2020. The segment loss improved \$11 million (32%) from 2019 to 2020 due to price increases on consumer still photographic film and solvents as well as operating cost reductions. Kodak plans to continue to promote the use of film to utilize as much film manufacturing capacity as possible.

Advanced Materials and Chemicals has experienced adverse impacts from the COVID-19 pandemic, most notably in Motion Picture where the industry has been heavily impacted and productions in affected regions had been suspended. None of the Advanced Materials and Chemicals segment's manufacturing facilities were ordered to close by governmental authorities. However, each of the segment's product lines was impacted by lowered demand and may also be impacted by supply chain disruptions and travel restrictions. The duration and extent of demand declines and recovery is unclear. Manufacturing volumes were reduced due to the customer demand decline in the near-term. Manufacturing employees were temporarily furloughed, as necessary, under reduced production plans.

- Kodak is working to organically expand its KSM production at Eastman Business Park in Rochester, New York while exploring alternatives to obtain necessary cGMP and FDA certification to make regulated KSMs and active pharmaceutical ingredients ("APIs") and otherwise utilize its assets and technology in the healthcare space. Depending on its assessment of the business opportunity and availability of capital, Kodak may also explore alternative means to further expand its chemical manufacturing operations for purposes of producing materials to support the healthcare industry. A portion of the capital raised by the Company on February 26, 2021 is being used to fund these exploratory activities and may be used to fund expansion opportunities that the Company considers attractive.
- Film and related component manufacturing operations and Kodak Research Laboratories utilize capacity at Eastman Business Park ("EBP"), which helps cost absorption for both Kodak operations and tenants at Eastman Business Park.
- Kodak plans to capitalize on its intellectual property through new business or licensing opportunities, focusing on opportunities in smart material applications and printed electronics markets and also pursuing limited opportunities in 3D printing materials.

DETAILED RESULTS OF OPERATIONS

Net Revenues from Continuing Operations by Reportable Segment

(in millions)	Year Ended December 31,	
	2020	2019
Traditional Printing	\$ 592	\$ 727
Digital Printing	241	293
Advanced Materials and Chemicals	172	200
Brand	13	12
Total of reportable segments	1,018	1,232
Other	11	10
Consolidated total	\$ 1,029	\$ 1,242

Segment Operational EBITDA and Consolidated Loss from Continuing Operations Before Income Taxes

(in millions)	Year Ended December 31,	
	2020	2019
Traditional Printing	\$ 21	\$ 48
Digital Printing	(10)	(9)
Advanced Materials and Chemicals	(23)	(34)
Brand	11	8
Other	1	(1)
Depreciation and amortization	(37)	(55)
Restructuring costs and other	(17)	(16)
Stock-based compensation	(15)	(7)
Consulting and other costs ⁽¹⁾	(9)	(7)
Idle costs ⁽²⁾	(3)	(5)
Former CEO separation agreement compensation	—	(2)
Other operating income (expense), net, excluding income from transition services agreement ⁽³⁾	7	(22)
Interest expense ⁽⁴⁾	(12)	(16)
Pension income excluding service cost component ⁽⁴⁾	98	104
Loss on early extinguishment of debt	(2)	—
Other charges, net ⁽⁴⁾	(386)	(46)
Consolidated loss from continuing operations before income taxes	\$ (376)	\$ (60)

- (1) Consulting and other costs are primarily professional services and internal costs associated with certain corporate strategic initiatives and investigations, including the divestiture of FPD and debt refinancing in 2019.
- (2) Consists of third-party costs such as security, maintenance, and utilities required to maintain land and buildings in certain locations not used in any Kodak operations and the costs, net of any rental income received, of underutilized portions of certain properties.
- (3) \$6 million of income from the transition services agreement with the purchaser of FPD ("Purchaser") was recognized in the each of the years ended December 31, 2020 and 2019. The income was reported in Other operating (income) expense, net in the Consolidated Statement of Operations. Other operating (income) expense, net is typically excluded from the segment measure. However, the income from the transition services agreement was included in the segment measure.
- (4) As reported in the Consolidated Statement of Operations.

Kodak increased employee benefit reserves by approximately \$4 million in 2020 reflecting an increase in workers' compensation reserves (\$7 million) partially offset by a decrease in postemployment benefit reserves (\$3 million). In 2019 workers' compensation reserves increased by approximately \$3 million. The increase in reserves in 2020 impacted gross profit and SG&A each by approximately \$2 million. The increase in reserves in 2019 impacted gross profit by approximately \$2 million and SG&A by approximately \$1 million.

RESULTS OF OPERATIONS

	Year Ended December 31, 2020	% of Sales	Year Ended December 31, 2019	% of Sales	\$ Change vs. 2019
Revenues	\$ 1,029		\$ 1,242		(213)
Cost of revenues	894		1,060		(166)
Gross profit	135	13%	182	15%	(47)
Selling, general and administrative expenses	172	17%	211	17%	(39)
Research and development costs	34	3%	42	3%	(8)
Restructuring costs and other	17	2%	16	1%	1
Other operating (income) expense, net	(14)	-1%	15	1%	(29)
Loss from continuing operations before interest expense, pension income excluding service cost component, loss on early extinguishment of debt, other charges, net and income taxes	(74)	(7%)	(102)	(8%)	28
Interest expense	12	1%	16	1%	(4)
Pension income excluding service cost component	(98)	(10%)	(104)	(8%)	6
Loss on early extinguishment of debt	2	0%	—	—	2
Other charges, net	386	38%	46	4%	340
Loss from continuing operations before income taxes	(376)	(37%)	(60)	(5%)	(316)
Provision for income taxes	168	16%	31	2%	137
Loss from continuing operations	(544)	(53%)	(91)	(7%)	(453)
Earnings from discontinued operations, net of income taxes	3	0%	207	17%	(204)
NET (LOSS) EARNINGS	<u>\$ (541)</u>	<u>(53%)</u>	<u>\$ 116</u>	<u>9%</u>	<u>(657)</u>

Revenues

For the year ended December 31, 2020, revenues decreased by approximately \$213 million compared with the same period in 2019. Volume declines and pricing and product mix within Traditional Printing (\$112 million and \$16 million, respectively) and volume declines in Digital Printing and Advanced Materials and Chemicals (\$58 million and \$42 million, respectively) drove the revenue declines. The revenue declines were offset by improved pricing and product mix in Advanced Materials and Chemicals (\$14 million) and favorable mix of products in Digital Printing (\$4 million) and favorable foreign currency (\$9 million). The prior year period also included intellectual property licensing revenue (\$13 million) associated with the HuaGuang relationship entered into in September 2019. See segment discussions for additional details.

Gross Profit

Gross profit for 2020 decreased by approximately \$47 million. The decrease reflected volume declines, unfavorable pricing and product mix as well as increased costs in Traditional Printing (\$13 million, \$16 million and \$4 million, respectively), volume declines and increased costs in Advanced Materials and Chemicals (each \$11 million), volume declines and unfavorable costs in Digital Printing (\$5 million and \$13 million, respectively) partially offset by favorable pricing and product mix in Advanced Materials and Chemicals (\$14 million), favorable mix of products in Digital Printing (\$4 million) and lower depreciation and amortization expenses (\$17 million). The prior year period also included intellectual property licensing revenue (\$13 million) associated with the HuaGuang relationship entered into in September 2019. See segment discussions for additional details.

Selling, General and Administrative Expenses

Consolidated SG&A for 2020 decreased \$39 million primarily due to lower investment in selling and marketing activities driven by cost reduction efforts (\$48 million). The temporary furloughs and pay cuts provided approximately \$7 million of the \$48 million reduction in 2020. Temporary government assistance programs provided approximately \$3 million. Additional savings were provided by headcount reductions. The savings provided by the lower investment in selling and marketing activities was partially offset by increased stock compensation expense (\$10 million) as discussed in Note 23, Stock-Based Compensation and an increase of \$2 million in consulting and project costs with the internal and external investigations that started in the third quarter of 2020. The 2019 period also included \$2 million of compensation related to the former CEO separation agreement while the 2020 period included increased bad debt expense primarily attributed to increased collection risk related to the COVID-19 pandemic (\$3 million).

Research and Development Costs

Consolidated R&D expenses decreased \$8 million in 2020 primarily due primarily due to cost reduction efforts.

Restructuring Costs and Other

These costs, as well as the restructuring costs reported in Cost of revenues, are discussed under the "Restructuring Costs and Other" section in this MD&A.

Other Operating (Income) Expense, Net

For details, refer to Note 16, "Other Operating (Income) Expense, Net."

Other Charges, Net

The change in Other charges, net was primarily driven by the embedded conversion features derivative liability associated with the Convertible Notes. Refer to Note 14, "Financial Instruments" and Note 17, "Other Charges, Net".

Pension Income

For details, refer to Note 20, "Retirement Plans."

Provision for Income Taxes

The Provision for income taxes in the year-to-date period was primarily driven by the \$167 million provision associated with the establishment of a valuation allowance on deferred tax assets outside the U.S. Refer to Note 18, "Income Taxes".

Discontinued Operations

Discontinued operations of Kodak include the Flexographic Packaging segment. Refer to Note 29, "Discontinued Operations" in the Notes to Financial Statements for additional information.

TRADITIONAL PRINTING SEGMENT**Revenues**

	Year Ended December 31,		
	2020	2019	\$ Change
Revenues	\$ 592	\$ 727	\$ (135)
Operational EBITDA	21	48	(27)
Operational EBITDA as a % of revenues	4%	7%	

Revenues

The decrease in Traditional Printing revenues of approximately \$135 million primarily reflected volume and pricing declines (\$97 million and \$16 million, respectively) in Prepress Solutions consumables and volume declines in Prepress Solutions service (\$6 million) and equipment (\$10 million) offset by favorable pricing and product mix (\$2 million) in Prepress equipment and favorable foreign currency (\$6 million). In addition, the prior year period included \$13 million of intellectual property licensing revenue associated with the HuaGuang relationship. The volume declines were primarily driven by COVID-19 pandemic related declines in customer demand.

Operational EBITDA

Traditional Printing Operational EBITDA declined approximately \$27 million primarily due to volume and pricing declines (\$11 million and \$16 million, respectively) in Prepress Solutions consumables, volume declines in Prepress service (\$3 million) and higher manufacturing costs driven by unfavorable cost absorption from the volume declines (\$10 million) partially offset by lower SG&A expenses (\$22 million) driven by headcount reductions, temporary furloughs and pay cuts as well as lower aluminum costs in the current year (\$8 million). In addition, the prior year period included \$13 million of intellectual property licensing revenue associated with the HuaGuang relationship and \$2 million of cost reductions due to retroactive exemptions from U.S. tariffs imposed on aluminum purchases in 2018. The U.S tariffs were imposed on aluminum purchases in 2018 and were included as part of the cost of plates sold in 2018.

DIGITAL PRINTING SEGMENT

	Year Ended December 31,		
	2020	2019	\$ Change
Revenues	\$ 241	\$ 293	\$ (52)
Operational EBITDA	(10)	(9)	(1)
Operational EBITDA as a % of revenues	-4%	-3%	

Revenues

The decrease in Digital Printing revenues of approximately \$52 million primarily reflected volume declines in Electrophotographic Printing Solutions consumables and service (\$27 million), Electrophotographic Printing Solutions equipment (\$14 million), PROSPER consumables and service (\$5 million), PROSPER systems (\$3 million) and Software (\$4 million) as well as product mix in PROSPER systems (\$3 million), all of which were driven by the decline in customer demand due to the COVID-19 pandemic.

There were also volume declines in VERSAMARK service and consumables (\$10 million) due to both declines in the installed base of VERSAMARK systems and the COVID 19 pandemic. The declines were partially offset by improved volume and favorable product mix in PROSPER components (\$5 million and \$3 million, respectively) and favorable product mix in Electrophotographic Printing Solutions equipment (\$2 million) and well as favorable foreign currency (\$2 million).

Operational EBITDA

The decrease in Digital Printing Operational EBITDA of \$1 million was driven by higher manufacturing costs in Electrophotographic Printing Solutions (\$14 million), primarily due to unfavorable cost absorption from the volume declines in Electrophotographic Printing Solutions consumables and service (\$4 million). There were also volume declines in Software (\$4 million), VERSAMARK service and consumables (\$3 million) and PROSPER consumables and service (\$2 million) partially offset by improved volume and favorable product mix in PROSPER components (\$3 million and \$2 million, respectively), volume changes in Electrophotographic Printing Solutions equipment (\$3 million), favorable costs in Software (\$3 million), favorable product mix in VERSAMARK equipment (\$2 million) and lower SG&A costs (\$11 million) driven by headcount reductions, temporary furloughs and pay cuts.

ADVANCED MATERIALS AND CHEMICALS SEGMENT

	Year Ended December 31,		
	2020	2019	\$ Change
Revenues	\$ 172	\$ 200	\$ (28)
Operational EBITDA	(23)	(34)	11
Operational EBITDA as a % of revenues	-13%	-17%	

Revenues

The decrease in Advanced Materials and Chemicals revenues of approximately \$28 million is the result of volume declines in Motion Picture (\$16 million) driven by productions halted as a result of the pandemic, Industrial Film and Chemicals (\$11 million) primarily due to the COVID-19 pandemic's impacts on its customers, and Consumer Inkjet Solutions (\$7 million) driven by lower sales of ink to the existing installed base of printers. Additionally, current year revenues for KSB declined (\$5 million) primarily due to operations in Asia being impacted by the COVID-19 pandemic, and the prior year period included revenues from Kodakit (\$4 million) which ceased operations in January 2020. Partially offsetting these impacts was improved pricing in Industrial Film and Chemicals (\$13 million) driven by higher pricing in professional and consumer still photographic film and solvents.

Operational EBITDA

Advanced Materials and Chemicals Operational EBITDA improved approximately 11 million primarily due to favorable pricing (\$13 million) in Industrial Film and Chemicals. Also contributing to the improvement were lower selling and administrative expenses (\$14 million) driven by headcount reductions, temporary furloughs and pay cuts as well as lower R&D costs (\$5 million). Partially offsetting were volume declines in Motion Picture (\$5 million) and Consumer Inkjet Solutions (\$4 million) as well as unfavorable cost impacts in Industrial Film and Chemicals (\$8 million) and Motion Picture (\$3 million) driven by unfavorable cost absorption.

RESTRUCTURING COSTS AND OTHER

2020

Restructuring actions taken in 2020 were initiated to reduce Kodak's cost structure as part of its commitment to drive sustainable profitability and included various targeted reductions in manufacturing, service, sales and other administrative functions.

As a result of these actions, for the year ended December 31, 2020 Kodak recorded \$17 million of charges which were reported as Restructuring costs and other in the accompanying Consolidated Statement of Operations.

Kodak made cash payments related to restructuring of approximately \$15 million for the year ended December 31, 2020.

The restructuring actions implemented in 2020 are expected to generate future annual cash savings of approximately \$24 million. These savings are expected to reduce future annual Cost of revenues and SG&A expenses by \$9 million and \$15 million, respectively. Kodak expects the majority of the annual savings to be in effect by the end of 2021 as actions are completed.

2019

For the year ended December 31, 2019 Kodak recorded \$16 million of charges which were reported as Restructuring costs and other in the accompanying Consolidated Statement of Operations.

LIQUIDITY AND CAPITAL RESOURCES

Kodak's products are sold and serviced in numerous countries across the globe with more than half of sales generated outside the U.S. Current global economic conditions are highly volatile due to the COVID-19 pandemic. The conversion of accounts receivable to cash is taking longer and collection risk has increased since before the pandemic. The economic uncertainty surrounding the COVID-19 pandemic is an additional complexity in Kodak's plans to return to sustainable positive cash flow. To mitigate the economic impacts of the pandemic Kodak employed temporary furloughs and pay reductions and adjusted manufacturing volumes to meet changing expectations around production requirements.

The Company is also seeking to take advantage of any available government incentives around the world in response to the COVID-19 pandemic such as employee related tax deferrals or holidays, wage subsidies and loan programs including those under the U.S. CARES Act, although the Company has not yet been able to take advantage of any loan programs and may not qualify for any loans under the programs created under the U.S. CARES Act. Many of the available government incentives for which the Company qualifies are in the form of deferrals of payments that will be required to be paid in the future.

(in millions)	As of December 31,	
	2020	2019
Cash, cash equivalents and restricted cash	\$ 256	\$ 290

Cash Flow Activity

(in millions)	Year Ended December 31,		Year-Over-Year Change
	2020	2019	
Cash flows from operating activities:			
Net cash (used in) provided by in operating activities	\$ (35)	\$ 12	\$ (47)
Cash flows from investing activities:			
Net cash (used in) provided by investing activities	(13)	311	(324)
Cash flows from financing activities:			
Net cash provided by (used in) financing activities	10	(298)	308
Effect of exchange rate changes on cash and restricted cash	4	(2)	6
Net (decrease) increase in cash, cash equivalents, restricted cash and cash in assets held for sale	\$ (34)	\$ 23	\$ (57)

Operating Activities

Net cash (used in) provided by operating activities declined \$47 million for the year ended December 31, 2020 as compared with the prior year primarily due to increased cash use for accounts payable and other liabilities, including the payment of \$6 million of interest upon the conversion of the Convertible Notes, partially offset by higher reductions of accounts receivable in 2020 and lower cash operating losses. Additionally, cash used in operations in 2019 benefitted from the allocation of \$10 million of the proceeds from the divestiture of FPD as consideration for a brand license, the allocation of \$13 million of the proceeds from entering the relationship with HuaGuang as consideration for an intellectual property license receipt and the receipt of a \$15 million prepayment for transition services, products, and other services as a part of the divestiture of FPD.

Investing Activities

Net cash (used in) provided by investing activities decreased \$324 million for the year ended December 31, 2020 as compared to the prior year due to proceeds from the sale of FPD in the prior year.

Financing Activities

Net cash provided by (used in) financing activities improved \$308 million in the year ended December 31, 2020 as compared to the prior year driven by the current year proceeds received from option exercises, the prior year repayment of the Company's term credit agreement and the prior year payment of contingent consideration partially offset by the issuance of the Convertible Notes and the proceeds from the RED – Rochester borrowing and the current year payment of preferred stock dividends.

Sources of Liquidity

Available liquidity includes cash balances and the unused portion of the ABL Credit Agreement. The amount of available liquidity is subject to fluctuations and includes cash balances held by various entities worldwide. At December 31, 2020 and 2019, approximately \$99 million and \$72 million, respectively, of cash and cash equivalents were held within the U.S. and approximately \$97 million and \$161 million, respectively, of cash and cash equivalents were held outside the U.S.

Cash balances held outside of the U.S. are generally required to support local country operations, may have high tax costs or other limitations that delay the ability to repatriate, and therefore may not be readily available for transfer to other jurisdictions. Kodak utilizes cash balances outside the U.S. to fund needs in the U.S. through the use of intercompany loans. As of December 31, 2020 and 2019 outstanding intercompany loans to the U.S. were \$449 million and \$408 million, respectively, which includes short-term intercompany loans from Kodak's international finance center of \$150 million and \$110 million.

In China, where approximately \$34 million and \$89 million, respectively, of cash and cash equivalents were held as of December 31, 2020 and 2019, there are limitations related to net asset balances that impact the ability to make cash available to other jurisdictions in the world. On May 12, 2020, a Chinese subsidiary of Kodak transferred approximately \$70 million to a U.S. subsidiary of Kodak in an inter-company transaction.

ABL Credit Agreement

On January 27, 2020 Kodak exercised its right under the Amended and Restated Credit Agreement (the “ABL Credit Agreement”) to permanently reduce lender commitments, reducing the commitments from \$150 million to \$120 million. As a result, the minimum Excess Availability decreased to \$15 million from the previous minimum of \$18.75 million. (Refer to the Amended and Restated Credit Agreement section of Note 9, “Debt and Finance Leases”, for the definition of Excess Availability).

On March 27, 2020, the Company and the subsidiaries of the Company that are guarantors (the “Subsidiary Guarantors”) entered into Amendment No. 3 to the ABL Credit Agreement (the “Amendment”) with the Lenders and Bank of America, N.A., as administrative and collateral agent. The Amendment decreased the available asset-based revolving loans (the “ABL Loans”) and letters of credit from an aggregate amount of up to \$120 million to \$110 million, subject to the Borrowing Base.

As a result of the additional reduction in lender commitments, the minimum Excess Availability decreased to \$13.75 million from the previous amount of \$15 million.

The changes provided by the Amendment to the Excess Availability and Equipment Availability combined with increases in Eligible Receivables and Eligible Inventory allowed the Company to decrease Eligible Cash by \$13 million at the time of the Amendment without causing Excess Availability to fall below the minimum required.

The Amendment also changed Equipment Availability from (i) the lesser of 75% of Net Orderly Liquidation Value of Eligible Equipment or \$6 million to (ii) the lesser of 70% of Net Orderly Liquidation Value of Eligible Equipment or \$14.75 million as of March 31, 2020. The Equipment Availability was \$14.75 million for September 30, 2020. The \$14.75 million amount decreases by \$1 million per quarter starting on July 1, 2020 until maturity or the amount is decreased to \$0, whichever comes first.

The Company had issued approximately \$90 million and \$80 million of letters of credit under the ABL Credit Agreement as of December 31, 2020 and 2019, respectively. Under the ABL Credit Agreement the Company is required to maintain Excess Availability above 12.5% of lender commitments (\$13.75 million at December 31, 2020). If Excess Availability is below 12.5% of lender commitments the Company has the ability to fund amounts into the Eligible Cash account which will increase Excess Availability for purposes of the previous month-end compliance reporting. The Company had approximately \$20 million of Excess Availability under the ABL Credit Agreement for the December 31, 2020 compliance reporting and \$22 million of Excess Availability under the ABL Credit Agreement as of December 31, 2019. To maintain Excess Availability of greater than 12.5% of lender commitments (\$13.75 million and \$18.75 million as of December 31, 2020 and 2019, respectively), Kodak funded \$35 million and \$22 million to the Eligible Cash account held with the ABL Credit Agreement Administrative Agent as of December 31, 2020 and 2019, respectively, which is classified as Restricted Cash in the Consolidated Statement of Financial Position.

Under the ABL Credit Agreement, if Excess Availability falls below 12.5% of lender commitments, Kodak may, in addition to the requirement to be in compliance with a minimum Fixed Charge Coverage Ratio, become subject to cash dominion control. Kodak intends to continue to maintain Excess Availability above the minimum threshold which may require additional funding of Eligible Cash. In addition to Eligible Cash, the borrowing base is supported by Eligible Receivables, Eligible Inventory and Eligible Equipment. To the extent the assets supporting the borrowing base decline, if the remaining assets included in the borrowing base are not sufficient to support the required Excess Availability amount, additional funding of Eligible Cash may be required. Since Excess Availability was greater than 12.5% of lender commitments Kodak is not required to have a minimum Fixed Charge Coverage Ratio of 1.0 to 1.0. As of December 31, 2020 Fixed Charges (as defined in the ABL Credit Agreement) exceeded EBITDA by approximately \$37 million, therefore the Fixed Charges Coverage Ratio was less than 1.0 to 1.0. See “February 26, 2021 Financing Transactions” below for a summary of subsequent amendments to the ABL Credit Agreement.

Other Collateral Requirements

The New York State Workers’ Compensation Board (“NYSWCB”) requires security deposits related to self-insured workers’ compensation obligations. The security deposit required by NYSWCB is based on actuarial calculations of the Company’s obligations and company specific factors such as its declining workforce and reducing exposure. The NYSWCB calculation also includes a financial contingency based on the employer’s credit rating and a calculation of unallocated loss adjustment expenses. In 2020 the NYSWCB waived these charges to provide employers some relief while they endure the economic impacts of COVID. The waived security deposits amounted to \$16.7 million in 2020. The increase to the security deposit required by NYSWCB in 2020, not including the waived amounts, was \$14.9 million. The Company has agreed to post additional collateral of approximately \$3 million for each of the next five years to satisfy the current security deposit obligation.

The collateral obligation can be satisfied by issuing letters of credit or through other means. The amount of security deposit required by NYSWCB will be re-calculated annually. Therefore, the amount of additional collateral required may change each year.

As a result of the Company’s current credit ratings, during the second quarter of 2020 two surety bond holders notified the Company they required approximately \$9 million of incremental collateral.

The Company reduced the surety bond value by approximately \$9 million in July 2020 with an equivalent increase to an existing letter of credit with the New York Workers' Compensation board. The Company could be required to provide up to \$3 million of letters of credit to the issuers of certain surety bonds in the future to fully collateralize the bonds.

On September 1, 2019 Kodak established a strategic relationship with HuaGuang in the People's Republic of China. The relationship is comprised of an agreement under which Kodak sold its shares of the Kodak (China) Graphic Communication Co. Ltd. entity which included the offset printing plates facility in Xiamen, China, and related assets and liabilities, to HuaGuang, a supply agreement for HuaGuang to help Kodak fulfill customer demand and a license agreement under which Kodak licensed its plates technology, including its Sonora Process Free plates technology, to HuaGuang with the intent of expanding the plates market in China. Upon the establishment of the relationship, Kodak received net cash proceeds of \$30 million, of which \$13 million was received in the United States. As part of the arrangement, Kodak established an escrow of \$14 million in China to secure minimum payments required under the supply agreement.

February 26, 2021 Financing Transactions

On February 26, 2021 the Company entered into a five-year Term Credit Agreement (the "Term Loan Credit Agreement"), a Series C Preferred Stock Purchase Agreement (the "Purchase Agreement"), a Securities Purchase Agreement (the "Securities Purchase Agreement"), and a Series A Preferred Stock Repurchase and Exchange Agreement (the "Repurchase and Exchange Agreement").

The Term Loan Credit Agreement provides for an initial term loan in the amount of \$225 million and a commitment to provide delayed draw term loans in an aggregate principal amount of up to \$50 million on or before February 26, 2023. The term loan bears interest at a rate of 8.5% per annum payable in cash and 4.0% per annum payable "in-kind" or in cash at the Company's option, for an aggregate interest rate of 12.5% per annum. The Purchase Agreement provides for the sale of a total of \$100 million of Series C Preferred Stock, with an initial sale of \$75 million of Series C Preferred Stock and an additional \$25 million of this series of preferred stock subject to Hart-Scott-Rodino Antitrust Improvements Act clearance. The Series C Preferred Stock provides for cumulative dividends payable quarterly "in-kind" in the form of additional shares of Series C Preferred Stock at a rate of 5.0% per annum. The Securities Purchase Agreement provides for the issuance of an aggregate of one million shares of common stock for a purchase price of \$10.00 in cash per share for an aggregate purchase price of \$10 million and \$25 million aggregate principal amount of the Company's newly issued 5.0% unsecured convertible promissory notes due May 28, 2026 to the lenders under the Term Loan Credit Agreement. The convertible notes bear interest at a rate of 5.0% per annum, which will be payable in cash on the maturity date and in additional shares of Common Stock on any conversion date. With the proceeds from these transactions, the Company repurchased one million shares of the Series A Preferred Stock under the terms of the Repurchase and Exchange Agreement for \$100 million plus accrued and unpaid dividends. In addition, Kodak has issued one million shares of Series B Preferred Stock in exchange for the remaining Series A Preferred Stock. The Series B Preferred Stock provides for cumulative dividends payable quarterly in cash at a rate of 4.0% per annum. The Company received net proceeds of approximately \$235 million on February 26, 2021, before fees of approximately \$10 million, as a result of these transactions.

On February 26, 2021 the Company also entered into a cash collateralized Letter of Credit Facility Agreement for up to \$50 million and amended its ABL Credit Agreement to decrease the commitments from \$110 million to \$90 million and to extend the maturity date to February 26, 2024, or the date that is 90 days prior to the earliest scheduled maturity date or mandatory redemption date of any of the Company's outstanding term loan, convertible notes, Series B Convertible Preferred Stock, Series C Convertible Preferred Stock or any refinancing of any of the foregoing. Pursuant to the Letter of Credit Facility Agreement, the Letter of Credit Lenders committed to issue letters of credit on the Company's behalf in an aggregate amount of up to \$50 million, provided that the Company posts cash collateral in an amount greater than or equal to 103% of the aggregate amount of letters of credit issued and outstanding at any given time (the "L/C Cash Collateral"). The term of the Letter of Credit Facility Agreement is three years, subject to the same automatic springing maturity as the Amended ABL Credit Agreement. The balance on deposit as of February 26, 2021 in the L/C Cash Collateral account was approximately \$49 million, of which approximately \$14 million was deposited into the L/C Cash Collateral account from proceeds of the financing transactions described herein and the remainder of which was cash collateral previously used to secure letters of credit under the ABL Credit Agreement. The amendment to the ABL Credit Agreement also removed Eligible Cash from the Borrowing Base. Therefore, amounts funded into the Eligible Cash account will no longer increase Excess Availability for purposes of the month-end compliance reporting. The ABL Amendment also adds a requirement, tested quarterly, that the Company maintain Minimum Liquidity (as defined in the Amended ABL Credit Agreement) of at least \$80 million, and a corresponding requirement is contained in the Letter of Credit Facility Agreement.

Other Sources/Uses of Cash Related to Financing Transactions

The holders of Series A Preferred Stock are entitled to cumulative dividends payable quarterly in cash at a rate of 5.5% per annum. Until the third quarter of 2018 all dividends owed on the Series A Preferred Stock were declared and paid when due. No quarterly dividend was declared in the third or fourth quarters of 2018 or the first and second quarters of 2019. The Company declared quarterly cash dividends in the third and fourth quarters of 2019 and each quarter of 2020 that were paid when due. In July 2020, the Company declared and paid the four quarterly dividends that were in arrears in the aggregate amount of \$11 million. Due to exercises of stock options primarily by ex-employees, the Company received approximately \$33 million, net of tax payments, in 2020.

Defined Benefit Pension and Postretirement Plans

Kodak made contributions (funded plans) or paid net benefits (unfunded plans) totaling approximately \$17 million relating to its defined benefit pension and postretirement benefit plans in 2020. For 2021, the forecasted contribution (funded plans) and net benefit payment (unfunded plans) requirements for its defined benefit pension and postretirement plans are approximately \$17 million.

Capital Expenditures

Cash flows from investing activities included \$17 million for capital expenditures for the year ended December 31, 2020. Kodak expects approximately \$15 million to \$25 million of cash flows for investing activities from capital expenditures for the year ending December 31, 2021, before consideration of any investment Kodak may make utilizing proceeds from the February 26, 2021 financing transactions. Kodak plans to invest some of the proceeds from those financing transactions in growth opportunities in Kodak's core businesses of print, advanced materials and chemicals as well as corporate infrastructure investments expected to contribute to improvements in cash flow.

U.S. International Development Finance Corporation Non-Binding Letter of Interest

On July 28, 2020 the U.S. International Development Finance Corporation signed a non-binding letter of interest to provide a subsidiary of the Company with a potential \$765 million loan to support the launch of Kodak Pharmaceuticals, an initiative that would manufacture pharmaceutical ingredients for essential generic drugs. The DFC Loan would be for facility upgrades and construction, provide working capital, and finance other necessary direct expenditures supporting the launch of Kodak Pharmaceuticals. The signing of the letter of interest indicated Kodak's successful completion of the DFC's initial screening, which would be followed by standard due diligence conducted by the DFC before financing would be formally committed. The application process for the DFC Loan was put on hold when investigations were commenced with respect to the circumstances surrounding the DFC Announcement. While the letter of interest with the DFC has never been formally terminated and the Company has not received any communication from the DFC rejecting its application, given the time that has elapsed and the recent changes in administration at the federal government and the DFC the Company is operating on the basis that the DFC Loan as envisioned at the time of the DFC Announcement will not proceed. The Company remains interested in working with the DFC and other governmental agencies to leverage its assets and technology to on-shore manufacturing of pharmaceutical and other healthcare materials. As described under "Overview" above, the Company is also continuing to explore expanding further into the pharmaceutical space on a smaller scale than contemplated by the DFC Loan using other sources of capital, including a portion of the capital raised by the Company on February 26, 2021.

Off-Balance Sheet Arrangements

In connection with the settlement of certain of the Company's historical environmental liabilities at EBP and in accordance with the terms of the associated settlement agreement ("Amended EBP Settlement Agreement"), in the event the historical EBP liabilities exceed \$99 million, the Company will become liable for 50% of the portion above \$99 million with no limitation to the maximum potential future payments. There is no liability recorded related to this guarantee.

Kodak issues indemnifications in certain instances when it sells businesses and real estate, and in the ordinary course of business with its customers, suppliers, service providers and business partners.

Further, the Company indemnifies its directors and officers who are, or were, serving at the Company's request in such capacities. Historically, costs incurred to settle claims related to these indemnifications have not been material to Kodak's financial position, results of operations or cash flows. Additionally, the fair value of the indemnifications that Kodak issued during the year ended December 31, 2020 was not material to Kodak's financial position, results of operations or cash flows.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Kodak is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information under this item.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Eastman Kodak Company

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Eastman Kodak Company (the Company) as of December 31, 2020, the related consolidated statements of operations, comprehensive (loss) income, equity (deficit) and cash flow for the year ended December 31, 2020, and the related notes and schedule for the year ended December 31, 2020 appearing in Item 15 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020, and the results of its operations and its cash flows for the year ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Income Taxes Valuation Allowance

Description of the Matter

As discussed in Note 18 to the consolidated financial statements, as of March 31, 2020 the Company recorded a provision of \$167 million associated with the establishment of a valuation allowance for deferred taxes at locations outside the U.S. and, at December 31, 2020, the Company had deferred tax assets related to deductible temporary differences and carryforwards of \$1,113 million and a \$1,112 million valuation allowance. The Company records a valuation allowance to reduce its net deferred tax assets to the amount that is more likely than not to be realized.

Management's analysis of the realizability of its deferred tax assets was significant to our audit because the amounts and disclosures are material to the consolidated financial statements and involved complex audit judgment.

How We Addressed the Matter in Our Audit

As part of our audit procedures over the valuation allowance, we evaluated the Company's assessment of the realizability of deferred tax assets, including management's evaluation of the sources of taxable income considered in determining whether a valuation allowance is required and management's assessment of all available evidence, both positive and negative, to determine the amount of the valuation allowance. We involved our tax professionals to evaluate the application of tax law in the Company's assessment and the resultant valuation allowance. We also tested the Company's scheduling of the timing and amount of reversal of taxable temporary differences.

Accounting for Conversion of Convertible Notes

Description of the Matter

As discussed in Notes 9 and 14 of the consolidated financial statements, on May 24, 2019 the Company issued in the aggregate \$100 million in 5% Secured Convertible Notes due 2021 (the "Convertible Notes"). The Convertible Notes contained conversion features and a term extension option that were not considered clearly and closely related to the Convertible Notes. Accordingly, these embedded features were bifurcated from the Convertible Notes and separately accounted for on a combined basis at fair value as a single derivative liability. All of the Convertible Notes were converted to shares of the Company's common stock in two separate conversion transactions with effective dates of August 3, 2020 and September 30, 2020. The embedded conversion features and term extension option were revalued as of the effective dates of the conversion transactions and resulted in the recognition of an aggregate of \$416 million in net expense recorded within Other charges, net, in the Consolidated Statement of Operations for the year ended December 31, 2020.

Auditing management's evaluation of the transactions was especially challenging due to the complexity in assessing the key inputs used in the valuation of the bifurcated embedded features as of the effective dates of the conversion transactions. Additionally, the fair value of the embedded derivative was sensitive to changes in these key inputs which required judgement in evaluating their reasonableness.

How We Addressed the Matter in Our Audit

To test the accounting for the conversion transactions, our audit procedures included, among others, inspection of the contract, the conversion notices received from the Convertible Note holders, and testing completeness and accuracy of the data used as well as management's application of the relevant accounting guidance. We also involved our valuation specialists to evaluate the Company's determination of the fair value of the Convertible Notes inclusive of the embedded features, including testing the appropriateness of the methodology and underlying inputs used and assessing the reasonableness of those inputs. We also evaluated the Company's presentation of the net expense recognized on the conversion transactions in its Consolidated Statement of Operations and the Company's disclosures included in Notes 9 and 14 related to the fair value of the embedded features.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2020.

Rochester, New York
March 16, 2021

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Eastman Kodak Company

Opinion on the Financial Statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Eastman Kodak Company

Opinion on the Financial Statements

We have audited the consolidated statement of financial position of Eastman Kodak Company and its subsidiaries (the "Company") as of December 31, 2019, and the related consolidated statements of operations, comprehensive (loss) income, equity (deficit) and cash flow for the year ended December 31, 2019, including the related notes and schedule of valuation and qualifying accounts for the year ended December 31, 2019 appearing under Item 15(1) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and the results of its operations and its cash flows for the year ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 (not presented herein) to the consolidated financial statements, the Company has limitations on its ability to repatriate cash held outside the U.S. to other jurisdictions, experienced recent operating losses and negative cash flow from operations, redemption dates in 2021 for debt and preferred stock and significant cash requirements to fund ongoing operations and other obligations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1 (not presented herein). The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Rochester, New York

March 17, 2020, except for the change in composition of reportable segments discussed in Note 27 to the consolidated financial statements, as to which the date is March 16, 2021

We served as the Company's auditor from at least 1924 to 2020. We have not been able to determine the specific year we began serving as auditor of the Company.

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)

	Year Ended December 31,	
	2020	2019
Revenues		
Sales	\$ 806	\$ 979
Services	223	263
Total net revenues	1,029	1,242
Cost of revenues		
Sales	743	877
Services	151	183
Total cost of revenues	894	1,060
Gross profit	135	182
Selling, general and administrative expenses	172	211
Research and development costs	34	42
Restructuring costs and other	17	16
Other operating (income) expense, net	(14)	15
Loss from continuing operations before interest expense, pension income excluding service cost component, loss on early extinguishment of debt, other charges, net and income taxes	(74)	(102)
Interest expense	12	16
Pension income excluding service cost component	(98)	(104)
Loss on early extinguishment of debt	2	—
Other charges, net	386	46
Loss from continuing operations before income taxes	(376)	(60)
Provision for income taxes	168	31
Loss from continuing operations	(544)	(91)
Earnings from discontinued operations, net of income taxes	3	207
NET (LOSS) EARNINGS	\$ (541)	\$ 116
Basic and diluted (loss) earnings per share attributable to Eastman Kodak Company common shareholders:		
Continuing operations	\$ (9.83)	\$ (2.58)
Discontinued operations	0.06	4.81
Total	\$ (9.77)	\$ 2.23
Number of common shares used in basic and diluted (loss) earnings per share	57.4	43.0

The accompanying notes are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

(in millions)

	<u>Year Ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
NET (LOSS) EARNINGS	\$ (541)	\$ 116
Other comprehensive loss, net:		
Currency translation adjustments and other	(16)	6
Pension and other postretirement benefit plan obligation activity, net of tax	(13)	(12)
Other comprehensive loss, net attributable to Eastman Kodak Company	(29)	(6)
COMPREHENSIVE (LOSS) INCOME, NET	\$ (570)	\$ 110

The accompanying notes are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions)

	As of December 31,	
	2020	2019
ASSETS		
Cash and cash equivalents	\$ 196	\$ 233
Trade receivables, net of allowances of \$10 and \$8	177	208
Inventories, net	206	215
Restricted cash - current portion	7	12
Other current assets	39	36
Current assets held for sale	2	2
Total current assets	627	706
Property, plant and equipment, net	152	181
Goodwill	12	12
Intangible assets, net	39	47
Operating lease right-of-use assets	48	49
Restricted cash	53	45
Deferred income taxes	—	147
Other long-term assets	317	228
TOTAL ASSETS	\$ 1,248	\$ 1,415
LIABILITIES, REDEEMABLE, CONVERTIBLE PREFERRED STOCK AND EQUITY		
Accounts payable, trade	\$ 118	\$ 153
Short-term borrowings and current portion of long-term debt	2	2
Current portion of operating leases	12	12
Other current liabilities	164	201
Total current liabilities	296	368
Long-term debt, net of current portion	17	109
Pension and other postretirement liabilities	406	378
Operating leases, net of current portion	49	48
Other long-term liabilities	212	231
Total liabilities	980	1,134
Commitments and contingencies (Note 12)		
Redeemable, convertible Series A preferred stock, no par value, \$100 per share liquidation preference	191	182
Equity		
Common stock, \$0.01 par value	—	—
Additional paid in capital	1,152	604
Treasury stock, at cost	(9)	(9)
Accumulated deficit	(620)	(79)
Accumulated other comprehensive loss	(446)	(417)
Total equity	77	99
TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND EQUITY	\$ 1,248	\$ 1,415

The accompanying notes are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF EQUITY (DEFICIT)

(in millions, except share data)

	Common Stock (1)	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total	Series A Redeemable Convertible Preferred Stock
Equity (deficit) as of December 31, 2018	\$ —	\$ 617	\$ (200)	\$ (411)	\$ (9)	(3)	\$ 173
Net earnings	—	—	116	—	—	116	—
Adjustments due to ASU 2016-02	—	—	5	—	—	5	—
Other comprehensive loss (net of tax):							
Currency translation adjustments	—	—	—	6	—	6	—
Pension and other postretirement liability adjustments	—	—	—	(12)	—	(12)	—
Series A preferred stock cash dividends	—	(11)	—	—	—	(11)	—
Series A preferred stock deemed dividends	—	(9)	—	—	—	(9)	9
Stock-based compensation	—	7	—	—	—	7	—
Equity (deficit) as of December 31, 2019	\$ —	\$ 604	\$ (79)	\$ (417)	\$ (9)	\$ 99	\$ 182
Net loss	—	—	(541)	—	—	(541)	—
Other comprehensive loss (net of tax):							
Currency translation adjustments	—	—	—	(16)	—	(16)	—
Pension and other postretirement liability adjustments	—	—	—	(13)	—	(13)	—
Series A preferred stock cash and accrued dividends	—	(11)	—	—	—	(11)	—
Series A preferred stock deemed dividends	—	(9)	—	—	—	(9)	9
Conversion of Convertible Notes	—	520	—	—	—	520	—
Stock option exercises	—	29	—	—	—	29	—
Stock-based compensation	—	19	—	—	—	19	—
Equity (deficit) as of December 31, 2020	\$ —	\$ 1,152	\$ (620)	\$ (446)	\$ (9)	\$ 77	\$ 191

(1) There are 60 million shares of no par value preferred stock authorized, 2 million of which have been issued.

The accompanying notes are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF CASH FLOW

(in millions)	Year Ended December 31,	
	2020	2019
Cash flows from operating activities:		
Net (loss) earnings	\$ (541)	\$ 116
Adjustments to reconcile to net cash (used in) provided by operating activities:		
Depreciation and amortization	37	55
Pension and other postretirement income	(77)	(91)
Change in fair value of embedded derivatives in the Series A Preferred Stock and the Convertible Notes	382	42
Asset impairments	3	6
Stock based compensation	15	7
Non-cash changes in workers' compensation and postemployment reserves	4	3
Net gains on sales of businesses/assets	(10)	(201)
Loss on early extinguishment of debt	2	—
Provision for deferred income taxes	160	21
Decrease in trade receivables	33	21
Decrease in inventories	12	11
(Decrease) increase in trade accounts payable	(36)	25
Decrease in liabilities excluding borrowings	(26)	(10)
Other items, net	7	7
Total adjustments	506	(104)
Net cash (used in) provided by operating activities	(35)	12
Cash flows from investing activities:		
Additions to properties	(17)	(15)
Net proceeds from sales of businesses/assets, net	2	326
Net proceeds from return of equity investment	2	—
Net cash (used in) provided by investing activities	(13)	311
Cash flows from financing activities:		
Proceeds from stock option exercises	33	—
Repayment of emergence credit facilities	—	(395)
Proceeds from issuance of convertible notes	—	98
Proceeds from other borrowings	—	14
Payment of contingent consideration related to the sale of a business	—	(10)
Preferred stock dividend payments	(22)	(3)
Finance lease payments	(1)	(2)
Net cash provided by (used in) financing activities	10	(298)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	4	(2)
Net (decrease) increase in cash, cash equivalents, restricted cash and cash in assets held for sale	(34)	23
Cash, cash equivalents, restricted cash and cash in assets held for sale, beginning of period	290	267
Cash, cash equivalents and restricted cash, end of period (1)	\$ 256	\$ 290

(1) Refer to Note 2, "Cash, Cash Equivalents and Restricted Cash" for a breakdown of cash, cash equivalents and restricted cash.

The accompanying notes are an integral part of these consolidated financial statements.

EASTMAN KODAK COMPANY
CONSOLIDATED STATEMENT OF CASH FLOW (Continued)

(in millions)

SUPPLEMENTAL CASH FLOW INFORMATION

	Year Ended December 31,	
	2020	2019
Cash paid for interest and income taxes was:		
Interest	\$ 8	\$ 21
Income taxes (net of refunds)	\$ 8	\$ 17

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1: BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING PRINCIPLES

The consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The following is a description of the significant accounting policies of Kodak.

When used in this report, unless otherwise indicated by the context, "EKC" or the "Company" means the parent company, Eastman Kodak Company, and "Kodak" refers to the consolidated group.

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of EKC and all companies directly or indirectly controlled by EKC, either through majority ownership or otherwise. Kodak consolidates variable interest entities if Kodak has a controlling financial interest and is determined to be the primary beneficiary of the entity.

GOING CONCERN

The consolidated financial statements have been prepared on the going concern basis of accounting, which assumes Kodak will continue to operate as a going concern and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

As of December 31, 2020 and 2019, Kodak had approximately \$196 million and \$233 million of cash and cash equivalents, respectively. \$99 million and \$72 million was held in the U.S. as of December 31, 2020 and 2019, respectively, and \$97 million and \$161 million were held outside the U.S. Cash balances held outside the U.S. are generally required to support local country operations and may have high tax costs or other limitations that delay the ability to repatriate, and therefore may not be readily available for transfer to other jurisdictions. Outstanding inter-company loans to the U.S. as of December 31, 2020 and 2019 were \$449 million and \$408 million, respectively, which includes short-term intercompany loans from Kodak's international finance center of \$150 million and \$110 million as of December 31, 2020 and 2019, respectively. In China, where approximately \$34 million and \$89 million of cash and cash equivalents was held as of December 31, 2020 and 2019, respectively, there are limitations related to net asset balances that may impact the ability to make cash available to other jurisdictions in the world. On May 12, 2020, a Chinese subsidiary of Kodak transferred approximately \$70 million to a U.S. subsidiary of Kodak in an inter-company transaction. Kodak had a net decrease in cash, cash equivalents and restricted cash of \$34 million for the year ended December 31, 2020 and a net increase in cash, cash equivalents, restricted cash and cash in assets held for sale of \$23 million for the year ended December 31, 2019. Kodak used cash of \$35 million in operating activities for year ended December 31, 2020 and generated cash from operating activities of \$12 million for the year ended December 31, 2019. Cash flow from operations in 2019 benefitted from working capital improvements and individual transactions that occurred during the year.

U.S. GAAP requires an evaluation of whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date the financial statements are issued. Initially, this evaluation does not consider the potential mitigating effect of management's plans that have not been fully implemented. When substantial doubt exists, management evaluates the mitigating effect of its plans if it is probable that (1) the plans will be effectively implemented within one year after the date the financial statements are issued, and (2) when implemented, the plans will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date the financial statements are issued or prior to the conditions or events that create the going concern risk.

As of December 31, 2020 and 2019 Kodak was facing liquidity challenges due to operating losses and low or negative cash flow from operations. As of December 31, 2020 Kodak had \$90 million of letters of credit issued under the Amended and Restated Credit Agreement (the "ABL Credit Agreement") which had a maturity date of May 26, 2021. The Series A Preferred Stock of \$200 million was required to be redeemed on November 15, 2021 if not converted prior to then. Additionally, Kodak has significant cash requirements to fund ongoing operations, restructuring programs, pension and other postretirement obligations, and other obligations. Kodak's plans to return to sustainable positive cash flow include growing revenues profitably, reducing operating expenses, simplifying the organizational structure, generating cash from selling and leasing underutilized assets and paring investment in new technology by eliminating or delaying product development programs. Additionally, the Company looks to implement ways to reduce collateral needs in the U.S. to free-up cash for use in operations.

Kodak's products are sold and serviced in numerous countries across the globe with more than half of sales generated outside the United States. Current global economic conditions are highly volatile due to the COVID-19 pandemic. The economic uncertainties surrounding the COVID-19 pandemic are adding complexity to Kodak's plans to return to sustainable positive cash flow.

To mitigate the economic impacts of the pandemic Kodak employed temporary furloughs and pay reductions during 2020 and has been modifying manufacturing volumes as expectations of demand change.

On February 26, 2021 the Company entered into a five-year Term Credit Agreement (the "Term Loan Credit Agreement"), a Series C Preferred Stock Purchase Agreement (the "Purchase Agreement"), a Securities Purchase Agreement (the "Securities Purchase Agreement"), and a Series A Preferred Stock Repurchase and Exchange Agreement (the "Repurchase and Exchange Agreement").

The Term Loan Credit Agreement provides for an initial term loan in the amount of \$225 million and a commitment to provide delayed draw term loans in an aggregate principal amount of up to \$50 million on or before February 26, 2023. The Purchase Agreement provides for the sale of a total of \$100 million of Series C Preferred Stock with an initial sale of \$75 million of Series C Preferred Stock and an additional \$25 million of this series of preferred stock subject to Hart-Scott-Rodino Antitrust Improvements Act clearance. The Securities Purchase Agreement provides for the issuance of an aggregate of one million shares of common stock for a purchase price of \$10.00 in cash per share for an aggregate purchase price of \$10 million and \$25 million aggregate principal amount of the Company's newly issued 5.0% unsecured convertible promissory notes due May 28, 2026 to the lenders under the Term Loan Credit Agreement. With the proceeds from these transactions, the Company repurchased one million shares of the Series A Preferred Stock under the terms of the Repurchase and Exchange Agreement for \$100 million plus accrued and unpaid dividends. In addition, Kodak has issued one million shares of Series B Preferred Stock in exchange for the remaining Series A Preferred Stock. The Company received net proceeds of approximately \$235 million on February 26, 2021, before fees of approximately \$10 million, as a result of these transactions.

If any shares of Series C Preferred Stock have not been converted prior to 91 days following the fifth anniversary of the initial issuance of the Series C Preferred Stock, the Company will be required to redeem such shares at a redemption price equal to the liquidation preference of the redeemed shares plus the amount of accrued and unpaid dividends thereon; however, the holders of the Series C Preferred Stock have the right to extend such date by up to two years. If any shares of Series B Preferred Stock have not been converted prior to 91 days following the fifth anniversary of the initial issuance of the Series B Preferred Stock, the Company will be required to redeem such shares at a redemption price equal to the liquidation preference of the redeemed shares plus the amount of accrued and unpaid dividends thereon.

On February 26, 2021 the Company also entered into a cash collateralized Letter of Credit Facility Agreement for up to \$50 million and amended its ABL Credit Agreement to decrease the commitments from \$110 million to \$90 million and extend the maturity date to February 26, 2024, or the date that is 90 days prior to the earliest scheduled maturity date or mandatory redemption date of any of the Company's outstanding term loan, convertible notes, Series B Preferred Stock, Series C Preferred Stock or any refinancings of any of the foregoing.

The recent history of negative operating cash flow, maturity of the ABL Credit Agreement in 2021, redemption date in 2021 for the Series A Preferred Stock, increased challenges in managing cash during the COVID-19 pandemic and general lack of certainty regarding the return to positive cash flow raised substantial doubt about Kodak's ability to continue as a going concern as of December 31, 2019. The additional liquidity provided by the financing transactions which closed on February 26, 2021, the extension of the maturity date of the ABL Credit Agreement, and the repurchase and exchange of the Series A Preferred Stock alleviated the substantial doubt about Kodak's ability to continue as a going concern within one year after the date these financial statements are issued (March 16, 2021).

RECLASSIFICATIONS

Certain amounts for prior periods have been reclassified to conform to the current period classification due to Kodak's new organization structure as of January 2020. Refer to Note 27, "Segment Information" for additional information

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of commitments and contingencies at year end and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from these estimates.

FOREIGN CURRENCY

For most subsidiaries and branches outside the U.S., the local currency is the functional currency. The financial statements of these subsidiaries and branches are translated into U.S. dollars as follows: assets and liabilities at year-end exchange rates; revenue, expenses and cash flows at average exchange rates; and shareholders' equity at historical exchange rates. For those subsidiaries for which the local currency is the functional currency, the resulting translation adjustment is recorded as a component of Accumulated other comprehensive loss in the accompanying Consolidated Statement of Financial Position.

For certain other subsidiaries and branches outside the U.S., operations are conducted primarily in U.S. dollars, which is therefore the functional currency. Monetary assets and liabilities of these foreign subsidiaries and branches, which are recorded in local currency, are remeasured at year-end exchange rates, while the related revenue, expense, and gain and loss accounts, which are recorded in local currency, are remeasured at average exchange rates. Non-monetary assets and liabilities, and the related revenue, expense, and gain and loss accounts, are remeasured at historical exchange rates. Adjustments that result from the remeasurement of the assets and liabilities of these subsidiaries are included in Other charges, net in the accompanying Consolidated Statement of Operations.

The effects of foreign currency transactions, including related hedging activities, are included in Other charges, net, in the accompanying Consolidated Statement of Operations.

CASH EQUIVALENTS

All highly liquid investments with a remaining maturity of three months or less at date of purchase are considered to be cash equivalents.

INVENTORIES

Inventories are stated at the lower of cost or net realizable value. The cost of all of Kodak's inventories is determined by the average cost method, which approximates current cost. Kodak provides inventory reserves for excess, obsolete or slow-moving inventory based on changes in customer demand, technology developments or other economic factors.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost, net of accumulated depreciation. Kodak capitalizes additions and improvements while maintenance and repairs are charged to expense as incurred. Upon sale or other disposition, the applicable amounts of asset cost and accumulated depreciation are removed from the accounts and the net amount, less proceeds from disposal, is charged or credited to net (loss) earnings.

Kodak calculates depreciation expense using the straight-line method over the assets' estimated useful lives, which are as follows:

	Estimated Useful Lives
Buildings and building improvements	5-40
Land improvements	4-20
Leasehold improvements	3-20
Equipment	3-20
Tooling	1-3
Furniture and fixtures	5-10

Kodak depreciates leasehold improvements over the shorter of the lease term or the assets' estimated useful life.

GOODWILL

Goodwill is not amortized but is required to be assessed for impairment at least annually and whenever events or changes in circumstances occur that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

When testing goodwill for impairment, Kodak may assess qualitative factors for some or all of its reporting units to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount, including goodwill. If Kodak determines based on this qualitative test of impairment that it is more likely than not that a reporting unit's fair value is less than its carrying amount or elects to bypass the qualitative assessment for some or all of its reporting units, then a quantitative goodwill impairment test is performed to test for a potential impairment of goodwill. The amount of goodwill impairment, if any, is calculated as the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. Determining the fair value of a reporting unit involves the use of significant estimates and assumptions. Refer to Note 5, "Goodwill and Other Intangible Assets".

WORKERS' COMPENSATION

Kodak self-insures and participates in high-deductible insurance programs with retention and per occurrence deductible levels for claims related to workers' compensation. The estimated liability for workers' compensation is based on actuarially estimated, discounted cost of claims, including claims incurred but not reported. Historical loss development factors are utilized to project the future development of incurred losses, and the amounts are adjusted based on actual claim experience, settlements, claim development trends, changes in state regulations and judicial interpretations. Refer to Note 7, "Other Current Liabilities" and Note 8, "Other Long-Term Liabilities" for the estimated liabilities. Amounts recoverable from insurance companies or third parties are estimated using historical experience and estimates of future recoveries. Estimated recoveries are not offset against the related accrual. The amount recorded for the estimated recoveries at December 31, 2020 and 2019 was \$21 million each year, of which \$18 million is reported in Other long-term assets in the Consolidated Statement of Financial Position each year. The remaining \$3 million at each year end is reported in Other current assets in the Consolidated Statement of Financial Position.

LEASES

Kodak as lessee

Kodak determines if an arrangement is a lease at inception. The primary criteria used to classify transactions as operating or finance leases are: (1) whether the ownership transfers at the end of the lease, (2) whether the lease term is equal to or greater than 75% of the economic life of the asset, and (3) whether the present value of the minimum lease payments is equal to or greater than 90% of the fair value of the asset at inception of the lease. Kodak does not have leases that include assets of a specialized nature, generally does not provide residual value guarantees or have any leases for which the exercise of end-of-lease purchase options is reasonably assured at lease inception.

Right-of-use ("ROU") assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The operating lease ROU assets are adjusted for prepayments and lease incentives. Variable lease payments are also excluded from the measurement of ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred.

Kodak's lease agreements are primarily for real estate space and vehicles. Arrangements for goods and services are also assessed to determine if the arrangement contains a lease at its inception. Operating leases are included within Operating lease right-of-use assets, Current portion of operating leases and Operating leases, net of current portion in the Consolidated Statement of Financial Position. Finance leases are included in Property, plant and equipment, net, Short-term borrowings and current portion of long-term debt and Long-term debt, net of current portion in the Consolidated Statement of Financial Position.

When available, the rate implicit in the lease is used to discount lease payments to present value; however, many leases do not provide a readily determinable implicit rate. Therefore, Kodak applies its incremental borrowing rate to discount the lease payments at lease commencement.

The incremental borrowing rate is the rate of interest that EKC would have to pay to borrow, on a collateralized basis, over a similar term. Lease renewal or extension options and/or termination options are factored into the determination of lease payments only if reasonably certain to be exercised.

Rental expense related to operating leases is recognized on a straight-line basis over the lease term. The lease agreements have both lease and non-lease components. Kodak does not separate lease and non-lease components of contracts for real estate leases but does separate lease and non-lease components for equipment leases.

Kodak as Lessor

Kodak places its own equipment at customer sites under sales-type and operating lease arrangements. Arrangements classified as sales-type leases with revenue recognition at inception generally transfer title to the equipment by the end of the lease term or have a lease term that is for a major part of the remaining economic life of the equipment; and collectability is considered probable. If the arrangement meets the criteria for a sales-type lease but collectability is not considered probable, Kodak will not derecognize the asset and will record all payments received as a liability until the earlier of collectability becoming probable or the termination of the lease. Arrangements that do not meet the sales-type lease criteria are classified as operating leases with revenue recognized over the term. Contracts with customers may include multiple performance obligations including equipment, optional software licenses and service agreements. For such arrangements, revenue is allocated to each performance obligation based on its relative standalone selling price.

The Eastman Business Park segment's core operations are to lease real estate. Kodak also leases underutilized portions of other real estate properties to third parties under both operating lease and sublease agreements. Payments received under operating lease agreements as part of the Eastman Business Park segment are recognized on a straight-line basis over the term and are reported in Revenues in the Consolidated Statement of Operations. Payments received under lease and sublease agreements for underutilized space are recognized on a straight-line basis and reported as cost reductions in Cost of revenues, SG&A expenses, R&D costs and Other charges, net.

Renewal options and/or termination options are factored into the determination of lease payments if considered probable. Kodak does not separate lease and non-lease components of contracts for real estate leases but does separate lease and non-lease components for equipment leases.

Equipment subject to operating leases consists of equipment rented to customers. Equipment subject to operating leases is included in Property, plant and equipment, net in the Consolidated Statement of Financial Position and is depreciated to estimated residual value over its expected useful life. Equipment operating lease terms and depreciable lives generally vary from 3 to 7 years.

REVENUE

Kodak's revenue transactions include sales of products (such as components and consumables for use in Kodak and other manufacturers' equipment and film-based products), equipment, software, services, integrated solutions, intellectual property and brand licensing; and real estate management activities. Revenue from services includes extended warranty, customer support and maintenance agreements, consulting, business process services, training and education.

Revenue is recognized when control of the promised goods or services is transferred to customers in an amount that reflects the consideration Kodak expects to be entitled to in exchange for those goods or services.

For product sales (such as plates, film, inks, chemicals and other consumables) revenue is recognized when control has transferred from Kodak to the buyer, which may be upon shipment or upon delivery to the customer site, based on contract terms or legal requirements in certain jurisdictions. Service revenue is recognized using the time-based method ratably over the contractual period as it best depicts when the customer receives the benefit from the service. Service revenue for time and materials-based agreements is recognized as services are performed.

Equipment is generally dependent on, and interrelated with, the underlying operating system (firmware) and cannot function without the operating system. In these cases, the hardware and software license are accounted for as a single performance obligation. Contracts with customers may include multiple performance obligations including equipment and optional software licenses and service agreements. Service agreements may be prepaid or paid over-time and range from three months to six years. For such arrangements, revenue is allocated to each performance obligation based on its relative standalone selling price. Kodak applies the residual allocation method for sales of certain complex, highly customized equipment due to significant variability in pricing. Standalone selling prices are based on the prices charged to customers or using expected cost-plus margin.

For non-complex equipment installations and software sales (Prepress and PROSPER Components and Software) businesses revenue is recognized when control of each distinct performance obligation has transferred from Kodak to the buyer, which is generally met when the equipment or software is delivered and installed at the customer site as delivery and installation generally occur within the same period. For complex equipment installations or integrated software solutions (PROSPER Presses, Electrophotographic Printing Solutions Printers, Software) revenue is deferred until receipt of customer acceptance and control has transferred to the buyer.

Software licenses are sold both in bundled equipment arrangements as discussed above or on a stand-alone basis (Software). Software licenses are generally perpetual and are usually sold with post-contract support services ("PCS") which are considered distinct performance obligations as the customer's use of the existing software is not dependent upon future upgrades. Kodak recognizes software revenue at the time that the customer obtains control over the software which generally occurs upon installation while revenue allocated to the PCS is recognized over the service period.

In service arrangements such as consulting or business process services (Kodak Services for Business) where final acceptance by the customer is required, revenue is deferred until all acceptance criteria have been met and Kodak has a legal right to payment.

Kodak's licensing revenue is comprised of software licenses as discussed above, licenses to use functional intellectual property (e.g. patents and technical know-how) and licenses to use symbolic intellectual property (e.g. brand names and trademarks) (Advanced Materials and Chemicals and Brand businesses). The timing and the amount of revenue recognized from the licensing of intellectual property depends upon a variety of factors, including the nature of the performance obligations (functional vs. symbolic licenses), specific terms of each agreement, and the payment terms. Aside from software licenses discussed above, Kodak's functional licenses generally provide the right to use functional intellectual property; therefore, non-sales/usage-based revenue is recognized when the customer has the right to use the intellectual property while sales and usage-based royalties are recognized in the period the related sales and usage occurs. Revenue for symbolic licenses such as brand licenses are recognized over time.

Real estate management revenue consists primarily of income from tenant leases, including rent and utilities, as well as facility management services and hosting onsite events. Usage based revenue is recognized as earned while tenant lease income is recognized on a straight-line basis over the lease term (Refer to Leases; Kodak as Lessor above).

Deferred revenue is recorded when cash payments are received in advance of satisfying performance obligations such as deposits required in advance on equipment orders, prepaid service contracts, prepaid tenant lease income or prepaid royalties on intellectual property arrangements. Interest expense is imputed for payments received greater than one year in advance of performance.

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 to 60 days. Kodak applies the practical expedient with respect to implied financial components and only imputes interest for payment terms greater than one year.

Sales and usage-based taxes are excluded from revenues. Certain customers may receive cash-based incentives or credits, which are accounted for as variable consideration. Kodak estimates these amounts based on the expected amount to be provided to customers.

Kodak expenses sales commissions when incurred if the amortization period would be one year or less. These costs are recorded in Selling, general and administrative expenses. Kodak accrues the estimated cost of post-sale obligations, including basic product warranties, at the time of revenue recognition. Shipping and handling costs are accounted for as fulfillment costs and are included in cost of sales.

Kodak does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less or for which revenue is recognized at the amount to which Kodak has the right to invoice for services performed. Performance obligations with an original expected length of greater than one year generally consist of deferred service contracts, operating leases and licensing arrangements. As of December 31, 2020, there was approximately \$70 million of unrecognized revenue from unsatisfied performance obligations. Approximately 30% of the revenue from unsatisfied performance obligations is expected to be recognized in 2021, 25% in 2022, 15% in 2023 and 30% thereafter.

RESEARCH AND DEVELOPMENT COSTS

R&D costs, which include costs incurred in connection with new product development, fundamental and exploratory research, process improvement, product use technology and product accreditation, are expensed in the period in which they are incurred.

ADVERTISING

Advertising costs are expensed as incurred and are included in Selling, general and administrative expenses in the accompanying Consolidated Statement of Operations. Advertising expenses amounted to \$2 million and \$5 million for the years ended December 31, 2020 and 2019, respectively.

SHIPPING AND HANDLING COSTS

Amounts charged to customers and costs incurred by Kodak related to shipping and handling are included in net sales and cost of sales, respectively.

IMPAIRMENT OF LONG-LIVED ASSETS

The carrying values of long-lived assets, other than goodwill and intangible assets with indefinite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

The recoverability of the carrying values of long-lived assets is assessed by first grouping long-lived assets with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (the asset group) and, secondly, by estimating the undiscounted future cash flows that are directly associated with and that are expected to arise from the use of and eventual disposition of such asset group. Kodak estimates the undiscounted cash flows over the remaining useful life of the primary asset within the asset group. If the carrying value of the asset group exceeds the estimated undiscounted cash flows, Kodak records an impairment charge to the extent the carrying value of the long-lived asset exceeds its fair value. Kodak determines fair value through quoted market prices in active markets or, if quoted market prices are unavailable, through the performance of internal analyses of discounted cash flows.

The remaining useful lives of long-lived assets are reviewed in connection with the assessment of recoverability of long-lived assets and the ongoing strategic review of the business and operations. If the review indicates that the remaining useful life of the long-lived asset has changed significantly, the depreciation on that asset is adjusted to facilitate full cost recovery over its revised estimated remaining useful life.

The carrying values of indefinite-lived intangible assets are evaluated for potential impairment annually or whenever events or changes in circumstances indicate that it is more likely than not that the asset is impaired. Refer to Note 5, "Goodwill and Other Intangible Assets."

INCOME TAXES

Kodak recognizes deferred tax liabilities and assets for the expected future tax consequences of operating losses, credit carry-forwards and temporary differences between the carrying amounts and tax basis of Kodak's assets and liabilities. Kodak records a valuation allowance to reduce its net deferred tax assets to the amount that is more likely than not to be realized. For discussion of the amounts and components of the valuation allowances as of December 31, 2020 and 2019, refer to Note 18, "Income Taxes."

The undistributed earnings of Kodak's foreign subsidiaries are not considered permanently reinvested. Kodak has recognized a deferred tax liability (net of related foreign tax credits) on the foreign subsidiaries' undistributed earnings.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In November 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2018-18, Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606.

This guidance amended Topic 808 and Topic 606 to clarify that transactions in a collaborative arrangement should be accounted for under Topic 606 when the counterparty is a customer for a distinct good or service (i.e., unit of account). The amendments preclude an entity from presenting consideration from a transaction in a collaborative arrangement as revenue from contracts with customers if the counterparty is not a customer for that transaction. The new standard is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019 (January 1, 2020 for Kodak). The amendments should be applied retrospectively to the date of initial application of Topic 606. Kodak adopted this ASU on January 1, 2020, and it did not have any impact on Kodak's consolidated financial statements.

In September 2018 the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement, which amends the disclosure requirements in Topic 820 by adding, changing, or removing certain disclosures about recurring or nonrecurring fair value measurements. The additional and/or modified disclosures relate primarily to Level 3 fair value measurements while removing certain disclosures related to transfers between Level 1 and Level 2 of the fair value hierarchy. The ASU is effective retrospectively, for fiscal years beginning after December 15, 2019 (January 1, 2020 for Kodak) and interim periods within those fiscal years. Entities are permitted to early adopt any removed or modified disclosures but can delay adoption of the new disclosures until their effective date. Kodak retrospectively early adopted the provisions of the ASU that removed or modified disclosures in the fourth quarter of 2018 and prospectively adopted the provisions related to new disclosures January 1, 2020. The standard addresses disclosures only and did not have an impact on Kodak's consolidated financial statements.

In September 2018, the FASB issued ASU 2018-14, Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans, which amends the disclosure requirements in ASC 715-20 by adding, clarifying, or removing certain disclosures. ASU 2018-14 requires all entities to disclose (1) the weighted average interest crediting rates for cash balance plans and other plans with promised interest crediting rates, and (2) an explanation of the reasons for significant gains and losses related to changes in the benefit obligation for the period. The ASU also clarifies certain disclosure requirements for entities with two or more defined benefit pension plans when aggregate disclosures are presented. The ASU removes other disclosures from the existing guidance, such as the requirement to disclose the effects of a one-percentage-point change in the assumed health care cost trend rates. The ASU is effective retrospectively for fiscal years ending after December 15, 2020 (the year ended December 31, 2020 for Kodak). Kodak adopted this ASU on January 1, 2020. The standard addresses disclosures only and did not have an impact on Kodak's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract, which addresses how a customer should account for the costs of implementing a cloud computing service arrangement (also referred to as a "hosting arrangement"). Under ASU 2018-15, entities should account for costs associated with implementing a cloud computing arrangement that is considered a service contract in the same way as implementation costs associated with a software license; implementation costs incurred in the application development stage, such as costs for the cloud computing arrangement's integration with on-premise software, coding, and configuration or customization, should be capitalized and amortized over the term of the cloud computing arrangement, including periods covered by certain renewal options. The ASU is effective in fiscal years beginning after December 15, 2019 (January 1, 2020 for Kodak) including interim periods within those fiscal years. The ASU should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. Kodak adopted this ASU prospectively on January 1, 2020, and it did not have any impact on Kodak's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). Topic 842 (as amended by ASU's 2018-01, 10, 11 and 20 and ASU 2019-01) requires lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets and eliminates certain real estate-specific provisions. Kodak adopted the new standard on the effective date of January 1, 2019, applying the new transition method allowed under ASU 2018-11.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In August 2020, the FASB issued ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which simplifies accounting for convertible instruments. More convertible debt instruments will be reported as a single liability instrument and more convertible preferred stock as a single equity instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for the exception. The ASU also simplifies the diluted EPS calculation in certain circumstances. The ASU is effective for smaller reporting companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023, (January 1, 2024 for Kodak). Early adoption is permitted for all entities for fiscal years beginning after December 15, 2020. The ASU allows entities to use either a modified retrospective or full retrospective transition method. Kodak adopted this ASU on January 1, 2021 and it did not have any impact on Kodak's consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which removes certain exceptions related to intra-period tax allocations and deferred tax accounting on outside basis differences in foreign subsidiaries and equity method investments. Additionally, it provides other simplifying measures for the accounting for income taxes. The new standard is effective for fiscal years beginning after December 15, 2020 (January 1, 2021 for Kodak) with early adoption permitted. Kodak is currently evaluating the impact of this ASU.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 (as amended by ASUs 2018-19, 2019-04, 2019-05, 2019-10, 2019-11, 2020-02 and 2020-03) requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. In addition, the ASU requires credit losses relating to available-for-sale debt securities to be recorded through an allowance for credit losses. The amendments in this ASU broaden the information that an entity must consider in developing its expected credit loss estimate for assets measured either collectively or individually. The ASU is effective for smaller reporting companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, (January 1, 2023 for Kodak). Early adoption is permitted. Kodak is currently evaluating the impact of this ASU.

NOTE 2: CASH, CASH EQUIVALENTS AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Statement of Financial Position that sums to the total of such amounts shown in the Statement of Cash Flows:

(in millions)	As of December 31,	
	2020	2019
Cash and cash equivalents	\$ 196	\$ 233
Restricted cash - current portion	7	12
Restricted cash	53	45
Total cash, cash equivalents and restricted cash shown in the Statement of Cash Flows	\$ 256	\$ 290

Restricted cash - current portion on the Consolidated Statement of Financial Position primarily represents amounts that support hedging activities. In addition, as of December 31, 2019, it also contained collateral for a guaranty provided to MIR Bidco, SA (the "Purchaser") who purchased Kodak's Flexographic Packaging business ("FPD"). As of December 31, 2020, and, 2019, the cash collateral supporting Kodak's guaranty was \$0 million and \$4 million, respectively.

Restricted cash includes \$35 million and \$22 million as of December 31, 2020 and 2019, respectively, supporting compliance with the Excess Availability threshold under the ABL Credit Agreement, as defined in Note 9, "Debt and Finance Leases". In addition, Restricted cash as of December 31, 2020 and 2019 includes an escrow of \$12 million and \$14 million, respectively, in China to secure various ongoing obligations under the agreements for the strategic relationship with Lucky HuaGuang Graphics Co. Ltd. Long-term restricted cash also includes \$4 million and \$5 million of security posted related to Brazilian legal contingencies as of December 31, 2020 and 2019, respectively.

NOTE 3: INVENTORIES, NET

(in millions)	As of December 31,	
	2020	2019
Finished goods	\$ 97	\$ 105
Work in process	54	54
Raw materials	55	56
Total	\$ 206	\$ 215

NOTE 4: PROPERTY, PLANT AND EQUIPMENT, NET

(in millions)	As of December 31,	
	2020	2019
Land	\$ 55	\$ 67
Buildings and building improvements	131	144
Machinery and equipment	388	382
Construction in progress	8	11
	582	604
Accumulated depreciation	(430)	(423)
Property, plant and equipment, net	\$ 152	\$ 181

Depreciation expense was \$32 million and \$48 million for the years ended December 31, 2020 and 2019, respectively.

NOTE 5: GOODWILL AND OTHER INTANGIBLE ASSETS

The following table presents the changes in the carrying value of goodwill by reportable segment.

(in millions)	Traditional Printing	Digital Printing	Advanced Materials and Chemicals	Brand	Consolidated Total
As of December 31, 2018					
Goodwill	\$ 56	\$ 6	\$ 14	\$ —	\$ 76
Accumulated impairment losses	(56)	—	(8)	—	(64)
Balance as of December 31, 2018	<u>—</u>	<u>6</u>	<u>6</u>	<u>—</u>	<u>12</u>
Impairment	—	—	—	—	—
Balance as of December 31, 2019	<u>—</u>	<u>6</u>	<u>6</u>	<u>—</u>	<u>12</u>
Goodwill reallocation	—	—	(6)	6	—
As of December 31, 2020	<u>—</u>	<u>6</u>	<u>—</u>	<u>6</u>	<u>12</u>
Goodwill	56	6	8	6	76
Accumulated impairment losses	(56)	—	(8)	—	(64)
Balance as of December 31, 2020	<u>\$ —</u>	<u>\$ 6</u>	<u>\$ —</u>	<u>\$ 6</u>	<u>\$ 12</u>

As a result of the change in segments that became effective as of January 1, 2020, Kodak's goodwill reporting units changed. Refer to Note 27, "Segment Information" for additional information on the change to Kodak's organizational structure. The Digital Printing segment has three goodwill reporting units: Electrophotographic Printing Solutions; Prosper and Versamark; and Software. The Advanced Materials and Chemicals segment has two goodwill reporting units: Motion Picture and Industrial Films and Chemicals; and Advanced Materials and Functional Printing. The Traditional Printing segment and Brand segment each have one goodwill reporting unit.

As of December 31, 2019, the goodwill balance of \$12 million under the prior year segment reporting structure was comprised of \$6 million for the Brand, Film and Imaging segment and \$6 million for the Kodak Software segment, which had only one reporting unit (Software). The goodwill in the Brand, Film and Imaging segment was reported in the Consumer Products reporting unit. The goodwill previously reported in the Consumer Products goodwill reporting unit was transferred to the Brand goodwill reporting unit using a relative fair value allocation to affected reporting units. Goodwill previously reported in the Software reporting unit was transferred to the Digital Printing segment where it continues to remain its own reporting unit.

Kodak performed interim tests of impairment for goodwill as of June 30, 2020 due to the uncertainty regarding the negative impact of the COVID-19 pandemic on its operations, and as of March 31, 2020, due to the decline in market capitalization as of that date since the last goodwill impairment test (December 31, 2019) and the uncertainty regarding the negative impact of the COVID-19 pandemic at that time. Based on the results of the June 30, 2020 and March 31, 2020 analyses, no impairment of goodwill was indicated. No interim impairment test for goodwill was performed as of September 30, 2020.

Based upon the results of Kodak's December 31, 2020 annual impairment test, no impairment of goodwill is indicated. As of December 31, 2020, the Brand reporting unit had negative carrying value.

The gross carrying amount and accumulated amortization by major intangible asset category as of December 31, 2020 and 2019 were as follows:

(in millions)	As of December 31, 2020			
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Amortization Period
Technology-based	\$ 99	\$ 80	\$ 19	5 years
Kodak trade name	18	—	18	Indefinite life
Customer-related	11	9	2	3 years
Total	<u>\$ 128</u>	<u>\$ 89</u>	<u>\$ 39</u>	
	As of December 31, 2019			
(in millions)	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Amortization Period
Technology-based	\$ 99	\$ 76	\$ 23	5 years
Kodak trade name	21	—	21	Indefinite life
Customer-related	11	8	3	4 years
Total	<u>\$ 131</u>	<u>\$ 84</u>	<u>\$ 47</u>	

The annual and interim impairment tests of the Kodak trade name use the income approach, specifically the relief from royalty method.

In the first quarter of 2020, due to the uncertainty regarding the negative impact of the COVID-19 pandemic at that time, Kodak performed an interim test of impairment for the Kodak trade name. Based on the result of the interim impairment test, Kodak concluded the carrying value of the Kodak trade name exceeded its fair value. Pre-tax impairment charges of \$3 million are included in Other operating (income) expense, net for the year ended December 31, 2020 in the Consolidated Statement of Operations. Kodak also performed an interim test of impairment for the Kodak trade name as of June 30, 2020 due to the uncertainty regarding the negative impact of the COVID-19 pandemic. Based on the result of the interim impairment test as of June 30, 2020, Kodak concluded the fair value of the Kodak trade name exceeded its' carrying value resulting in no additional impairment. No interim impairment test for the Kodak tradename was performed as of September 30, 2020. Based upon the results of Kodak's annual December 31, 2020 impairment test, no impairment of the Kodak trade name was indicated.

In the fourth quarter of 2019, Kodak concluded the carrying value of the Kodak trade name exceeded its fair value. Pre-tax impairment charges of \$4 million are included in Other operating (income) expense, net in the Consolidated Statement of Operations.

Amortization expense related to intangible assets was \$5 million and \$7 million for the years ended December 31, 2020 and 2019, respectively.

Estimated future amortization expense related to intangible assets that are currently being amortized as of December 31, 2020 was as follows:

(in millions)		
2021	\$	5
2022		5
2023		4
2024		4
2025		3
Total	\$	<u>21</u>

NOTE 6: OTHER LONG-TERM ASSETS

	As of December 31,	
(in millions)	2020	2019
Pension assets	\$ 262	\$ 173
Estimated workers' compensation recoveries	18	18
Long-term receivables, net of allowance of \$0 million and \$4 million	11	11
Other	26	26
Total	<u>\$ 317</u>	<u>\$ 228</u>

The Other component above consists of other miscellaneous long-term assets that, individually, were less than 5% of the total assets component in the accompanying Consolidated Statement of Financial Position, and therefore have been aggregated in accordance with Regulation S-X.

NOTE 7: OTHER CURRENT LIABILITIES

(in millions)	As of December 31,	
	2020	2019
Deferred revenue and customer deposits	\$ 46	\$ 43
Employment-related liabilities	35	38
Customer rebates	21	23
Restructuring liabilities	11	12
Workers' compensation	9	10
Embedded conversion option derivative liability	9	—
Series A Preferred Stock dividends payable	3	14
Deferred consideration on disposed businesses (1)	—	14
Transition services agreement prepayment	—	3
Other	30	44
Total	\$ 164	\$ 201

- (1) On September 3, 2013, Kodak consummated the sale of certain assets and the assumption of certain liabilities of the Personalized Imaging and Document Imaging Businesses ("PI/DI Businesses") to the trustee of the U. K. pension plan (and/or its subsidiaries, collectively the "KPP Purchasing Parties") for net cash consideration of \$325 million. Up to \$35 million in aggregate of the purchase price was subject to repayment if the PI/DI Business did not achieve certain annual adjusted EBITDA targets over the four-year period ending December 31, 2018. The PI/DI Business did not achieve the adjusted annual EBITDA target for any year in the four-year period. The amounts owed for 2015, 2016 and 2017 were paid in 2016, 2017 and 2018, respectively. The maximum potential payment related to the year ending December 31, 2018 of \$14 million was accrued at the time of the divestiture of the business. The Company did not consider the procedural requirements giving rise to the obligation to pay the amount relating to the year ended December 31, 2018 to have been met. The PI/DI Businesses (operating as Kodak Alaris) filed suit against the Company alleging breach of contract based on the failure to pay the \$14 million amount with respect to 2018. The Company filed counterclaims seeking contractual penalties related to late payments for goods and services provided by Kodak under various separate agreements. The Company and Kodak Alaris reached a settlement in June 2020 dismissing the actions and all claims and counterclaims asserted against each other and also amended existing supply agreements. As a part of the settlement agreement, \$11 million of the deferred consideration on disposed businesses was offset against receivables of \$11 million for goods and services owed to the Company by Kodak Alaris. Income of \$3 million from the release of the remaining deferred consideration on disposed businesses will be recognized as revenue over the term of the amended supply agreements.

The customer rebate amounts will potentially be settled through customer deductions applied to outstanding trade receivables in lieu of cash payments.

The Other component above consists of other miscellaneous current liabilities that, individually, were less than 5% of the total current liabilities component within the Consolidated Statement of Financial Position, and therefore have been aggregated in accordance with Regulation S-X.

NOTE 8: OTHER LONG-TERM LIABILITIES

(in millions)	As of December 31,	
	2020	2019
Workers' compensation	\$ 89	\$ 84
Asset retirement obligations	41	48
Deferred taxes	31	13
Deferred brand licensing revenue	17	18
Embedded conversion option derivative liabilities	—	52
Environmental liabilities	9	10
Other	25	6
Total	\$ 212	\$ 231

The Other component above consists of other miscellaneous long-term liabilities that, individually, were less than 5% of the total liabilities component in the accompanying Consolidated Statement of Financial Position, and therefore have been aggregated in accordance with Regulation S-X.

NOTE 9: DEBT AND FINANCE LEASES

Debt and finance leases and related maturities and interest rates were as follows at December 31, 2020 and 2019:

(in millions)	Type	Maturity	Weighted-Average Effective Interest Rate	As of December 31,	
				2020	2019
				Carrying Value	Carrying Value
Current portion:					
	RED-Rochester, LLC	2033	11.42%	1	1
	Finance leases		Various	1	1
				2	2
Non-current portion:					
	Convertible debt	2021	11.72%	—	91
	RED-Rochester, LLC	2033	11.42%	12	13
	Finance leases	Various	Various	3	4
	Other debt	Various	Various	2	1
				17	109
				\$ 19	\$ 111

Annual maturities of debt and finance leases outstanding at December 31, 2020 were as follows:

(in millions)	Carrying Value	Maturity Value
2021	\$ 2	\$ 2
2022	2	2
2023	1	1
2024	1	1
2025	1	1
2026 and thereafter	12	12
Total	\$ 19	\$ 19

Convertible Notes

On May 20, 2019, the Company and Longleaf Partners Small Cap Fund, C2W Partners Master Fund Limited and Deseret Mutual Pension Trust, which are investment funds managed by Southeastern Asset Management, Inc. (the "Notes Purchasers"), entered into a Notes Purchase Agreement pursuant to which the Company agreed to issue and sell to the Notes Purchasers, and the Notes Purchasers agreed to purchase from the Company, \$100 million aggregate principal amount of the Company's Convertible Notes due 2021. The transaction closed on May 24, 2019. The proceeds were used to repay the remaining first lien term loans outstanding (\$83 million) under the Company's term credit agreement, which was terminated with the repayment. The remaining proceeds were used for general corporate purposes. The Notes Purchasers also hold all outstanding shares of the Company's Series A Preferred Stock, and are holders of shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), as described below. The maturity date of the Convertible Notes was November 1, 2021.

The Convertible Notes bore interest at a rate of 5.00% per annum, which would have been payable in cash on their maturity date and, at the option of the Company, in either cash or additional shares of Common Stock on any conversion date. The payment of interest only at the maturity date had the same effect as delivering additional debt instruments to the Holders of the Convertible Notes and therefore is considered Paid-In-Kind interest ("PIK"). Therefore, PIK was added to the carrying value of the debt through the term and interest expense was recorded using the effective interest method.

On July 29, 2020, the Company received conversion notices from holders of the Convertible Notes exercising their rights to convert an aggregate of \$95 million of principal amount of the Convertible Notes (the "Initial Converted Notes") into shares of the Company's common stock, par value \$.01 per share ("Common Stock"). Under the terms of the Convertible Notes, the conversion date of the Initial Converted Notes was July 29, 2020 (the "Initial Conversion Date") and the Company was obligated to deliver an aggregate of 29,922,956 shares of Common Stock (the "Initial Conversion Shares") to the holders of the Initial Converted Notes within five trading days after the Initial Conversion Date. The Company issued the Initial Conversion Shares on August 3, 2020 and paid the \$5.6 million of accumulated interest on the Initial Converted Notes in cash. As a result, the Company's obligations under the Initial Converted Notes were fully discharged and the remaining outstanding principal amount of the Convertible Notes was \$5 million.

On September 30, 2020, the Company announced its election to mandatorily convert the remaining \$5 million outstanding principal amount of the Convertible Notes (the "Mandatory Converted Notes") into shares of Common Stock. The conversion of the Mandatory Converted Notes was effective on September 30, 2020 (the "Mandatory Conversion Date"). The Company issued 1,574,892 shares of Common Stock to the holder of the Mandatory Converted Notes on September 30, 2020 (the "Mandatory Conversion Shares"). The Company paid the accrued interest on the Mandatory Converted Notes in the form of cash and interest ceased to accrue on the Mandatory Converted Notes on the Mandatory Conversion Date. As a result of the conversion of all the Convertible Notes, the lien granted by the Company on certain of its assets to secure the Convertible Notes was released.

Embedded Derivatives

The Convertible Notes were considered more akin to a debt-type instrument and the economic characteristics and risks of the embedded conversion features and term extension at the Company's option were not considered clearly and closely related to the Convertible Notes. Accordingly, these embedded features were bifurcated from the Convertible Notes and separately accounted for on a combined basis at fair value as a single derivative liability. Kodak allocated \$14 million of the net proceeds received to a derivative liability based on the aggregate fair value of the embedded features and term extension on the date of issuance which reduced the net carrying value of the Convertible Notes. The derivative was being accounted for at fair value with subsequent changes in the fair value being reported as part of Other charges, net in the Consolidated Statement of Operations (refer to Note 14, "Financial Instruments").

The carrying value of the Convertible Notes at the time of issuance, \$84 million (\$100 million aggregate gross proceeds less \$14 million allocated to the derivative liability and \$2 million in transaction costs), was being accreted to the face amount using the effective interest method from the date of issuance through the maturity date.

Loss on Early Extinguishment

The calculation of the loss on early extinguishment of debt is shown below:

(in millions)		
Fair value of Initial Conversion Shares	\$	506
Fair value of Mandatory Conversion Shares		13
Carrying value of Convertible Notes		(92)
Fair value of pro-rata share of embedded derivatives at Initial Conversion Date		(416)
Fair value of pro-rata share of embedded derivatives at Mandatory Conversion Date		(9)
Total	\$	<u>2</u>

Amended and Restated Credit Agreement

On September 3, 2013, the Company entered into a Senior Secured First Lien Term Credit Agreement (the "Term Credit Agreement"). Additionally, the Company and the Subsidiary Guarantors entered into an Asset Based Revolving Credit Agreement (together with the Term Credit Agreement, the "Credit Agreements"). Pursuant to the terms of the Credit Agreements, the Company was provided with term loan facilities in an aggregate principal amount of \$420 million of first-lien term loans (the "First Lien Loans"). On April 12, 2019, the Company repaid approximately \$312 million of the First Lien Loans using proceeds from the sale of FPD and on May 24, 2019 repaid the remaining First Lien Loans of approximately \$83 million with the proceeds from the issuance of the Convertible Notes.

On May 26, 2016, the Company and the Subsidiary Guarantors entered into an Amended and Restated Credit Agreement (the "ABL Credit Agreement") with the lenders party thereto (the "Lenders"), Bank of America, N.A., as administrative and collateral agent, and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as joint lead arrangers and joint bookrunners, which amended and restated the Original ABL Credit Agreement.

The ABL Credit Agreement provides that the Lenders will make available asset-based revolving loans (the "ABL Loans") and letters of credit in an aggregate amount of up to \$150 million, subject to the Borrowing Base.

On January 27, 2020 Kodak exercised its right under the ABL Credit Agreement to permanently reduce lender commitments from \$150 million to \$120 million. As a result, the minimum Excess Availability decreased to \$15 million from the previous minimum of \$18.75 million.

On March 27, 2020, the Company and the subsidiaries of the Company that are guarantors (the "Subsidiary Guarantors") entered into Amendment No. 3 to the ABL Credit Agreement (the "Amendment") with the lenders party thereto (the "Lenders"), Bank of America, N.A., as administrative and collateral agent, and Bank of America, N.A. and each of the parties to the ABL Credit Agreement as lenders. Each of the capitalized but undefined terms used in the context of describing the ABL Credit Agreement and the Amendment has the meaning ascribed to such term in the ABL Credit Agreement and the Amendment.

The Amendment decreased the available ABL Loans and letters of credit from an aggregate amount of up to \$120 million to \$110 million, subject to the Borrowing Base. As a result of the additional reduction in lender commitments, the minimum Excess Availability decreased to \$13.75 million from the previous amount of \$15 million.

The Amendment also changed Equipment Availability from (i) the lesser of 75% of Net Orderly Liquidation Value of Eligible Equipment or \$6 million to (ii) the lesser of 70% of Net Orderly Liquidation Value of Eligible Equipment or \$14.75 million as of March 31, 2020. The \$14.75 million amount decreases by \$1 million per quarter starting on July 1, 2020 until maturity or the amount is decreased to \$0, whichever comes first.

Under the ABL Credit Agreement, Kodak is required to maintain a minimum Fixed Charge Coverage Ratio of 1.00 to 1.00 when Excess Availability is less than 12.5% of lender commitments. As of December 31, 2020 and 2019, 12.5% of lender commitments were \$13.75 million and \$18.75 million, respectively.

If Excess Availability falls below 12.5% of lender commitments, Kodak may, in addition to the requirement to be in compliance with the minimum Fixed Charge Coverage Ratio, become subject to cash dominion control. Since Excess Availability was greater than 12.5% of lender commitments at December 31, 2020 and 2019, Kodak is not required to have a minimum Fixed Charge Coverage Ratio of 1.0 to 1.0.

The Company has issued approximately \$90 million and \$80 million of letters of credit under the ABL Credit Agreement as of December 31, 2020 and 2019. The Company had approximately \$20 million and \$22 million of Excess Availability under the ABL Credit Agreement as of December 31, 2020 and 2019, respectively. Excess Availability is equal to the sum of (i) 85% of the amount of the Eligible Receivables less a Dilution Reserve, (ii) the lesser of 85% of Net Orderly Liquidation Value or 75% of the Eligible Inventory, (iii) the lesser of 70% of Orderly Liquidation Value of Eligible Equipment or \$12.75 million as of December 31, 2020 and (iv) Eligible Cash less (a) Rent and Charges Reserves, (b) Principal Outstanding and (c) Outstanding Letters of Credit. Availability is subject to the borrowing base calculation, reserves and other limitations. To maintain Excess Availability of greater than 12.5% of lender commitments (\$13.75 million and \$18.75 million as of December 31, 2020 and 2019, respectively), Kodak funded \$35 million and \$22 million to the Eligible Cash account held with the ABL Credit Agreement Administrative Agent as of December 31, 2020 and 2019, respectively, which is classified as Restricted Cash in the Consolidated Statement of Financial Position.

In addition to the changes discussed above, the Amendment increased the interest rate charged on the ABL Loans. The interest rate on the ABL Loans (which is based on Excess Availability) increased to LIBOR plus 3.50% - 4.00% per annum from LIBOR plus 2.25% - 2.75% per annum or the Base Rate plus 2.50% - 3.00% per annum from the Base Rate plus 1.25% - 1.75% per annum.

The ABL Credit Agreement matures on May 26, 2021.

Each existing direct or indirect U.S. subsidiary of the Company (other than Immaterial Subsidiaries, Unrestricted Subsidiaries and certain other subsidiaries) has provided an unconditional guarantee (and any such future subsidiaries must provide an unconditional guarantee) of the obligations of the Company under the Credit Agreements. Obligations under the ABL Agreement are secured by: (i) a first lien on cash, accounts receivable, inventory, machinery and equipment (the "ABL Collateral") and were also secured by (ii) a second lien on the Term Collateral (as defined below). Subject to certain exceptions, obligations under the Term Credit Agreement were secured by: (i) a first lien on all assets of the Company and the Subsidiary Guarantors, other than the ABL Collateral, including a first lien on 100% of the stock of material domestic subsidiaries and 65% of the stock of material first-tier foreign subsidiaries (collectively the "Term Collateral") and (ii) a second lien on the ABL Collateral. With the repayment of the First Lien Loans, the obligations under the ABL Agreement are now secured by a first lien on the Term Collateral. The aggregate carrying value of the Term Collateral and ABL Collateral as of December 31, 2020 and 2019 was \$1,412 million and \$1,302 million, respectively.

Under the terms of the ABL Credit Agreement, the Company may designate Restricted Subsidiaries as Unrestricted Subsidiaries provided the aggregate sales of all Unrestricted Subsidiaries are less than 7.5% of the consolidated sales of Kodak and the aggregate assets of all Unrestricted Subsidiaries are less than 7.5% of Kodak's consolidated assets. Further, on a pro forma basis at the time of designation and immediately after giving effect thereto, Excess Availability must be at least \$30 million and the pro forma Fixed Charge Coverage Ratio must be no less than 1.0 to 1.0. Upon designation of Unrestricted Subsidiaries, the Company is required to provide to the Lenders reconciling statements to eliminate all financial information pertaining to Unrestricted Subsidiaries which is included in its annual and quarterly financial statements.

In March 2018, the Company designated five subsidiaries as Unrestricted Subsidiaries: Kodak PE Tech, LLC, Kodak LB Tech, LLC, Kodak Realty, Inc., Kodakit Singapore Pte. Limited and KP Services (Jersey) Ltd. This action allowed the Company to better position assets which may be monetized in the future and address costs related to underutilized properties. Collectively, these subsidiaries have sales of approximately \$6 million and \$12 million for the years ended December 31, 2020 and 2019, respectively, which represents 1% of Kodak's consolidated sales for both periods.

These subsidiaries had assets of \$15 million and \$20 million as of December 31, 2020 and 2019, respectively, which represented 1% of Kodak's consolidated assets as of such dates. Each of the capitalized but undefined terms has the meaning ascribed to such term in the Credit Agreements.

Debt Reporting and Other Requirements

Reporting requirements under the ABL Credit Agreement require the Company to provide annual audited financial statements accompanied by an opinion of an independent public accountant without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit or other material qualification or exception, except for any such qualification or exception with respect to any indebtedness maturing within 364 days after the date of such financial statements, and that the opinion be reasonably acceptable to the agent. On March 6, 2020 the Company obtained a waiver from the agent and lenders under the ABL Credit Agreement with respect to any event of default under the reporting covenant that may be deemed to have occurred in relation to the going concern explanatory paragraph in the 2019 Form 10-K audit report.

The ABL Credit Agreement limits, among other things, the Company's and the Subsidiary Guarantors' ability to (i) incur indebtedness, (ii) incur or create liens, (iii) dispose of assets, (iv) make restricted payments (including dividend payments, et al.) and (v) make investments (ABL Credit Agreement only). In addition to other customary affirmative covenants, the ABL Credit Agreement provides for a periodic delivery by the Company of its various financial statements as set forth in the ABL Credit Agreement. Events of default under the ABL Credit Agreement include, among others, failure to pay any principal, interest or other amount due under the applicable agreement, breach of specific covenants and a change of control of the Company. Upon an event of default, the lenders may declare the outstanding obligations under the ABL Credit Agreement to be immediately due and payable and exercise other rights and remedies provided for in such agreement.

RED-Rochester, LLC

In January 2019 Kodak entered into a series of agreements with RED-Rochester, LLC ("RED"), which provides utilities to the Eastman Business Park. Kodak received a payment of \$14 million from RED. Kodak is required to pay a minimum annual payment to RED of approximately \$2 million regardless of utility usage. Kodak is accounting for the \$14 million payment from RED as debt. The minimum payments required under the agreement from Kodak to RED will be reported as a reduction of the debt and interest expense using the effective interest method. The debt payments to RED continue until August 2033.

NOTE 10: REDEEMABLE, CONVERTIBLE SERIES A PREFERRED STOCK

On November 15, 2016, the Company issued 2,000,000 shares of 5.50% Series A Preferred Stock, no par value per share, for an aggregate purchase price of \$200 million, or \$100 per share pursuant to a Series A Preferred Stock Purchase Agreement (the "Purchase Agreement") with Southeastern Asset Management, Inc. ("Southeastern") and Longleaf Partners Small-Cap Fund, C2W Partners Master Fund Limited and Deseret Mutual Pension Trust, which are investment funds managed by Southeastern (such investment funds, collectively, the "Purchasers"), dated November 7, 2016. The Company received net proceeds of \$198 million after issuance costs.

The Company has classified the Series A Preferred Stock as temporary equity in the Consolidated Statement of Financial Position.

Dividend and Other Rights

On November 14, 2016, the Company filed with the Department of Treasury of the State of New Jersey a Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Company (the "Certificate of Designations") which established the designation, number of shares, rights, preferences and limitations of the Series A Preferred Stock which became effective upon filing. The Series A Preferred Stock ranks senior to the Company's common stock ("Common Stock") with respect to dividend rights and rights on liquidation, winding-up and dissolution. The Series A Preferred Stock has a liquidation preference of \$100 per share, and the holders of Series A Preferred Stock are entitled to cumulative dividends payable quarterly in cash at a rate of 5.50% per annum. Until the third quarter of 2018 all dividends owed on the Series A Preferred Stock were declared and paid when due. No quarterly dividend was declared in the third or fourth quarters of 2018 or the first and second quarters of 2019. After the second quarter of 2019, the Company has declared quarterly cash dividends in each quarter that were paid when due. In July 2020, the Company declared and paid the four quarterly dividends that were in arrears. The total amount of dividends in arrears was \$11 million.

Until December 24, 2020, when the Certificate of Designations was amended, holders of Series A Preferred Stock were entitled to vote together with the holders of the Common Stock as a single class, in each case, on an as-converted basis, except where a separate class vote was required by law. Holders of Series A Preferred Stock have certain limited special approval rights, including with respect to the issuance of pari passu or senior equity securities of the Company.

Until December 24, 2020, when such contractual right was terminated by amendment, the Purchasers had the right to nominate members to the Company's board of directors proportional to their ownership on an as converted basis, which initially allowed the Purchasers to nominate two members to the board. If dividends on any Series A Preferred Stock are in arrears for six or more consecutive or non-consecutive dividend periods, the holders of Series A Preferred Stock, voting with holders of all other preferred stock of the Company whose voting rights are then exercisable, will be entitled to vote for the election of two additional directors in the next annual meeting and all subsequent meetings until all accumulated dividends on such Series A Preferred Stock and other voting preferred stock have been paid or set aside. One of the directors on the Company's current board of directors was nominated by the Purchasers.

Conversion Features

Each share of Series A Preferred Stock is convertible, at the option of each holder at any time, into shares of Common Stock at the initial conversion rate of 5.7471 (equivalent to an initial conversion price of \$17.40 per share of Common Stock). If a holder elects to convert any shares of Series A Preferred Stock during a specified period in connection with a fundamental change (as defined in the Certificate of Designations), the conversion rate will be adjusted under certain circumstances and such holder will also be entitled to a payment in respect of accumulated dividends. If a holder elects to convert any shares of Series A Preferred Stock during a specified period following a reorganization event (as defined in the Certificate of Designations), such holder can elect to have the conversion rate adjusted. In addition, the Company will have the right to require holders to convert any shares of Series A Preferred Stock in connection with certain reorganization events, in which case the conversion rate will be adjusted under certain circumstances. If shares of Series A Preferred Stock are not converted in connection with a reorganization event, such shares will become convertible into the exchanged property from the reorganization event.

The Company will have the right to convert Series A Preferred Stock into Common Stock at any time after the second anniversary of the initial issuance if the closing price of the Common Stock has equaled or exceeded 125 percent of the then-effective conversion price for 45 trading days within a period of 60 consecutive trading days, with the last trading day of such 60 day period ending on the trading day immediately preceding the business day on which the Company issues a press release announcing the mandatory conversion.

The initial conversion rate and the corresponding conversion price are subject to customary anti-dilution adjustments as well as an adjustment if the Company is obligated to make a cash payment under the settlement agreement relating to the remediation of historical environmental liabilities at EBP, as discussed in Note 13, "Guarantees".

The Company concluded that the Series A Preferred Stock is considered more akin to a debt-type instrument and that the economic characteristics and risks of the embedded conversion features, except where the conversion price is increased to the liquidation preference, were not considered clearly and closely related to the Series A Preferred Stock. Accordingly, these embedded conversion features were bifurcated from the Series A Preferred Stock and separately accounted for on a combined basis at fair value as a single derivative. The Company allocated \$43 million of the net proceeds received to the derivative liability based on the aggregate fair value of the embedded conversion features on the date of issuance which reduced the original carrying value of the Series A Preferred Stock. The derivative is being accounted for at fair value with subsequent changes in the fair value being reported as part of Other charges, net in the Consolidated Statement of Operations. The fair value of the Series A Preferred Stock derivative as of December 31, 2020 was a liability of \$9 million and is included in Other current liabilities in the accompanying Consolidated Statement of Financial Position. The fair value of the Series A Preferred Stock derivative as of December 31, 2019 was a liability of \$1 million which is included in Other long-term liabilities. Refer to Note 14, "Financial Instruments" for information on the valuation of the derivative.

The carrying value of the Series A Preferred Stock at the time of issuance, \$155 million (\$200 million aggregate gross proceeds less \$43 million allocated to the derivative liability and \$2 million in transaction costs) is being accreted to the mandatory redemption amount using the effective interest method to Additional paid in capital in the Consolidated Statement of Financial Position as a deemed dividend from the date of issuance through the mandatory redemption date, November 15, 2021.

Redemption Features

If any shares of Series A Preferred Stock have not been converted prior to the fifth anniversary of the initial issuance of the Series A Preferred Stock, the Company is required to redeem such shares at \$100 per share plus the amount of accrued and unpaid dividends. As the Company concluded that the Series A Preferred Stock is considered more akin to a debt-type instrument, the redemption feature is considered to be clearly and closely related to the host contract and therefore was not required to be separated from the Series A Preferred Stock.

Series A Registration Rights Agreement

On November 15, 2016, the Company, Southeastern and the Purchasers entered into a Registration Rights Agreement (the "Series A Registration Rights Agreement"), pursuant to which the Company agreed to register under the Securities Act and take certain actions with respect to the offer and sale by the Purchasers of shares of Series A Preferred Stock purchased by the Purchasers and shares of Common Stock issuable upon conversion of the Series A Preferred Stock and issuable pursuant to the terms of the Series A Preferred Stock (the "Series A registrable securities").

Pursuant to the Registration Rights Agreement, the Company has filed with the SEC a shelf registration statement on Form S-3 that relates to the resale of the Series A registrable securities and such registration statement has been declared effective by the SEC. Upon the written demand of the relevant Purchaser(s), the Company will facilitate a "takedown" of Series A registrable securities off of the registration statement but the Purchaser(s) may not, individually or collectively, make more than four demands in the aggregate. Any demand for an underwritten offering of Series A Preferred Stock must have an aggregate market value (based on the most recent closing price of the Common Stock into which the Series A Preferred Stock is convertible at the time of the demand) of at least \$75 million.

The Series A Registration Rights Agreement does not entitle the Purchasers to piggyback registration rights. The Series A Registration Rights Agreement is binding upon the parties thereto and their successors and will inure to the benefit of each Purchaser and its successors and permitted assigns. Neither party may assign the Series A Registration Rights Agreement without the prior written consent of the other party.

NOTE 11: LEASES

Kodak as lessee

The table below presents the lease-related assets and liabilities on the balance sheet:

(in millions)	Classification in the Consolidated Statement of Financial Position	December 31,	
		2020	2019
Assets			
Operating lease assets	Operating lease right-of-use assets	\$ 48	\$ 49
Finance lease assets	Property, plant and equipment, net	4	5
Total lease assets		\$ 52	\$ 54
Liabilities			
Current			
Operating	Current portion of operating leases	\$ 12	\$ 12
Finance	Short-term borrowings and current portion of long-term debt	1	1
Noncurrent			
Operating	Operating leases, net of current portion	49	48
Finance	Long-term debt, net of current portion	3	4
Total lease liabilities		\$ 65	\$ 65
Weighted-average remaining lease term			
Operating			6 years
Finance (1)			393 years
Weighted-average discount rate			
Operating (2)			13.81%
Finance			6.86%

(1) One finance lease has a remaining term of 967 years. The weighted-average lease term excluding the lease with a remaining term of 967 years is 4 years.

(2) Upon adoption of ASC 842, Kodak's incremental borrowing rate of 16.50% as of January 1, 2019 was used for existing operating leases.

Lease Costs

The table below presents certain information related to the lease expense for finance and operating leases. Lease expense is presented gross of sublease income. See "Kodak as Lessor" section below for income from subleases.

(in millions)	Year Ended December 31,	
	2020	2019
Finance lease expense		
Amortization of leased assets	\$ 1	\$ 3
Interest on lease liabilities	—	—
Operating lease expense	21	25
Variable lease expense (1)	9	10
Total lease expense	\$ 31	\$ 38

(1) Variable lease expense is related to real estate leases and primarily includes taxes, insurance and operating costs.

Other Information

The table below presents supplemental cash flow information related to leases.

(in millions)	Year Ended December 31,	
	2020	2019
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows for operating leases	\$ 22	\$ 25
Operating cash flow for finance leases	—	—
Financing cash flow for finance leases	1	2
	<u>\$ 23</u>	<u>\$ 27</u>

Undiscounted Cash Flows

The table below reconciles the undiscounted cash flows for the next five years and thereafter to the finance lease liabilities and operating lease liabilities recorded on the balance sheet.

(in millions)	Operating Leases	Finance Leases
2021	\$ 19	\$ 1
2022	21	1
2023	11	1
2024	10	—
2025	6	—
Thereafter	28	121
Total minimum lease payments	<u>95</u>	<u>124</u>
Less: amount of lease payments representing interest	(34)	(120)
Present value of future minimum lease payments	61	4
Less: current obligations under leases	12	1
Long-term lease obligations	<u>\$ 49</u>	<u>\$ 3</u>

Kodak as Lessor

Kodak's net investment in sales-type leases as of December 31, 2020 was \$5 million. The current portion of the net investment in sales-type leases is included in Trade receivables in the Consolidated Statement of Financial Position. The portion of the net investment in sales-type leases due after one year is included in Other long-term assets.

The table below reconciles the undiscounted cash flows to be received for the next five years and thereafter to the net investment in sales-type leases recorded in the Consolidated Statement of Financial Position:

(in millions)	
2021	\$ 2
2022	2
2023	1
2024 and thereafter	1
Total minimum lease payments	<u>6</u>
Less: unearned interest	(1)
Less: allowance for doubtful accounts	—
Net investment in sales-type leases	<u>\$ 5</u>

Undiscounted cash flows to be received for the next five years and thereafter for operating leases and subleases are:

(in millions)		
2021	\$	7
2022		5
2023		4
2024		4
2025		1
Thereafter		7
Total minimum lease payments	\$	28

Income recognized on lease arrangements for the years ended December 31, 2020 and 2019 is presented below:

(in millions)	Year Ended December 31,	
	2020	2019
Lease income - sales-type leases	\$ 1	\$ —
Lease income - operating leases	8	9
Sublease income	2	6
Variable lease income (1)	5	6
Total lease income	\$ 16	\$ 21

(1) Variable lease income primarily represents operating costs under real estate leases and incremental variable income based on usage under equipment leases.

Equipment subject to operating leases and the related accumulated depreciation were as follows:

(in millions)	As of December 31,	
	2020	2019
Equipment subject to operating leases	\$ 24	\$ 29
Accumulated depreciation	(19)	(20)
Equipment subject to operating leases, net	\$ 5	\$ 9

Equipment subject to operating leases, net is included in Property, plant and equipment, net in the Consolidated Statement of Financial Position.

NOTE 12: COMMITMENTS AND CONTINGENCIES

Asset Retirement Obligations

Kodak's asset retirement obligations primarily relate to asbestos contained in buildings that Kodak owns. In many of the countries in which Kodak operates, environmental regulations exist that require Kodak to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished. Otherwise, Kodak is not required to remove the asbestos from its buildings. Kodak records a liability equal to the estimated fair value of its obligation to perform asset retirement activities related to the asbestos, computed using an expected present value technique, when sufficient information exists to calculate the fair value. Kodak does not have a liability recorded related to every building that contains asbestos because Kodak cannot estimate the fair value of its obligation for certain buildings due to a lack of sufficient information about the range of time over which the obligation may be settled through demolition, renovation or sale of the building.

The following table provides asset retirement obligation activity (in millions):

	For the Year Ended December 31,	
	2020	2019
Asset Retirement Obligations at start of period	\$ 48	\$ 48
Liabilities incurred in the current period	1	3
Liabilities settled in the current period	(9)	(6)
Accretion expense	1	2
Revision in estimated cash flows	—	1
Asset Retirement Obligations at end of period	\$ 41	\$ 48

Other Commitments and Contingencies

As of December 31, 2020, the Company had outstanding letters of credit of \$90 million issued under the ABL Credit Agreement as well as bank guarantees and letters of credit of \$2 million, surety bonds in the amount of \$29 million, and restricted cash of \$60 million, primarily to support compliance with the Excess Availability threshold under the ABL Credit Agreement, to ensure the payment of possible casualty and workers compensation claims, environmental liabilities, legal contingencies, rental payments, and to support various customs, hedging, tax and trade activities. The restricted cash and deposits are recorded in Restricted cash – current portion and Restricted cash in the Consolidated Statement of Financial Position.

Kodak's Brazilian operations are involved in various litigation matters and have received or been the subject of numerous governmental assessments related to indirect and other taxes in various stages of litigation, as well as civil litigation and disputes associated with former employees and contract labor. The tax matters, which comprise the majority of the litigation matters, are primarily related to federal and state value-added taxes. Kodak is disputing these matters and intends to vigorously defend its position. Kodak routinely assesses all these matters as to the probability of ultimately incurring a liability in its Brazilian operations and records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable. As of December 31, 2020, the unreserved portion of these contingencies, inclusive of any related interest and penalties, for which there was at least a reasonable possibility that a loss may be incurred, amounted to approximately \$5 million.

In connection with assessments in Brazil, local regulations may require Kodak to post security for a portion of the amounts in dispute. As of December 31, 2020, Kodak has posted security composed of \$4 million of pledged cash reported within Restricted cash in the Consolidated Statement of Financial Position and liens on certain Brazilian assets with a net book value of approximately \$43 million. Generally, any encumbrances on the Brazilian assets would be removed to the extent the matter is resolved in Kodak's favor.

On July 28, 2020, the U.S. International Development Finance Corporation (the "DFC") announced (the "DFC Announcement") the signing of a non-binding letter of interest to provide a subsidiary of the Company with a potential \$765 million loan (the "DFC Loan") to support the launch of Kodak Pharmaceuticals, an initiative that would manufacture pharmaceutical ingredients for essential generic drugs (the "DFC Pharmaceutical Project").

On August 13, 2020 Tiandong Tang commenced a class action lawsuit against the Company, its Executive Chairman and Chief Executive Officer and its Chief Financial Officer in Federal District Court in the District of New Jersey, and on August 26, 2020 Jimmie A. McAdams and Judy P. McAdams commenced a class action lawsuit against the Company and its Executive Chairman and Chief Executive Officer in Federal District Court in the Southern District of New York (collectively, the "Securities Class Actions"). The Securities Class Actions seek damages and other relief based on alleged violations of federal securities laws in the context of the DFC Announcement of the potential DFC Loan and DFC Pharmaceutical Project. Since the filing of the Securities Class Actions, procedural activities have been ongoing relating to the determination of venue and lead plaintiff.

In addition to the Securities Class Actions, on December 29, 2020 Robert Garfield commenced a class action lawsuit against the Company and each of the members of its Board of Directors, in the Superior Court of Mercer County, New Jersey seeking equitable relief and damages in favor of the Company based on alleged breaches of fiduciary duty by the Company's Board of Directors associated with alleged false and misleading proxy statement disclosure (the "Fiduciary Class Action"). The Company has also received three requests under New Jersey law demanding, among other things, that the Company take certain actions in response to alleged breaches of fiduciary duty relating to option grants and securities transactions in the context of the DFC Announcement and alleged proxy statement disclosure deficiencies. The Company has responded to and engaged in discussions concerning these requests, and its response and discussions may serve as the basis for the requestors to bring shareholder derivative lawsuits (any such lawsuits, collectively with the Fiduciary Class Action, the "Fiduciary Matters").

The DFC Announcement has also prompted investigations by several congressional committees, the SEC and the New York Attorney General's office.

The Securities Class Actions, Fiduciary Matters and investigations by several congressional committees, the SEC and the New York Attorney General's office pertaining to the DFC Announcement remain ongoing. The Company intends to vigorously defend itself against the Securities Class Actions and Fiduciary Matters and is cooperating in the investigations related to the DFC Announcement.

Kodak is involved in various lawsuits, claims, investigations, remediations and proceedings, including, from time to time, commercial, customs, employment, environmental, tort and health and safety matters, which are being handled and defended in the ordinary course of business. Kodak is also subject, from time to time, to various assertions, claims, proceedings and requests for indemnification concerning intellectual property, including patent infringement suits involving technologies that are incorporated in a broad spectrum of Kodak's products and claims arising out of Kodak's licensing its brand. These matters are in various stages of investigation and litigation and are being vigorously defended. Based on information currently available, Kodak does not believe that it is probable that the outcomes in any of these matters, individually or collectively, will have a material adverse effect on its financial condition or results of operations. Litigation is inherently unpredictable, and judgments could be rendered or settlements entered that could adversely affect Kodak's operating results or cash flows in a particular period. Kodak routinely assesses all of its litigation and threatened litigation as to the probability of ultimately incurring a liability and records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable.

NOTE 13: GUARANTEES

In accordance with the terms of a settlement agreement concerning certain of the Company's historical environmental liabilities at EBP, in the event the historical liabilities exceed \$99 million, the Company will become liable for 50% of the portion above \$99 million with no limitation to the maximum potential future payments. There is no liability recorded related to this guarantee.

Indemnifications

Kodak may, in certain instances, indemnify third parties when it sells businesses and real estate, and in the ordinary course of business with its customers, suppliers, service providers and business partners. Additionally, Kodak indemnifies officers and directors who are, or were, serving at Kodak's request in such capacities. Historically, costs incurred to settle claims related to these indemnifications have not been material to Kodak's financial position, results of operations or cash flows. Further, the fair value of any right to indemnification granted during the year ended December 31, 2020 was not material to Kodak's financial position, results of operations or cash flows.

Extended Warranty Arrangements

Kodak offers its customers extended warranty arrangements that are generally one year, but may range from three months to six years after the original warranty period. Kodak provides repair services and routine maintenance under these arrangements. Kodak has not separated the extended warranty costs from the routine maintenance service costs, as it is not practicable to do so. Therefore, these costs have been aggregated in the discussion that follows. The change in Kodak's deferred revenue balance in relation to these extended warranty and maintenance arrangements, which is reflected in Other current liabilities in the accompanying Consolidated Statement of Financial Position, was as follows:

(in millions)	
Deferred revenue on extended warranties as of December 31, 2018	\$ 22
New extended warranty and maintenance arrangements	98
Recognition of extended warranty and maintenance arrangement revenue	(99)
Deferred revenue on extended warranties as of December 31, 2019	21
New extended warranty and maintenance arrangements	91
Recognition of extended warranty and maintenance arrangement revenue	(93)
Deferred revenue on extended warranties as of December 31, 2020	\$ 19

Costs incurred under these extended warranty and maintenance arrangements for the years ended December 31, 2020 and 2019 amounted to \$88 million and \$105 million, respectively.

NOTE 14: FINANCIAL INSTRUMENTS

Kodak, as a result of its global operating and financing activities, is exposed to changes in foreign currency exchange rates and interest rates, which may adversely affect its results of operations and financial position. Kodak manages such exposures, in part, with derivative financial instruments. Foreign currency forward contracts are used to mitigate currency risk related to foreign currency denominated assets and liabilities, as well as forecasted foreign currency denominated intercompany assets. Kodak's exposure to changes in interest rates results from its investing and borrowing activities used to meet its liquidity needs. Kodak does not utilize financial instruments for trading or other speculative purposes.

Kodak's foreign currency forward contracts are not designated as hedges and are marked to market through net (loss) earnings at the same time that the exposed assets and liabilities are re-measured through net (loss) earnings (both in Other charges, net in the Consolidated Statement of Operations). The notional amount of such contracts open at December 31, 2020 and 2019 was approximately \$361 million and \$332 million, respectively. The majority of the contracts of this type held by Kodak at December 31, 2020 and 2019 were denominated in euros, Japanese yen, Chinese renminbi and Swiss francs. The net effect of foreign currency forward contracts in the results of operations is shown in the following table:

(in millions)	Year Ended December 31,	
	2020	2019
Net (gain) loss from derivatives not designated as hedging instruments	\$ (11)	\$ 4

Kodak had no derivatives designated as hedging instruments for the years ended December 31, 2020 and 2019.

Kodak's derivative counterparties are high-quality investment or commercial banks with significant experience with such instruments. Kodak manages exposure to counterparty credit risk by requiring specific minimum credit standards and diversification of counterparties. Kodak has procedures to monitor the credit exposure amounts. The maximum credit exposure at December 31, 2020 was not significant to Kodak.

In the event of a default under the Company's ABL Credit Agreement, or a default under any derivative contract or similar obligation of Kodak, subject to certain minimum thresholds, the derivative counterparties would have the right, although not the obligation, to require immediate settlement of some or all open derivative contracts at their then-current fair value, but with liability positions netted against asset positions with the same counterparty.

As discussed in Note 9, "Debt and Finance Leases", the Company concluded that the Convertible Notes were considered more akin to a debt-type instrument and that the economic characteristics and risks of the embedded conversion features and term extension option were not considered clearly and closely related to the Convertible Notes. The embedded conversion features not considered clearly and closely related are the conversion at the option of the holder ("Optional Conversion") and the conversion in the event of a fundamental change or reorganization ("Fundamental Change or Reorganization Conversion"). Accordingly, these embedded conversion features and term extension option were bifurcated from the Convertible Notes and separately accounted for on a combined basis as a single derivative asset or liability. The embedded conversion features and term extension option were revalued as of August 3, 2020, when the Initial Conversion Shares were issued, resulting in the recognition of \$407 million of expense for a pro-rata portion of the embedded conversion features and term extension option. The remaining embedded conversion features and term extension option were revalued again as of the Mandatory Conversion date, resulting in the recognition of \$9 million of net expense.

With the conversion of the Convertible Notes in the third quarter of 2020, the embedded conversion features and term extension option expired. The derivative was in a liability position at December 31, 2019 and was reported in Other long-term liabilities in the Consolidated Statement of Financial Position. The derivative was being accounted for at fair value with changes in fair value reported in Other charges, net in the Consolidated Statement of Operations.

As discussed in Note 10, "Redeemable, Convertible, Series A Preferred Stock", Kodak concluded that the Series A Preferred Stock is considered more akin to a debt-type instrument and that the economic characteristics and risks of the embedded conversion features, except where the conversion price was increased to the liquidation preference, were not considered clearly and closely related to the Series A Preferred Stock. The embedded conversion features not considered clearly and closely related are the conversion at the option of the holder; the ability of Kodak to automatically convert the stock after the second anniversary of issuance and the conversion in the event of a fundamental change or reorganization. Accordingly, these embedded conversion features were bifurcated from the Series A Preferred Stock and separately accounted for on a combined basis as a single derivative liability which is reported in Other current liabilities in the Consolidated Statement of Financial Position as of December 31, 2020 and in Other long-term liabilities as of December 31, 2019. The derivative is being accounted for at fair value with changes in fair value being reported in Other charges, net in the Consolidated Statement of Operations.

Fair Value

Fair values of Kodak's foreign currency forward contracts are determined using observable inputs (Level 2 fair value measurements) and are based on the present value of expected future cash flows (an income approach valuation technique) considering the risks involved and using discount rates appropriate for the duration of the contracts. The gross fair value of foreign currency forward contracts in an asset position are reported in Other current assets in the Consolidated Statement of Financial Position and the gross fair value of foreign currency contracts in a liability position are reported in Other current liabilities. The gross fair value of foreign currency forward contracts in an asset position as of December 31, 2020 and 2019 was \$1 million in both periods. The gross fair value of the foreign currency forward contracts in a liability position as of December 31, 2020 and 2019 was \$0 million in both periods.

The fair value of the embedded conversion features and term extension option for the Convertible Notes were revalued as of August 3, 2020, and again at September 30, 2020. The fair value of the embedded derivative at each conversion date was calculated based on the fair value of the shares issued less the fair value of debt. The fair value of shares issued is based on the weighted average stock price on the time of day the shares were transferred for August 3, 2020, and the closing stock price as of September 30, 2020. The fair value of debt is based on pricing models based on the value of related cash flows discounted at current market interest rates.

The following table presents the key inputs in the determination of fair value for the embedded conversion features and termination option derivatives at each conversion date:

	Valuation Date	
	September 30, 2020	August 3, 2020
Total value of embedded derivative liability immediately prior to extinguishment (in millions)	\$ 9	\$ 429
Value of embedded derivative liability that expired (in millions)	\$ 9	\$ 416
Value of remaining embedded derivative liability	\$ —	\$ 13
Kodak's stock price (1)	\$ 8.82	\$ 16.91
Risk free rate	0.12%	0.12%
Yield on the Convertible Notes	8.93%	9.47%

(1) The closing stock price was used for the September 30, 2020 valuation. The weighted average stock price based on the time of day the shares were transferred was used for the August 3, 2020 valuation.

Except as discussed above for the fair value determined at the time of conversion, the fair value of the embedded conversion features and term extension option derivatives are calculated using unobservable inputs (Level 3 fair measurements). The value of the Optional Conversion feature associated with both the Convertible Notes and Series A Preferred Stock is calculated using a binomial lattice model. The value of the term extension option reflects the probability weighted average value of the Convertible Notes using the original maturity date and a hypothetical extended maturity date, with all other contractual terms unchanged. The following tables present the key inputs in the determination of fair value for the embedded conversion features and termination option derivatives.

Convertible Notes:

	Valuation Date	
	December 31, 2019	
Total value of embedded derivative liability (in millions)	\$ 51	
Kodak's closing stock price	4.65	
Expected stock price volatility	104.61%	
Risk free rate	1.58%	
Yield on the Convertible Notes	11.52%	

Series A Preferred Stock:

	Valuation Date	
	2020	2019
Total value of embedded derivative liability (in millions)	\$ 9	\$ 1
Kodak's closing stock price	8.14	4.65
Expected stock price volatility	133.44%	104.61%
Risk free rate	0.10%	1.58%
Yield on the preferred stock	11.97%	16.27%

The Fundamental Change and Reorganization Conversion values at issuance were calculated as the difference between the total value of the Convertible Notes or Series A Preferred Stock, as applicable, and the sum of the net present value of the cash flows if the Convertible Notes are repaid at their maturity or the Series A Preferred Stock is redeemed on its fifth anniversary and the values of the other embedded derivatives. The Fundamental Change and Reorganization Conversion value reduces the value of the embedded conversion features and term extension option derivative liability. Other than events which alter the likelihood of a fundamental change or reorganization event, the value of the Fundamental Change and Reorganization Conversion reflect the value as of the issuance date, amortized for the passage of time.

The fair values of long-term borrowings were \$17 million and \$111 million at December 31, 2020 and 2019, respectively.

Fair values of long-term borrowings (Level 2 fair value measurements) are determined by reference to quoted market prices, if available, or by pricing models based on the value of related cash flows discounted at current market interest rates.

Transfers between levels of the fair value hierarchy are recognized based on the actual date of the event or change in circumstances that caused the transfer. There were no transfers between levels of the fair value hierarchy during the year ended December 31, 2020.

The carrying values of cash and cash equivalents, restricted cash and the current portion of long-term borrowings approximate their fair values.

NOTE 15: REVENUE

Disaggregation of Revenue

The following tables present revenue disaggregated by major product, portfolio summary and geography.

Major product:

	Year Ended December 31, 2020					
	Traditional Printing	Digital Printing	Advanced Materials and Chemicals	Brand	Other	Total
Plates, inks and other consumables	\$ 463	\$ 64	\$ 5	\$ —	\$ —	\$ 532
Ongoing service arrangements (1)	80	131	1	—	—	212
Total Annuities	543	195	6	—	—	744
Equipment & Software	49	46	—	—	—	95
Film and chemicals	—	—	154	—	—	154
Other (2)	—	—	12	13	11	36
Total	\$ 592	\$ 241	\$ 172	\$ 13	\$ 11	\$ 1,029

	Year Ended December 31, 2019					
	Traditional Printing	Digital Printing	Advanced Materials and Chemicals	Brand	Other	Total
Plates, inks and other consumables	\$ 572	\$ 83	\$ 11	\$ —	\$ —	\$ 666
Ongoing service arrangements (1)	86	155	3	—	—	244
Total Annuities	658	238	14	—	—	910
Equipment & Software	56	55	—	—	—	111
Film and chemicals	—	—	166	—	—	166
Other (2)	13	—	20	12	10	55
Total	\$ 727	\$ 293	\$ 200	\$ 12	\$ 10	\$ 1,242

(1) Service revenue in the Consolidated Statement of Operations includes the ongoing service revenue shown above as well as revenue from project-based document management and managed print services businesses, which is included in Other above.

(2) Other includes revenue from professional services, non-recurring engineering services, print and managed media services, tenant rent and related property management services and licensing.

Product Portfolio Summary:

**Year Ended
December 31, 2020**

	<u>Traditional Printing</u>	<u>Digital Printing</u>	<u>Advanced Materials and Chemicals</u>	<u>Brand</u>	<u>Other</u>	<u>Total</u>
Growth engines (1)	\$ 162	\$ 135	\$ 3	\$ 13	\$ —	\$ 313
Strategic other businesses (2)	430	52	159	—	11	652
Planned declining businesses (3)	—	54	10	—	—	64
	<u>\$ 592</u>	<u>\$ 241</u>	<u>\$ 172</u>	<u>\$ 13</u>	<u>\$ 11</u>	<u>\$ 1,029</u>

**Year Ended
December 31, 2019**

	<u>Traditional Printing</u>	<u>Digital Printing</u>	<u>Advanced Materials and Chemicals</u>	<u>Brand</u>	<u>Other</u>	<u>Total</u>
Growth engines (1)	\$ 180	\$ 140	\$ 3	\$ 12	\$ —	\$ 335
Strategic other businesses (2)	547	78	172	—	10	807
Planned declining businesses (3)	—	75	25	—	—	100
	<u>\$ 727</u>	<u>\$ 293</u>	<u>\$ 200</u>	<u>\$ 12</u>	<u>\$ 10</u>	<u>\$ 1,242</u>

- (1) Growth engines consist of Sonora in the Traditional Printing segment, PROSPER and Software in the Digital Printing segment, brand licensing and Advanced Materials and Functional Printing in the Advanced Materials and Chemicals segment, excluding intellectual property (IP) licensing.
- (2) Strategic other businesses include plates and CTP equipment and related service in the Traditional Printing segment; Nexpress and related toner business in the Digital Printing segment; and Motion Picture and Industrial Film and Chemicals (including external inks) and IP licensing in the Advanced Materials and Chemicals segment.
- (3) Planned declining businesses are product lines where the decision has been made to stop new product development and manage an orderly expected decline in the installed product and annuity base or are otherwise not strategic to Kodak. These product families consist of Consumer Inkjet, KSB and Kodakit in the Advanced Materials and Chemicals segment and Versamark and Digimaster in the Digital Printing segment.

Geography (1):

**Year Ended
December 31, 2020**

	Traditional Printing	Digital Printing	Advanced Materials and Chemicals	Brand	Other	Total
United States	\$ 121	\$ 106	\$ 115	\$ 13	\$ 11	\$ 366
Canada	14	8	1	—	—	23
North America	135	114	116	13	11	389
Europe, Middle East and Africa	257	86	12	—	—	355
Asia Pacific	171	37	43	—	—	251
Latin America	29	4	1	—	—	34
Total Sales	\$ 592	\$ 241	\$ 172	\$ 13	\$ 11	\$ 1,029

**Year Ended
December 31, 2019**

	Traditional Printing	Digital Printing	Advanced Materials and Chemicals	Brand	Other	Total
United States	\$ 162	\$ 147	\$ 122	\$ 12	\$ 10	\$ 453
Canada	13	8	2	—	—	23
North America	175	155	124	12	10	476
Europe, Middle East and Africa	300	87	21	—	—	408
Asia Pacific	208	44	54	—	—	306
Latin America	44	7	1	—	—	52
Total Sales	\$ 727	\$ 293	\$ 200	\$ 12	\$ 10	\$ 1,242

(1) Sales are reported in the geographic area in which they originate. No non-U.S. country generated more than 10% of net sales in the years ended December 31, 2020 and 2019.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed trade receivables, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) in the Consolidated Statement of Financial Position. The contract assets are transferred to trade receivables when the rights to consideration become unconditional. The amounts recorded for contract assets at December 31, 2020 and 2019 were \$2 million and \$4 million, respectively, and are reported in Other current assets in the Consolidated Statement of Financial Position. The contract liabilities primarily relate to prepaid service contracts, upfront payments for certain equipment purchases or prepaid royalties on intellectual property arrangements. The amounts recorded for contract liabilities at December 31, 2020 and 2019 were \$64 million and \$61 million, respectively, of which \$47 million and \$43 million, respectively, are reported in Other current liabilities and \$17 million and \$18 million, respectively, are reported in Other long-term liabilities in the Consolidated Statement of Financial Position.

Revenue recognized for the years ended December 31, 2020 and 2019 that was included in the contract liability balance at the beginning of the year was \$43 million and \$34 million, respectively, and primarily represented revenue from prepaid service contracts and equipment revenue recognition. Contract liabilities as of December 31, 2020 and 2019 included \$41 million and \$47 million, respectively of cash payments received during the years ended December 31, 2020 and 2019, respectively.

NOTE 16: OTHER OPERATING (INCOME) EXPENSE, NET

(in millions)	Year Ended December 31,	
	2020	2019
Expense (income):		
(Gain) loss related to the sales of assets (1), (2)	\$ (10)	\$ 14
Transition services agreement income	(6)	(6)
Asset impairments (3), (4)	3	6
Other	(1)	1
Total	<u>\$ (14)</u>	<u>\$ 15</u>

(1) In the first quarter of 2020, Kodak sold a property in the U.S. and recognized a gain of \$9 million.

(2) In the third quarter of 2019, Kodak sold its shares of Kodak (China) Graphic Communication Co., Ltd. and recognized a loss of \$12 million.

(3) In the fourth quarter of 2019, Kodak determined the carrying value of one building no longer in use exceeded its fair value and recorded an impairment charge of \$2 million.

(4) In the first quarter of 2020 and the fourth quarter of 2019, Kodak recorded impairment charges of \$3 million and \$4 million, respectively, related to the Kodak trade name. Refer to Note 5, "Goodwill and Other Intangible Assets".

NOTE 17: OTHER CHARGES, NET

(in millions)	Year Ended December 31,	
	2020	2019
Change in fair value of embedded conversion features derivative (1)	\$ 382	\$ 42
Loss on foreign exchange transactions	5	3
Other	(1)	1
Total	<u>\$ 386</u>	<u>\$ 46</u>

(1) Refer to Note 14, "Financial Instruments".

NOTE 18: INCOME TAXES

The components of (Loss) earnings from continuing operations before income taxes and the related provision for U.S. and other income taxes were as follows (in millions):

	Year Ended December 31,	
	2020	2019
(Loss) earnings from continuing operations before income taxes:		
U.S.	\$ (388)	\$ (68)
Outside the U.S.	12	8
Total	<u>\$ (376)</u>	<u>\$ (60)</u>
U.S. income taxes:		
Current benefit	\$ —	\$ —
Deferred provision	2	—
Income taxes outside the U.S.:		
Current (benefit) provision	(3)	7
Deferred provision	169	24
Total provision	<u>\$ 168</u>	<u>\$ 31</u>

The differences between income taxes computed using the U.S. federal income tax rate and the provision for income taxes for continuing operations were as follows (in millions):

	Year Ended December 31,	
	2020	2019
Amount computed using the statutory rate	\$ (79)	\$ (13)
Increase (reduction) in taxes resulting from:		
Unremitted foreign earnings	2	(1)
Operations outside the U.S.	3	22
Legislative tax law and rate changes	(11)	1
Valuation allowance	220	11
Tax settlements and adjustments, including interest	(43)	2
Embedded derivative liability	81	9
Other, net	(5)	—
Provision from income taxes	<u>\$ 168</u>	<u>\$ 31</u>

The significant components of deferred tax assets and liabilities were as follows (in millions):

	As of December 31,	
	2020	2019
Deferred tax assets		
Pension and postretirement obligations	\$ 25	\$ 39
Restructuring programs	2	2
Leasing	4	1
Foreign tax credit	358	355
Inventories	9	8
Investment tax credit	42	46
Employee deferred compensation	26	24
Depreciation	36	41
Research and development costs	40	56
Tax loss carryforwards	480	325
Other deferred revenue	2	2
Other	89	86
Total deferred tax assets	<u>\$ 1,113</u>	<u>\$ 985</u>
Deferred tax liabilities		
Goodwill/intangibles	\$ 10	\$ 11
Unremitted foreign earnings	22	19
Total deferred tax liabilities	<u>32</u>	<u>30</u>
Net deferred tax assets before valuation allowance	1,081	955
Valuation allowance	<u>1,112</u>	<u>821</u>
Net deferred tax (liabilities) assets	<u>\$ (31)</u>	<u>\$ 134</u>

Deferred tax (liabilities) assets are reported in the following components within the Consolidated Statement of Financial Position (in millions):

	As of December 31,	
	2020	2019
Deferred income taxes	\$ —	\$ 147
Other long-term liabilities	(31)	(13)
Net deferred tax (liabilities) assets	<u>\$ (31)</u>	<u>\$ 134</u>

As of December 31, 2020, Kodak had available domestic and foreign NOL carry-forwards for income tax purposes of approximately \$2,068 million, of which approximately \$856 million have an indefinite carry-forward period. The remaining \$1,212 million expire between the years 2021 and 2038. As of December 31, 2020, Kodak had unused foreign tax credits and investment tax credits of \$358 million and \$42 million, respectively, with various expiration dates through 2039.

Utilization of NOL carry-forwards and tax credits may be subject to limitations in the event of significant changes in stock ownership of the Company in the future. Section 382 of the Internal Revenue Code of 1986, as amended, imposes annual limitations on the utilization of NOL carryforwards, other tax carryforwards, and certain built-in losses as defined under that Section, upon an ownership change. In general terms, an ownership change may result from transactions that increase the aggregate ownership of certain stockholders in Kodak's stock by more than 50 percentage points over a three-year testing period.

Kodak had deferred tax liabilities of \$22 million and \$19 million for potential taxes on the undistributed earnings, including foreign withholding taxes, as of December 31, 2020 and 2019, respectively.

Kodak's valuation allowance as of December 31, 2020 was \$1,112 million. Of this amount, \$374 million was attributable to Kodak's net deferred tax assets outside the U.S. of \$364 million, and \$738 million related to Kodak's net deferred tax assets in the U.S. of \$717 million, for which Kodak believes it is not more likely than not that the assets will be realized.

As of March 31, 2020, Kodak determined that it was more likely than not that deferred tax assets outside the U.S. which were not offset with valuation allowances as of March 31, 2020 would not be realized due to reductions in estimates of future profitability as a result of the COVID-19 pandemic in locations outside the U.S. Accordingly, Kodak recorded a provision of \$167 million associated with the establishment of a valuation allowance on those deferred tax assets.

Kodak's valuation allowance as of December 31, 2019 was \$821 million. Of this amount, \$168 million was attributable to Kodak's net deferred tax assets outside the U.S. of \$322 million, and \$653 million related to Kodak's net deferred tax assets in the U.S. of \$633 million, for which Kodak believes it is not more likely than not that the assets will be realized.

During 2019, Kodak determined that it was more likely than not that a portion of the deferred tax assets outside the U.S. would not be realized due to reduced sales volumes and profits in locations outside the U.S. and accordingly recorded a provision of \$19 million associated with the establishment of a valuation allowance on those deferred tax assets.

Accounting for Uncertainty in Income Taxes

A reconciliation of the beginning and ending amount of Kodak's liability for income taxes associated with unrecognized tax benefits is as follows (in millions):

	Year Ended December 31,	
	2020	2019
Balance as of January 1	\$ 54	\$ 57
Tax positions related to the current year:		
Additions	—	—
Tax positions related to prior years:		
Additions	2	1
Reductions	(42)	(1)
Settlements with taxing jurisdictions	(6)	(3)
Balance as of December 31	<u>\$ 8</u>	<u>\$ 54</u>

Kodak's policy regarding interest and/or penalties related to income tax matters is to recognize such items as a component of income tax (benefit) expense. Kodak had approximately \$14 million of interest and penalties associated with uncertain tax benefits accrued as of December 31, 2020 and 2019.

Kodak had uncertain tax benefits of approximately \$22 million and \$20 million as of December 31, 2020 and 2019, respectively, that, if recognized, would affect the effective income tax rate. Kodak has classified certain income tax liabilities as current or noncurrent based on management's estimate of when these liabilities will be settled. The current liabilities are recorded in Other current liabilities in the Consolidated Statement of Financial Position. Noncurrent income tax liabilities are recorded in Other long-term liabilities in the Consolidated Statement of Financial Position.

It is reasonably possible that the liability associated with Kodak's unrecognized tax benefits will increase or decrease within the next twelve months. These changes may be the result of settling ongoing audits or the expiration of statutes of limitations. Such changes to the unrecognized tax benefits could range from \$0 million to \$5 million based on current estimates. Audit outcomes and the timing of audit settlements are subject to significant uncertainty.

Although management believes that adequate provision has been made for such issues, there is the possibility that the ultimate resolution of such issues could have an adverse effect on the earnings of Kodak. Conversely, if these issues are resolved favorably in the future, the related provision would be reduced, thus having a positive impact on earnings.

During 2020, Kodak agreed to terms with the IRS and settled the federal audit for calendar years 2013 and 2014. For these years, Kodak originally recorded a federal unrecognized tax position ("UTP") totaling \$41 million, which was fully offset by tax attributes. This settlement resulted in an increase in net deferred tax assets and was fully offset by a corresponding increase in Kodak's U.S. valuation allowance, resulting in no net tax benefit.

During 2019, Kodak reached a settlement outside of the U.S. and settled an audit for calendar years 2005-2008. Kodak originally recorded liabilities for UTPs totaling \$3 million (plus interest of approximately \$3 million). Kodak paid \$2 million in 2019 as result of this settlement and paid the remaining \$4 million in April 2020.

Kodak is subject to taxation and files income tax returns in the U.S. federal jurisdiction and in many state and foreign jurisdictions. Kodak has substantially concluded all U.S. federal income tax matters for years through 2015 and state income tax matters for years through 2012 with the respective tax authorities. With respect to countries outside the U.S., Kodak has substantially concluded all material foreign income tax matters through 2013 with respective foreign tax jurisdiction authorities.

NOTE 19: RESTRUCTURING COSTS AND OTHER

Kodak recognizes the need to continually rationalize its workforce and streamline its operations in the face of ongoing business and economic changes. Charges for restructuring initiatives are recorded in the period in which Kodak commits to a formalized restructuring plan, or executes the specific actions contemplated by the plan and all criteria for liability recognition under the applicable accounting guidance have been met.

The activity in the accrued balances and the non-cash charges and credits incurred in relation to restructuring programs during the two years ended December 31, 2020 were as follows (in millions):

	Severance Reserve (1)	Exit Costs Reserve (1)	Long-lived Asset Impairments and Inventory Write-downs (1)	Total
Balance as of December 31, 2018	\$ 6	\$ 2	\$ —	\$ 8
Charges	16	—	—	16
Utilization/cash payments	(8)	(1)	—	(9)
Other adjustments & reclasses (2)	(3)	—	—	(3)
Balance as of December 31, 2019	<u>11</u>	<u>1</u>	<u>—</u>	<u>12</u>
Charges	16	1	—	17
Utilization/cash payments	(14)	(1)	—	(15)
Other adjustments & reclasses (2)	(3)	—	—	(3)
Balance as of December 31, 2020	<u>\$ 10</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 11</u>

(1) The severance and exit costs reserves require the outlay of cash, while long-lived asset impairments, accelerated depreciation and inventory write-downs represent non-cash items.

(2) The \$3 million both in 2020 and 2019 represented severance charges funded from pension plan assets, which were reclassified to Pension and other postretirement liabilities.

2019 Activity

Restructuring actions taken in 2019 were initiated to reduce Kodak's cost structure as part of its commitment to drive sustainable profitability and included various targeted reductions in manufacturing, service, sales, research and development, and other administrative functions.

As a result of these actions, for the year ended December 31, 2019 Kodak recorded \$16 million of charges which were reported as Restructuring costs and other in the accompanying Consolidated Statement of Operations.

The 2019 severance costs related to the elimination of approximately 220 positions, including approximately 150 administrative, 65 manufacturing/service, and 5 research and development positions. The geographic composition of these positions included approximately 90 in the U.S. and Canada and 130 throughout the rest of the world.

2020 Activity

Restructuring actions taken in 2020 were initiated to reduce Kodak's cost structure as part of its commitment to drive sustainable profitability and included various targeted reductions in manufacturing, service, sales and other administrative functions.

As a result of these actions, for the year ended December 31, 2020 Kodak recorded \$17 million of charges which were reported as Restructuring costs and other in the accompanying Consolidated Statement of Operations.

The 2020 severance costs related to the elimination of approximately 250 positions, including approximately 160 administrative and 90 manufacturing/service positions. The geographic composition of these positions included approximately 140 in the U.S. and Canada and 110 throughout the rest of the world.

As a result of these initiatives, the majority of the severance liabilities as of December 31, 2020 will be paid during periods through the end of 2021. The exit cost reserves primarily relate to a liability for which timing of the payment is uncertain.

NOTE 20: RETIREMENT PLANS

Substantially all U.S. employees are covered by a noncontributory defined benefit plan, the Kodak Retirement Income Plan ("KRIP"), which is funded by Company contributions to an irrevocable trust fund. The funding policy for KRIP is to contribute amounts sufficient to meet minimum funding requirements as determined by employee benefit and tax laws plus any additional amounts the Company determines to be appropriate. Assets in the trust fund are held for the sole benefit of participating employees and retirees. They are composed of corporate equity and debt securities, U.S. government securities, partnership investments, interests in pooled funds, commodities, real estate, and various types of interest rate, foreign currency, debt, and equity market financial instruments.

For U.S. employees hired prior to March 1999, KRIP's benefits were generally based on a formula recognizing length of service and final average earnings. KRIP included a separate cash balance formula for all U.S. employees hired after February 1999, as well as employees hired prior to that date who opted into the cash balance formula during a special election period. Effective January 1, 2015 the KRIP was amended to provide that all participants accrue benefits under a single, revised cash balance formula (the "Cash Balance Plan"). The Cash Balance Plan credits employees' hypothetical accounts with an amount equal to a specified percentage of their pay, plus interest based on the 30-year Treasury bond rate. Effective January 1, 2020, the credits increased from 7% or 8% of pay to either 9% or 10% of pay.

Many subsidiaries and branches operating outside the U.S. have defined benefit retirement plans covering substantially all employees. Contributions by Kodak for these plans are typically deposited under government or other fiduciary-type arrangements. Retirement benefits are generally based on contractual agreements that provide for benefit formulas using years of service and/or compensation prior to retirement. The actuarial assumptions used for these plans reflect the diverse economic environments within the various countries in which Kodak operates.

Information on the major funded and unfunded U.S. and Non-U.S. defined benefit pension plans is presented below. The composition of the major plans may vary from year to year. If the major plan composition changes, prior year data is conformed to ensure comparability.

The measurement date used to determine the pension obligation for all funded and unfunded U.S. and Non-U.S. defined benefit plans is December 31.

(in millions)	Year Ended December 31, 2020		Year Ended December 31, 2019	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Change in Benefit Obligation				
Projected benefit obligation at beginning of period	\$ 3,475	\$ 834	\$ 3,405	\$ 834
Service cost	11	3	10	3
Interest cost	86	9	122	13
Benefit payments	(277)	(47)	(349)	(48)
Actuarial loss	299	39	284	36
Settlements	(121)	—	—	—
Special termination benefits	3	—	3	—
Currency adjustments	—	74	—	(4)
Projected benefit obligation at end of period	<u>\$ 3,476</u>	<u>\$ 912</u>	<u>\$ 3,475</u>	<u>\$ 834</u>
Change in Plan Assets				
Fair value of plan assets at beginning of period	\$ 3,610	\$ 661	\$ 3,445	\$ 671
Gain on plan assets	495	20	514	28
Employer contributions	—	7	—	10
Benefit payments	(277)	(47)	(349)	(48)
Settlements	(121)	—	—	—
Currency adjustments	—	55	—	—
Fair value of plan assets at end of period	<u>\$ 3,707</u>	<u>\$ 696</u>	<u>\$ 3,610</u>	<u>\$ 661</u>
Over (under) funded status at end of period	<u>\$ 231</u>	<u>\$ (216)</u>	<u>\$ 135</u>	<u>\$ (173)</u>
Accumulated benefit obligation at end of period	<u>\$ 3,473</u>	<u>\$ 903</u>	<u>\$ 3,474</u>	<u>\$ 825</u>

The settlement amount of \$121 million for the U.S. for the year ended December 31, 2020 represents lump sum payments from KRIP.

Amounts recognized in the Consolidated Statement of Financial Position for all major funded and unfunded U.S. and Non-U.S. defined benefit plans are as follows (in millions):

	As of December 31,			
	2020		2019	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Other long-term assets	\$ 231	\$ 16	\$ 135	\$ 26
Pension and other postretirement liabilities	—	(232)	—	(199)
Net amount recognized	<u>\$ 231</u>	<u>\$ (216)</u>	<u>\$ 135</u>	<u>\$ (173)</u>

Information with respect to the major funded and unfunded U.S. and Non-U.S. defined benefit plans with a projected benefit obligation in excess of plan assets is as follows (in millions):

	As of December 31,			
	2020		2019	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Projected benefit obligation	\$ —	\$ 618	\$ —	\$ 568
Fair value of plan assets	—	386	—	368

Information with respect to the major funded and unfunded U.S. and Non-U.S. defined benefit plans with an accumulated benefit obligation in excess of plan assets is as follows (in millions):

	As of December 31,			
	2020		2019	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Accumulated benefit obligation	\$ —	\$ 609	\$ —	\$ 559
Fair value of plan assets	—	386	—	368

Amounts recognized in accumulated other comprehensive (loss) income for all major funded and unfunded U.S. and Non-U.S. defined benefit plans consist of (in millions):

	As of December 31,			
	2020		2019	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Prior service credit	\$ 13	\$ 2	\$ 20	\$ 3
Net actuarial loss	(220)	(182)	(244)	(151)
Total	\$ (207)	\$ (180)	\$ (224)	\$ (148)

Other changes in major plan assets and benefit obligations recognized in Other comprehensive income (expense) are as follows (in millions):

	Year Ended December 31,			
	2020		2019	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Newly established gain (loss)	\$ —	\$ (38)	\$ 16	\$ (30)
Amortization of:				
Prior service credit	(7)	—	(7)	—
Net actuarial loss	15	7	—	5
Curtailment gain recognized in expense	—	—	(2)	—
Net loss recognized in expense due to settlement	9	—	—	—
Total income (loss) recognized in Other comprehensive income	\$ 17	\$ (31)	\$ 7	\$ (25)

The Non-U.S. losses were driven primarily by discount rate changes. In the U.S., losses due to discount rate changes were offset by asset gains.

Pension income for all defined benefit plans included (in millions):

	Year Ended December 31,			
	2020		2019	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Major defined benefit plans:				
Service cost	\$ 11	\$ 3	\$ 10	\$ 3
Interest cost	86	9	122	13
Expected return on plan assets	(196)	(19)	(214)	(22)
Amortization of:				
Prior service credit	(7)	—	(7)	—
Actuarial loss	15	7	—	5
Pension income before special termination benefits	(91)	—	(89)	(1)
Special termination benefits	3	—	3	—
Curtailement gains	—	—	(2)	—
Settlement losses	9	—	—	—
Net pension income for major defined benefit plans	(79)	—	(88)	(1)
Other plans including unfunded plans	—	1	—	(3)
Net pension (income), expense	<u>\$ (79)</u>	<u>\$ 1</u>	<u>\$ (88)</u>	<u>\$ (4)</u>

The \$2 million curtailment gain for the year ended December 31, 2019 was incurred as a result of the sale of FPD. In addition, the amounts shown in Other Plans for the year ended December 31, 2019 include \$5 million of settlement gains due to the transfer of non-major, non-U.S. pension liabilities as a result of the sale of FPD. These amounts are included in Earnings from discontinued operations in the Consolidated Statement of Operations.

The \$9 million settlement loss for the year ended December 31, 2020 was incurred as a result of lump sum payments from KRIP.

The special termination benefits of \$3 million for each of the years ended December 31, 2020 and 2019 were incurred as a result of Kodak's restructuring actions and, therefore, have been included in Restructuring costs and other in the Consolidated Statement of Operations for those periods.

The weighted-average assumptions used to determine the benefit obligation amounts for all major funded and unfunded U.S. and Non-U.S. defined benefit plans were as follows:

	As of December 31,			
	2020		2019	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	2.09%	1.01%	2.97%	1.44%
Salary increase rate	3.50%	1.56%	3.50%	1.72%
Interest crediting rate for cash balance plan	1.75%	NA	2.50%	NA

The weighted-average assumptions used to determine net pension (income) expense for all the major funded and unfunded U.S. and Non-U.S. defined benefit plans were as follows:

	Year Ended December 31,			
	2020		2019	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Effective rate for service cost	2.97%	1.48%	4.03%	2.47%
Effective rate for interest cost	2.58%	1.19%	3.75%	1.89%
Salary increase rate	3.50%	1.72%	3.50%	2.06%
Expected long-term rate of return on plan assets	6.00%	3.27%	6.50%	3.46%
Interest crediting rate for cash balance plan	2.50%	NA	2.50%	NA

Plan Asset Investment Strategy

The investment strategy underlying the asset allocation for the pension assets is to achieve an optimal return on assets with an acceptable level of risk while providing for the long-term liabilities and maintaining sufficient liquidity to pay current benefits and other cash obligations of the plans. This is primarily achieved by investing in a broad portfolio constructed of various asset classes including equity and equity-like investments, debt and debt-like investments, real estate, private equity and other assets and instruments. Long duration bonds and Treasury bond futures are used to partially match the long-term nature of plan liabilities. Other investment objectives include maintaining broad diversification between and within asset classes and fund managers and managing asset volatility relative to plan liabilities.

Every three years, or when market conditions have changed materially, each of Kodak's major pension plans will undertake an asset allocation or asset and liability modeling study. The asset allocation and expected return on the plans' assets are individually set to provide for benefits and other cash obligations within each country's legal investment constraints.

Actual allocations may vary from the target asset allocations due to market value fluctuations, the length of time it takes to implement changes in strategy, and the timing of cash contributions and cash requirements of the plans. The asset allocations are monitored and are rebalanced in accordance with the policy set forth for each plan.

The total plan assets attributable to the major U.S. defined benefit plans as of December 31, 2020 relates to KRIP. The expected long-term rate of return on plan assets assumption ("EROA") is based on a combination of formal asset and liability studies that include forward-looking return expectations given the current asset allocation. A review of the EROA as of December 31, 2020, based upon the current asset allocation and forward-looking expected returns for the various asset classes in which KRIP invests, resulted in an EROA of 5.2%.

Plan Asset Risk Management

Kodak evaluates its defined benefit plans' asset portfolios for the existence of significant concentrations of risk. Types of concentrations that are evaluated include, but are not limited to, investment concentrations in a single entity, type of industry, foreign country, and individual fund. Foreign currency contracts and swaps are used to partially hedge foreign currency risk. Additionally, Kodak's major defined benefit pension plans invest in government bond futures and long duration investment grade bonds to partially hedge the liability risk of the plans. As of December 31, 2020 and 2019, there were no significant concentrations (defined as greater than 10% of plan assets) of risk in Kodak's defined benefit plan assets.

The Company's weighted-average asset allocations for its major U.S. defined benefit pension plan by asset category, are as follows:

Asset Category	As of December 31,		
	2020	2019	2020 Target
Equity securities	10%	10%	5-15%
Debt securities	42%	44%	35-45%
Real estate	1%	1%	0-10%
Cash and cash equivalents	2%	1%	0-10%
Global balanced asset allocation funds	14%	15%	10-20%
Other	31%	29%	25-35%
Total	100%	100%	

Kodak's weighted-average asset allocations for its major Non-U.S. defined benefit pension plans by asset category, are as follows:

Asset Category	As of December 31,		
	2020	2019	2020 Target
Equity securities	5%	5%	0-10%
Debt securities	33%	31%	25-35%
Real estate	2%	2%	0-10%
Cash and cash equivalents	2%	2%	0-10%
Global balanced asset allocation funds	5%	5%	0-10%
Other	53%	55%	50-60%
Total	100%	100%	

Fair Value Measurements

Kodak's asset allocations by level within the fair value hierarchy at December 31, 2020 and 2019 are presented in the tables below for Kodak's major defined benefit plans. Kodak's plan assets are accounted for at fair value and are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement, with the exception of investments for which fair value is measured using the net asset value per share expedient. Kodak's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value of assets and their placement within the fair value hierarchy levels.

Assets not utilizing the net asset value per share expedient are valued as follows: Equity and debt securities traded on an active market are valued using a market approach based on the closing price on the last business day of the year. Real estate investments are valued primarily based on independent appraisals and discounted cash flow models, taking into consideration discount rates and local market conditions. Cash and cash equivalents are valued utilizing cost approach valuation techniques. Other investments are valued using a combination of market, income, and cost approaches, based on the nature of the investment. Private equity investments are valued primarily based on independent appraisals, discounted cash flow models, cost, and comparable market transactions, which include inputs such as discount rates and pricing data from the most recent equity financing. Insurance contracts are primarily valued based on contract values, which approximate fair value. For investments with lagged pricing, Kodak uses the available net asset values, and also considers expected return, subsequent cash flows and relevant material events.

Major U.S. Plans December 31, 2020

(in millions)	U.S.				Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ 66	\$ 66
Equity Securities	—	—	—	383	383
Debt Securities:					
Government Bonds	1	—	—	1,101	1,102
Investment Grade Bonds	—	446	—	—	446
Real Estate	—	—	—	37	37
Global Balanced Asset Allocation Funds	—	—	—	514	514
Other:					
Absolute Return	—	5	—	442	447
Private Equity	—	—	5	711	716
Derivatives with unrealized gains	3	—	—	—	3
Derivatives with unrealized losses	(7)	—	—	—	(7)
	<u>\$ (3)</u>	<u>\$ 451</u>	<u>\$ 5</u>	<u>\$ 3,254</u>	<u>\$ 3,707</u>

(in millions)	U.S.				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Total
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ 38	\$ 38
Equity Securities	4	—	—	374	378
Debt Securities:					
Government Bonds	—	—	—	1,110	1,110
Investment Grade Bonds	—	457	—	—	457
Real Estate	—	—	—	42	42
Global Balanced Asset Allocation Funds	—	—	—	544	544
Other:					
Absolute Return	—	—	—	370	370
Private Equity	—	—	7	680	687
Derivatives with unrealized gains	2	—	—	—	2
Derivatives with unrealized losses	(18)	—	—	—	(18)
	<u>\$ (12)</u>	<u>\$ 457</u>	<u>\$ 7</u>	<u>\$ 3,158</u>	<u>\$ 3,610</u>

For Kodak's major U.S. defined benefit pension plans, equity investments are invested broadly in U.S. equity, developed international equity, and emerging markets. Fixed income investments are comprised primarily of long duration U.S. Treasuries and investment-grade corporate bonds. Real estate investments primarily include investments in limited partnerships that invest in office, industrial, retail and apartment properties. Global Balanced Asset Allocation investments are commingled funds that hold a diversified portfolio of passive market exposures, including equities, debt, currencies and commodities. Absolute return investments are comprised of a diversified portfolio of hedge funds using equity, debt, commodity and currency strategies held separate from the derivative-linked hedge funds described later in this footnote. Private equity investments are primarily comprised of limited partnerships and fund-of-fund investments that invest in distressed investments, venture capital, leveraged buyouts and special situations. Natural resource investments in oil and gas partnerships and timber funds are also included in this category.

	Non - U.S.				
(in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Total
Cash and cash equivalents	\$ 10	\$ —	\$ —	\$ 7	\$ 17
Equity Securities	36	—	—	—	36
Debt Securities:					
Government Bonds	—	—	—	48	48
Investment Grade Bonds	87	90	—	—	177
Global High Yield & Emerging Market Debt	2	—	—	—	2
Real Estate	—	—	—	12	12
Global Balanced Asset Allocation Funds	—	—	—	38	38
Other:					
Private Equity	—	—	—	30	30
Insurance Contracts	—	45	291	—	336
	<u>\$ 135</u>	<u>\$ 135</u>	<u>\$ 291</u>	<u>\$ 135</u>	<u>\$ 696</u>

(in millions)	Non - U.S.				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Total
Cash and cash equivalents	\$ 5	\$ —	\$ —	\$ 8	\$ 13
Equity Securities	—	—	—	33	33
Debt Securities:					
Government Bonds	—	—	—	51	51
Inflation-Linked Bonds	—	—	—	4	4
Investment Grade Bonds	—	61	—	65	126
Global High Yield & Emerging Market Debt	—	—	—	26	26
Real Estate	—	—	—	11	11
Global Balanced Asset Allocation Funds	—	—	—	34	34
Other:					
Absolute Return	—	—	—	7	7
Private Equity	—	—	—	38	38
Insurance Contracts	—	317	—	—	317
Derivatives with unrealized gains	1	—	—	—	1
	<u>\$ 6</u>	<u>\$ 378</u>	<u>\$ —</u>	<u>\$ 277</u>	<u>\$ 661</u>

For Kodak's major non-U.S. defined benefit pension plans, equity investments are invested broadly in local equity, developed international and emerging markets. Fixed income investments are comprised primarily of government and investment grade corporate bonds. Real estate investments primarily include investments in limited partnerships that invest in office, industrial, and retail properties. Global Balanced Asset Allocation investments are commingled funds that hold a diversified portfolio of passive market exposures, including equities, debt, currencies and commodities. Absolute return investments are comprised of a diversified portfolio of hedge funds using equity, debt, commodity, and currency strategies held separate from the derivative-linked hedge funds described later in this footnote. Private equity investments are comprised of limited partnerships and fund-of-fund investments that invest in distressed investments, venture capital and leveraged buyouts. Insurance contracts are typically annuities from life insurance companies covering specific pension obligations.

For Kodak's major defined benefit pension plans, certain investment managers are authorized to invest in derivatives such as futures, swaps, and currency forward contracts. Investments in derivatives are used to obtain desired exposure to a particular asset, index or bond duration and require only a portion of the total exposure to be invested as cash collateral. In instances where exposures are obtained via derivatives, the majority of the exposure value is available to be invested, and is typically invested, in a diversified portfolio of hedge fund strategies that generate returns in addition to the return generated by the derivatives. Of the December 31, 2020 investments shown in the major U.S. plans table above, 4% of the total pension assets represented equity securities exposure obtained via derivatives and are reported in equity securities, and 29% of the total pension assets represented U.S. government bond exposure with 11 years duration, obtained via derivatives and are reported in government bonds. Of the December 31, 2019 investments shown in the major U.S. plans table above, 4% of the total pension assets represented equity securities exposure obtained via derivatives and are reported in equity securities, and 30% of the total pension assets represented U.S. government bond exposure with 12 years duration, obtained via derivatives and are reported in government bonds.

Of the December 31, 2020 investments shown in the major Non-U.S. plans table above, there are no derivative exposures. Of the December 31, 2019 investments shown in the major Non-U.S. plans table above, 7% of the total pension assets represented derivative exposures to government bonds with 2 years duration and are reported in that class.

The following is a reconciliation of the beginning and ending balances of level 3 assets of Kodak's major U.S. and non-U.S. defined benefit pension plans:

	U.S.				
	Balance at January 1, 2020	Net Realized and Unrealized Gains		Net Purchases, Sales and Settlements	Balance at December 31, 2020
		Relating to Assets Still Held	Relating to Assets Sold During the Period		
(in millions)					
Private Equity	7	(2)	—	—	5
Total	<u>\$ 7</u>	<u>\$ (2)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5</u>

	U.S.				
	Balance at January 1, 2019	Net Realized and Unrealized Gains		Net Purchases, Sales and Settlements	Balance at December 31, 2019
		Relating to Assets Still Held	Relating to Assets Sold During the Period		
(in millions)					
Private Equity	6	2	—	(1)	7
Total	<u>\$ 6</u>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ 7</u>

	Non - U.S.				
	Balance at January 1, 2020 (1)	Net Realized and Unrealized Gains		Net Purchases, Sales and Settlements	Balance at December 31, 2020
		Relating to Assets Still Held	Relating to Assets Sold During the Period		
(in millions)					
Insurance Contracts	273	18	—	—	291
Total	<u>\$ 273</u>	<u>\$ 18</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 291</u>

(1) During 2020 the Company reclassified certain investments from Level 2 to Level 3.

The following pension benefit payments, which reflect expected future service, are expected to be paid (in millions):

	U.S.	Non-U.S.
2021	\$ 297	\$ 50
2022	284	49
2023	270	48
2024	259	47
2025	246	46
2026 - 2030	1,059	212

NOTE 21: OTHER POSTRETIREMENT BENEFITS

In Canada, Kodak provides medical, dental, life insurance, and survivor income benefits to eligible retirees. In the U.K., Kodak provides medical benefits to eligible retirees. The other postretirement benefit plans in Canada and the U.K. are closed to new participants. Information on the Canada and U.K. other postretirement benefit plans is presented below.

The measurement date used to determine the net benefit obligation for Kodak's other postretirement benefit plans is December 31.

Changes in Kodak's benefit obligation and funded status were as follows (in millions):

	Year Ended December 31,	
	2020	2019
Net benefit obligation at beginning of period	\$ 63	\$ 64
Interest cost	1	2
Plan participants' contributions	1	1
Actuarial loss	1	—
Benefit payments	(3)	(4)
Net benefit obligation at end of period	<u>\$ 63</u>	<u>\$ 63</u>
Underfunded status at end of period	<u>\$ (63)</u>	<u>\$ (63)</u>

Amounts recognized in the Consolidated Statement of Financial Position consist of (in millions):

	As of December 31,	
	2020	2019
Other current liabilities	\$ (3)	\$ (3)
Pension and other postretirement liabilities	(60)	(60)
	<u>\$ (63)</u>	<u>\$ (63)</u>

Amounts recognized in Accumulated other comprehensive loss consist of (in millions):

	As of December 31,	
	2020	2019
Net actuarial gain	\$ 4	\$ 5

Changes in benefit obligations recognized in Other comprehensive loss (income) consist of (in millions):

	Year Ended December 31,	
	2020	2019
Newly established loss	\$ 1	\$ —
Amortization of:		
Net actuarial gain	—	1
Total gain recognized in Other comprehensive income	<u>\$ 1</u>	<u>\$ 1</u>

Other postretirement benefit cost included:

	Year Ended December 31,	
	2020	2019
Components of net postretirement benefit cost:		
Service cost	\$ —	\$ —
Interest cost	1	2
Amortization of:		
Actuarial gain	—	(1)
Other postretirement benefit cost from continuing operations	<u>\$ 1</u>	<u>\$ 1</u>

The weighted-average assumptions used to determine the net benefit obligations were as follows:

	As of December 31,	
	2020	2019
Discount rate	2.21%	2.93%
Salary increase rate	1.80%	1.80%

The weighted-average assumptions used to determine the net postretirement benefit cost were as follows:

	Year Ended December 31,	
	2020	2019
Effective rate for interest cost	2.67%	3.26%
Salary increase rate	1.80%	2.35%

The weighted-average assumed healthcare cost trend rates used to compute the other postretirement amounts were as follows:

	2020	2019
	Healthcare cost trend	5.33%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.14%	3.14%
Year that the rate reaches the ultimate trend rate	2039	2038

The following other postretirement benefits, which reflect expected future service, are expected to be paid (in millions):

2021	\$ 3
2022	3
2023	3
2024	3
2025	3
2026-2030	16

NOTE 22: EARNINGS PER SHARE

Basic earnings per share are calculated using the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share calculations include any dilutive effect of potential common shares. In periods with a net loss from continuing operations, diluted earnings per share are calculated using weighted-average basic shares for that period, as utilizing diluted shares would be anti-dilutive to loss per share.

A reconciliation of the amounts used to calculate basic and diluted earnings per share for the years ended December 31, 2020 and 2019 follows (in millions):

	Year Ended December 31,	
	2020	2019
Loss from continuing operations attributable to Eastman Kodak Company	\$ (544)	\$ (91)
Less: Series A Preferred Stock cash and accrued dividends	(11)	(11)
Less: Series A Preferred Stock deemed dividends	(9)	(9)
Loss from continuing operations available to common shareholders - basic and diluted	<u>\$ (564)</u>	<u>\$ (111)</u>
Net (loss) income attributable to Eastman Kodak Company	\$ (541)	\$ 116
Less: Series A Preferred Stock cash and accrued dividends	(11)	(11)
Less: Series A Preferred Stock deemed dividends	(9)	(9)
Net (loss) income available to common shareholders - basic and diluted	<u>\$ (561)</u>	<u>\$ 96</u>

As a result of the net loss from continuing operations available to common shareholders for the years ended December 31, 2020 and 2019, Kodak calculated diluted earnings per share using weighted-average basic shares outstanding. If Kodak reported earnings from continuing operations available to common shareholders for the years ended December 31, 2020 and 2019, the calculation of diluted earnings per share would have included the assumed conversion of 0.6 million unvested restricted stock units for both periods and 0.7 million stock options for the year ended December 31, 2020.

The computation of diluted earnings per share for the years ended December 31, 2020 and 2019 excluded the impact of (1) the assumed conversion of 2.0 million shares of Series A Preferred Stock, and (2) the assumed conversion of 4.0 million and 6.8 million outstanding employee stock options, respectively, because they would have been anti-dilutive. The computation of diluted earnings per share for the year ended December 31, 2019 also excluded the assumed conversion of \$100 million of Convertible Notes because the effects would have been anti-dilutive.

NOTE 23: STOCK-BASED COMPENSATION

Kodak's stock incentive plan is the 2013 Omnibus Incentive Plan (the "2013 Plan"). The 2013 Plan is administered by the Compensation, Nominating and Governance Committee of the Board of Directors.

Officers, directors and employees of the Company and its consolidated subsidiaries are eligible to receive awards. Stock options are generally non-qualified, are at exercise prices equal to or greater than the closing price of Kodak's stock on the date of grant and expire seven years after the grant date. Stock-based compensation awards granted under Kodak's stock incentive plan are generally subject to a three-year vesting period from the date of grant, or a later date as determined by the Compensation, Nominating and Governance Committee. Awards are subject to settlement in newly-issued shares of common stock. Unless sooner terminated by the Compensation, Nominating and Governance Committee, no awards may be granted under the 2013 Plan after May 20, 2030.

The maximum number of shares of common stock available for grant under the 2013 Plan is 8.0 million. For purposes of the number of shares available for grant, in accordance with the 2013 Plan, a stock option counts as a fraction of a share, based on the fair market value of the stock option relative to the closing stock price on the date of grant, while each restricted stock unit counts as one share. The total number of shares of common stock registered for issuance under the 2013 Plan is approximately 13.5 million. In addition, under the 2013 Plan, the maximum number of shares available for the grant of incentive stock options is 2.0 million shares. The maximum number of shares as to which stock options or stock appreciation rights may be granted to any one person under the 2013 Plan in any calendar year is 2.5 million shares.

The maximum number of awards that may be granted to any non-employee director under the 2013 Plan in any calendar year may not exceed a number of awards with a grant date fair value of \$450,000, computed as of the grant date.

Compensation expense is recognized on a straight-line basis over the service or performance period for each separately vesting tranche of the award and is adjusted for actual forfeitures before vesting. Kodak assesses the likelihood that performance-based shares will be earned based on the probability of meeting the performance criteria. For those performance-based awards that are deemed probable of achievement, expense is recorded, and for those awards that are deemed not probable of achievement, no expense is recorded. Kodak assesses the probability of achievement each quarter.

Restricted Stock Units

Restricted stock units are payable in shares of the Company common stock upon vesting. The fair value is based on the closing market price of the Company's stock on the grant date. Compensation cost related to restricted stock units was \$1 million and \$2 million for the years ended December 31, 2020 and 2019, respectively.

The weighted average grant date fair value of restricted stock unit awards granted for the years ended December 31, 2020 and 2019 was \$2.91 and \$2.93, respectively. The total fair value of restricted stock units that vested was \$2 million for both the years ended December 31, 2020 and 2019. As of December 31, 2020, there was \$0.1 million of unrecognized compensation cost related to restricted stock units. The cost is expected to be recognized over a weighted average period of 0.8 years.

The following table summarizes information about restricted stock unit activity for the year ended December 31, 2020:

	Number of Restricted Stock Units	Weighted-Average Grant Date Fair Values
Outstanding on December 31, 2019	721,801	\$ 3.25
Granted	351,909	\$ 2.91
Vested	692,750	\$ 3.05
Outstanding on December 31, 2020	<u>380,960</u>	<u>\$ 3.31</u>

Stock Options

The following table summarizes information about stock option activity for the year ended December 31, 2020:

	Shares Under Option	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (\$ millions)
Outstanding on December 31, 2019	6,843,079	\$ 10.96		
Granted	2,917,456	\$ 5.86		
Exercised	2,019,187	\$ 14.51		
Forfeited	16,922	\$ 12.50		
Outstanding on December 31, 2020	7,724,426	\$ 8.10	4.83	\$ 19.42
Exercisable on December 31, 2020	7,024,347	\$ 8.41	4.69	\$ 16.86
Expected to vest December 31, 2020	700,080	\$ 4.97	6.24	\$ 2.56

The aggregate intrinsic value represents the total pretax intrinsic value that option holders would have received had all option holders exercised their options on the last trading day of the year. The aggregate intrinsic value is the difference between the Kodak closing stock price on the last trading day of the year and the exercise price, multiplied by the number of in-the-money options.

The Company issued stock-based compensation grants for 2.4 million stock options on July 27, 2020. The terms of 1.8 million of the options awarded on July 27, 2020 provided for immediate vesting or vesting upon conversion of the Convertible Notes. As 100% of the Convertible Notes were converted during the three months ended September 30, 2020, the 1.8 million options with accelerated vesting terms vested in that same period. The remaining 0.6 million options provide for vesting terms of between two and three years.

The valuation of the stock options granted on July 27, 2020 resulted in approximately \$12.6 million of compensation expense being reported in Selling, general and administrative expenses in the Consolidated Statement of Operations in the year ended December 31, 2020.

There were approximately 2.0 million options exercised in the year ended December 31, 2020 and no options exercised in the year ended December 31, 2019. The options exercised in 2020 included 0.3 million options exercised by ex-employees of Kodak that had previously been forfeited. The Company issued shares to the ex-employees in exchange for proceeds based on the exercise prices of the forfeited options. The Company is accounting for the exercise of the forfeited options as a modification of the original awards.

The Company has been seeking to recover the fair value of the shares at the time of the sale of the shares by the ex-employees less the exercise proceeds and withholding (approximately \$3.9 million) and the right to retain any refund of the withholding taxes the Company is seeking to obtain on behalf of the ex-employees (approximately \$3.0 million). The Company received \$3.6 million during the three months ended December 31, 2020 from certain of the ex-employees. The Company is due to receive a \$2 million refund of withholding taxes on behalf of those ex-employees.

The Company recognized compensation expense of approximately \$5.1 million in the three months ended September 30, 2020 related to the 0.3 million previously forfeited options, representing the fair value of the shares issued to the ex-employees less the exercise proceeds received from the ex-employees. Stock compensation expense, reported in Selling, general and administrative expenses in the Consolidated Statement of Operations, was reduced by \$4.6 million in the three months ended December 31, 2020, representing the cash received for certain of the erroneous grants and the refund of withholding taxes due on behalf of the ex-employees. Income recognized in excess of the original stock compensation expense recorded for each individual grant (approximately \$1 million) was recognized in Other operating (income) expense, net in the Consolidated Statement of Operations.

The weighted average grant date fair value of options granted for the years ended December 31, 2020 and 2019 was \$5.86 and \$1.73, respectively. The total fair value of options that vested during the years ended December 31, 2020 and 2019 was \$13 million and \$7 million, respectively. Compensation cost related to stock options for the years ended December 31, 2020 and 2019 was \$14 million and \$5 million, respectively.

As of December 31, 2020, there was \$3.1 million of unrecognized compensation cost related to stock options. The cost is expected to be recognized over a weighted average period of 1.6 years.

Other than for the awards granted on July 27, 2020, Kodak utilizes the Black-Scholes option valuation model to estimate the fair value of stock options.

The expected term of options granted is the period of time the options are expected to be outstanding and is calculated using a simplified method based on the option's vesting period and original contractual term. The Company uses the historical volatility of the Company's stock to estimate expected volatility. The risk-free rate was based on the yield on U.S. Treasury notes with a term equal to the option's expected term.

The following inputs were used for the valuation of option grants issued in each year:

	Year Ended December 31,	
	2020	2019
Weighted-average fair value of options granted	\$ 1.50	\$ 1.73
Weighted-average risk-free interest rate	2.43%	2.47%
Expected option lives	3.7 years	4.5 years
Weighted-average volatility	98%	90%
Expected dividend yield	0.00%	0.00%

Given the volatility of the Company's stock price in the third quarter of 2020, the Company utilized a lattice-based valuation model to value the time-based vesting awards granted July 27, 2020 and a Monte Carlo simulation valuation model to value the options granted on July 27, 2020 which vested upon conversion of the Convertible Notes.

The following inputs were used in the lattice-based valuation of the July 27, 2020 option grants:

	July 27, 2020 Option Awards
Weighted-average fair value of options granted	\$ 6.57
Range of risk-free interest rates	0.11% - 0.30%
Weighted-average term	5.57 years
Weighted-average volatility	98%
Weighted-average expected dividend yield	0.00%

NOTE 24: SHAREHOLDERS' EQUITY

The Company has 560 million shares of authorized stock, consisting of: (i) 500 million shares of common stock, par value \$0.01 per share and (ii) 60 million shares of preferred stock, no par value, issuable in one or more series. As of December 31, 2020 there were 77.2 million shares of common stock outstanding and 2.0 million shares of Series A preferred stock issued and outstanding. As of December 31, 2019 there were 43.2 million shares of common stock outstanding and 2.0 million shares of Series A preferred stock issued and outstanding.

Treasury Stock

Treasury stock consisted of approximately 0.7 million shares at both December 31, 2020 and 2019.

Backstop Registration Rights Agreement

Upon emergence from bankruptcy on September 3, 2013 ("Effective Date"), the Company and GSO Capital Partners LP, on behalf of various managed funds, BlueMountain Capital Management, LLC, on behalf of various managed funds, George Karfunkel, United Equities Commodities Company, Momar Corporation and Contrarian Capital Management, LLC, on behalf of Contrarian Funds, LLC (collectively, the "Backstop Parties") executed a registration rights agreement (the "Backstop Registration Rights Agreement"). The Backstop Registration Rights Agreement, among other rights, provides the Backstop Parties with certain registration rights with respect to common stock offered to the Backstop Parties (and other eligible creditors) as part of a rights offering (the "Backstop registrable securities"). A portion of the shares issued in the rights offerings are restricted securities for purposes of Rule 144 under the Securities Act of 1933 and may not be offered, sold or otherwise transferred absent registration under the Securities Act of 1933 or an applicable exemption from registration requirements.

Stockholders holding Backstop registrable securities representing 10% of the outstanding common stock at emergence may require the Company to facilitate a registered offering of Backstop registrable securities (such offering, the "Initial Registration"). The Backstop registrable securities requested to be sold in the Initial Registration must have an aggregate market value of at least \$75 million. On October 20, 2016, the Initial Registration, in the form of a shelf registration statement registering all Backstop registerable securities, was declared effective by the SEC.

Following the Initial Registration, stockholders holding 10% or more of the outstanding Backstop registrable securities may demand that the Company file a shelf registration statement and effectuate one or more takedowns off of such shelf, or, if a shelf is not available, effectuate one or more stand-alone registered offerings, provided that such non-shelf registered offerings or shelf takedowns may not be requested more than four times and, in each case, shall include shares having an aggregate market value of at least \$75 million. Beginning on the second anniversary of the Effective Date, upon request of a stockholder, the Company shall amend its existing shelf registration statement to register additional Backstop registrable securities as set forth in the Registration Rights Agreement. Stockholders also have the right to include their Backstop registrable securities in the Initial Registration or any other non-shelf registered offering or shelf takedown of the common stock by the Company for its own account or for the account of any holders of common stock.

NOTE 25: OTHER COMPREHENSIVE LOSS

The changes in Other comprehensive loss by component, were as follows:

(in millions)	Year Ended December 31,	
	2020	2019
Currency translation adjustments		
Currency translation adjustments	\$ (16)	\$ 3
Amount transferred to net income due to the sale of an investment in a foreign entity	—	3
Currency translation adjustments and other	(16)	6
Pension and other postretirement benefit plan changes		
Newly established net actuarial loss	(34)	(14)
Tax benefit	—	9
Newly established net actuarial loss, net of tax	(34)	(5)
Reclassification adjustments:		
Amortization of prior service credit	(a) (7)	(8)
Amortization of actuarial losses	(a) 19	4
Recognition of gains due to settlements and curtailments	(a) 9	(2)
Total reclassification adjustments	21	(6)
Tax provision	—	(1)
Reclassification adjustments, net of tax	21	(7)
Pension and other postretirement benefit plan changes, net of tax	(13)	(12)
Other comprehensive loss	<u>\$ (29)</u>	<u>\$ (6)</u>

(a) Reclassified to Pension income - refer to Note 20, "Retirement Plans" and Note 21, "Other Postretirement Benefits" for additional information.

NOTE 26: ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss is composed of the following:

(in millions)	As of December 31,	
	2020	2019
Currency translation adjustments	\$ (106)	\$ (90)
Pension and other postretirement benefit plan changes	(340)	(327)
Ending balance	\$ (446)	\$ (417)

NOTE 27: SEGMENT INFORMATION**Change in Segments**

Effective January 1, 2020 Kodak changed its organizational structure. Prepress Solutions, formerly part of the Print Systems segment, operates as a separate segment named the Traditional Printing segment. Electrophotographic Printing Solutions, formerly part of the Print Systems segment, was combined with the Enterprise Inkjet Systems segment and Kodak Software segment to form the Digital Printing segment. The Brand, Film and Imaging segment, except for the licensing of the Kodak brand to third parties, was combined with the Advanced Materials and 3D Printing segment to form the Advanced Materials and Chemicals segment. The licensing of the Kodak brand to third parties operates as a separate segment named the Brand segment. The Eastman Business Park segment is no longer a reportable segment. A description of Kodak's reportable segments follows.

Traditional Printing: The Traditional Printing segment is comprised of Prepress Solutions.

Digital Printing: The Digital Printing segment is comprised of four lines of business: the Electrophotographic Printing Solutions business, the Prosper business, the Versamark business and the Software business.

Advanced Materials and Chemicals: The Advanced Materials and Chemicals segment is comprised of five lines of business: Industrial Film and Chemicals, Motion Picture, Advanced Materials and Functional Printing Technology and Kodak Services for Business.

Brand: The Brand segment contains the brand licensing business.

All Other: All Other is comprised of the operations of the Eastman Business Park, a more than 1,200 acre technology center and industrial complex.

Segment financial information is shown below. Asset information by segment is not disclosed as this information is not separately identified and reported to the Chief Operating Decision Maker.

Net Revenues from Continuing Operations by Reportable Segment

(in millions)	Year Ended December 31,	
	2020	2019
Traditional Printing	\$ 592	\$ 727
Digital Printing	241	293
Advanced Materials and Chemicals	172	200
Brand	13	12
Total of reportable segments	1,018	1,232
Other	11	10
Consolidated total	\$ 1,029	\$ 1,242

Segment Measure of Profit and Loss

Kodak's segment measure of profit and loss is an adjusted earnings before interest, taxes, depreciation and amortization ("Operational EBITDA"). As demonstrated in the table below, Operational EBITDA represents the earnings (loss) from continuing operations excluding the provision (benefit) for income taxes; non-service cost components of pension and OPEB income; depreciation and amortization expense; restructuring costs; stock-based compensation expense; consulting and other costs; idle costs; the former CEO separation agreement compensation; other operating (expense) income, net (unless otherwise indicated); interest expense; loss on early extinguishment of debt and other charges, net.

Kodak's segments are measured using Operational EBITDA both before and after allocation of corporate selling, general and administrative expenses ("SG&A"). The segment earnings measure reported is after allocation of corporate SG&A as this most closely aligns with U.S. GAAP. Research and development activities not directly related to the other segments are reported within the Advanced Materials and Chemicals segment.

Segment Operational EBITDA and Consolidated Loss from Continuing Operations Before Income Taxes

(in millions)	Year Ended December 31,	
	2020	2019
Traditional Printing	\$ 21	\$ 48
Digital Printing	(10)	(9)
Advanced Materials and Chemicals	(23)	(34)
Brand	11	8
Total of reportable segments	(1)	13
Other	1	(1)
Depreciation and amortization	(37)	(55)
Restructuring costs and other	(17)	(16)
Stock-based compensation	(15)	(7)
Consulting and other costs ⁽¹⁾	(9)	(7)
Idle costs ⁽²⁾	(3)	(5)
Former CEO separation agreement compensation	—	(2)
Other operating income (expense), net, excluding income from transition services agreement ⁽³⁾	7	(22)
Interest expense ⁽⁴⁾	(12)	(16)
Pension income excluding service cost component ⁽⁴⁾	98	104
Loss on early extinguishment of debt	(2)	—
Other charges, net ⁽⁴⁾	(386)	(46)
Consolidated loss from continuing operations before income taxes	\$ (376)	\$ (60)

- (1) Consulting and other costs are professional services and internal costs associated with certain corporate strategic initiatives and investigations, including the divestiture of FPD and debt refinancing in 2019.
- (2) Consists of third-party costs such as security, maintenance, and utilities required to maintain land and buildings in certain locations not used in any Kodak operations and the costs, net of any rental income received, of underutilized portions of certain properties.
- (3) \$6 million of income from the transition services agreement with the Purchaser was recognized in both the years ended December 31, 2020 and 2019. The income was reported in Other operating (income) expense, net in the Consolidated Statement of Operations. Other operating (income) expense, net is typically excluded from the segment measure. However, the income from the transition services agreement was included in the segment measure.
- (4) As reported in the Consolidated Statement of Operations.

Kodak increased employee benefit reserves by approximately \$4 million in 2020 reflecting an increase in workers' compensation reserves (\$7 million) partially offset by a decrease in postemployment benefit reserves (\$3 million). In 2019 workers' compensation reserves increased by approximately \$3 million. The increase in reserves in 2020 impacted gross profit and SG&A each by approximately \$2 million. The increase in reserves in 2019 impacted gross profit by approximately \$2 million and SG&A by approximately \$1 million.

Amortization and depreciation expense by segment are not included in the segment measure of profit and loss but are regularly provided to the Chief Operating Decision Maker.

(in millions)	Year Ended December 31,	
	2020	2019
Intangible asset amortization expense from continuing operations:		
Traditional Printing	\$ 1	\$ 2
Digital Printing	3	4
Brand	1	1
Consolidated total	\$ 5	\$ 7

(in millions)	Year Ended December 31,	
	2020	2019
Depreciation expense from continuing operations:		
Traditional Printing	\$ 19	\$ 28
Digital Printing	7	10
Advanced Materials and 3D Printing	5	6
Other	1	4
Consolidated total	<u>\$ 32</u>	<u>\$ 48</u>

(in millions)	Year Ended December 31,	
	2020	2019
Long-lived assets (1) located in:		
The United States	\$ 78	\$ 85
Europe, Middle East and Africa	22	28
Asia Pacific	5	8
Canada and Latin America	47	60
Non-U.S. countries total (2)	74	96
Consolidated total	<u>\$ 152</u>	<u>\$ 181</u>

(1) Long-lived assets are comprised of property, plant and equipment, net.

(2) Of the total non-U.S. property, plant and equipment in 2020, \$43 million are located in Brazil. Of the total non-U.S. property, plant and equipment in 2019, \$56 million was located in Brazil.

Major Customers

No single customer represented 10% or more of Kodak's total net revenue in any year presented.

NOTE 28: RELATED PARTY

Kodak's Executive Chairman is the Chairman of the Board for a company that purchased \$3 million of products in 2019. At December 31, 2019, the company owed Kodak \$1 million.

NOTE 29: DISCONTINUED OPERATIONS

Flexographic Packaging segment

Discontinued operations of Kodak include the former Flexographic Packaging segment comprised of Kodak's Flexographic Packaging Business ("FPD").

Kodak consummated the sale of certain assets of FPD to MIR Bidco, SA (the "Purchaser") on April 8, 2019 for net cash consideration at closing, in addition to the assumption by Purchaser of certain liabilities of FPD, of \$320 million, pursuant to the Stock and Asset Purchase Agreement ("SAPA") signed in November 2018 and amended in March 2019. Assets and liabilities of FPD in China were transferred at a deferred closing on July 1, 2019 for net cash consideration of \$5.9 million at closing and a promissory note for \$1.4 million in addition to the assumption by Purchaser of certain liabilities of FPD, in accordance with the SAPA. Kodak operated FPD in China, subject to certain covenants, until the deferred closing occurred. The promissory note was reduced by a true-up payment of \$0.2 million owed by Kodak to the Purchaser which reflected the actual economic benefit attributable to the operation of FPD in China from the time of the initial closing through the time of the deferred closing.

The divested business has the right to use Kodak's corporate brand for a 10-year period related to Covered Products (as defined in the SAPA) for no additional consideration. Therefore, \$10 million of consideration received for the sale of FPD was recognized as deferred revenue related to the brand license. The deferred revenue is reported in Long-term liabilities in the Consolidated Statement of Financial Condition and will be recognized as revenue over the term of the license. Proceeds were allocated between the sale of FPD and the brand license based on their relative fair values.

Kodak recognized an after-tax gain on the sale of FPD of \$212 million in the year ended December 31, 2019.

Simultaneously with entering into the SAPA, the Company and the Purchaser entered into an Earn-out Agreement, pursuant to which the Company will be entitled to an aggregate of up to \$35 million in additional cash consideration if FPD achieves agreed EBITDA targets for 2018 (\$10 million earn-out), 2019 (\$10 million earn-out) and 2020 (\$15 million earn-out). The EBITDA targets for 2019 and 2018 were not achieved. The FPD 2020 results are not yet available.

On April 16, 2019 the Purchaser paid Kodak \$15 million as a prepayment for services and products to be provided by Kodak to the Purchaser. The Purchaser had the option to satisfy its payment obligations to Kodak through a reduction of the prepayment balance or in cash. As of December 31, 2020, the remaining prepayment balance was \$0 million.

The results of operations of FPD are classified as discontinued operations in the Consolidated Statement of Operations for all periods presented. Direct operating expenses of the discontinued operations are included in the results of discontinued operations. Indirect expenses that were historically allocated to the discontinued operations have been included in the results of continuing operations. Prior period results have been reclassified to conform to the current period presentation.

The results of operations of the Business are presented below:

(in millions)	Year Ended December 31,	
	2020	2019
Revenues	\$ —	\$ 44
Cost of sales	—	28
Selling, general and administrative expenses	—	10
Research and development expenses	—	2
Interest expense	—	7
Gain on divestiture	—	(214)
Earnings from continuing operations before income taxes	—	211
Provision for income taxes	—	4
Earnings (loss) from discontinued operations	\$ —	\$ 207

Interest was allocated to discontinued operations based on an estimated debt paydown of the Term Credit Agreement.

Earnings from discontinued operations in the Consolidated Statement of Operations for December 31, 2020 includes earnings of \$3 million associated with businesses disposed of in previous years.

None.

ITEM 9A. CONTROLS AND PROCEDURES***Evaluation of Disclosure Controls and Procedures***

Kodak maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in Kodak's reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including Kodak's Executive Chairman and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Kodak's management, with participation of Kodak's Executive Chairman and Chief Financial Officer, has evaluated the effectiveness of Kodak's disclosure controls and procedures as of the end of the fiscal year covered by this Annual Report on Form 10-K. Kodak's Executive Chairman and Chief Financial Officer have concluded that, as of the end of the period covered by this Annual Report on Form 10-K, Kodak's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

Management's Report on Internal Control Over Financial Reporting

The management of Kodak is responsible for establishing and maintaining adequate internal control over financial reporting. Kodak's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Kodak's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Kodak; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of Kodak are being made only in accordance with authorizations of management and directors of Kodak; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Kodak's assets that could have a material effect on the financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment or breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override.

Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Kodak's internal control over financial reporting as of December 31, 2020. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in "Internal Control-Integrated Framework" (2013). Based on management's assessment using the COSO criteria, management has concluded that Kodak's internal control over financial reporting was effective as of December 31, 2020.

Changes in Internal Control over Financial Reporting

There was no change identified in Kodak's internal control over financial reporting that occurred during Kodak's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, Kodak's internal control over financial reporting other than as follows:

During the quarter ended September 30, 2020 the Company discovered deficiencies in controls required to safeguard Company assets. The Company did not prevent the unauthorized issuance of the Company's common stock when previously forfeited non-qualified stock options were exercised by five former officers and employees in July 2020. Errors existed in employee equity accounts for the five former officers and employees as well as other current and former officers and employees which could have resulted in additional inappropriate exercises. Controls were inadequate with regard to the timely input and verification of master data updates for equity grants, the maintenance of audit documentation of grant activity in the repository of grants serviced by a third-party administrator, and the performance of independent reconciliations of the repository to supporting company records for the detection of errors or misstatements in employee equity account balances.

The Company has remediated these control deficiencies as of December 31, 2020. Documentation and supervisory review controls around master data were strengthened and an audit trail of stock-based compensation award additions and modifications is now being maintained. A complete reconciliation of the repository of equity grants is being performed and controls have been strengthened by employing an independent reconciliation process and ensuring appropriate segregation of duties.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information required by Item 10 regarding directors is incorporated by reference from the information under the caption "Board of Directors and Corporate Governance - Director Nominees" in the Company's Notice of 2021 Annual Meeting and Proxy Statement (the "Proxy Statement"), which will be filed within 120 days after December 31, 2020. The information required by Item 10 regarding audit committee composition and audit committee financial expert disclosure is incorporated by reference from the information under the caption "Board of Directors and Corporate Governance - Committees of the Board - Audit and Finance Committee" in the Proxy Statement. The information required by Item 10 regarding executive officers is contained in Part I under the caption "Information About Its Executive Officers". The information required by Item 10 regarding compliance with Section 16(a) of the Securities Exchange Act of 1934 is incorporated by reference, if necessary, from the information under the caption "Security Ownership of Certain Beneficial Owners and Management - Delinquent Section 16(a) Reports" in the Proxy Statement.

We have adopted a Business Conduct Guide that applies to all of our officers and employees, including our principal executive, principal financial and principal accounting officers, or persons performing similar functions, as well as a Directors' Code of Conduct that applies to our directors. Our Business Conduct Guide and Directors' Code of Conduct are posted on our website located at <http://investor.kodak.com/corporate-governance/supporting-documents>. We intend to disclose future amendments to certain provisions of the Business Conduct Guide and waivers of the Business Conduct Guide granted to executive officers, on the website within four business days following the date of the amendment or waiver.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated herein by reference from the information under the following captions in the Proxy Statement: "Executive Compensation", "Director Compensation" and "Board of Directors and Corporate Governance - Executive Compensation Committee Interlocks and Insider Participation."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 is incorporated by reference from the information under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Proposal 3 - Equity Compensation Plan Information" in the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is incorporated by reference from the information under the captions "Certain Relationships and Related Transactions" and "Board of Directors and Corporate Governance - Director and Nominee Independence" in the Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 is incorporated by reference from the information under the caption "Principal Accounting Fees and Services" in the Proxy Statement.

PART IV**ITEM 15. FINANCIAL STATEMENT SCHEDULES, EXHIBITS**

1. Valuation and qualifying accounts

Schedule II

Eastman Kodak Company
Valuation and Qualifying Accounts

(in millions)	Beginning Balance	Additions	Net Deductions and Other	Ending Balance
Year ended December 31, 2020				
Reserve for doubtful accounts	\$ 8	7	5	\$ 10
Deferred tax valuation allowance	\$ 821	344	53	\$ 1,112
Year ended December 31, 2019				
Reserve for doubtful accounts	\$ 9	3	4	\$ 8
Deferred tax valuation allowance	\$ 853	64	96	\$ 821

All other schedules have been omitted because they are not applicable, or the information required is shown in the financial statements or notes thereto.

Exhibit
Number

- (2.1) [Stock and Asset Purchase Agreement, dated as of November 11, 2018, by and between Eastman Kodak Company and MIR Bidco SA. \(Incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K as filed November 13, 2018\).](#)
- (2.2) [First Amendment to Stock and Asset Purchase Agreement, dated as of March 29, 2019, by and between Eastman Kodak Company and MIR Bidco SA. \(Incorporated by reference to Exhibit \(2.3\) of the Company's Current Report on Form 8-K as filed April 9, 2019\).](#)
- (2.3) [Earn-Out Agreement, dated as of November 11, 2018, by and between Eastman Kodak Company and MIR Bidco SA. \(Incorporated by reference to Exhibit 2.2 of the Company's Current Report on Form 8-K as filed November 13, 2018\).](#)
- (3.1) [Second Amended and Restated Certificate of Incorporation of Eastman Kodak Company. \(Incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-8 as filed on September 3, 2013\).](#)
- (3.2) [Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Eastman Kodak Company. \(Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K as filed November 16, 2016\).](#)
- (3.3) [Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Eastman Kodak Company. \(Incorporated by reference to Exhibit \(3.1\) of the Company's Current Report on Form 8-K as filed September 12, 2019\).](#)
- (3.4) [Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Eastman Kodak Company. \(Incorporated by reference to Exhibit \(3.2\) of the Company's Current Report on Form 8-K as filed September 12, 2019\).](#)
- (3.5) [Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Eastman Kodak Company. \(Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K as filed December 29, 2020\).](#)
- (3.6) [Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Eastman Kodak Company. \(Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K as filed March 1, 2021\).](#)
- (3.7) [Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Eastman Kodak Company. \(Incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K as filed March 1, 2021\).](#)
- (3.8) [Fourth Amended and Restated By-Laws of Eastman Kodak Company. \(Incorporated by reference to Exhibit \(3.5\) of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 as filed on May 12, 2020\).](#)
- (4.1) [Registration Rights Agreement between Eastman Kodak Company and certain stockholders listed on Schedule 1 thereto, dated September 3, 2013. \(Incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form 8-A as filed on September 3, 2013\).](#)
- (4.2) [Registration Rights Agreement by and among Eastman Kodak Company, Southeastern Asset Management, Inc., Longleaf Partners Small-Cap Fund, C2W Partners Master Fund Limited and Deseret Mutual Pension Trust, dated November 15, 2016. \(Incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K as filed November 16, 2016\).](#)
- (4.3) [Shareholder Agreement, dated as of April 17, 2017, by and among Eastman Kodak Company, Longleaf Partners Small-Cap Fund, C2W Partners Master Fund Limited, Deseret Mutual Pension Trust and Southeastern Asset Management, Inc. \(Incorporated by reference to Exhibit 4.6 of the Company's Amendment No. 2 to Registration Statement on Form S-3 as filed on May 5, 2017\).](#)
- (4.4) [Amendment No. 1 to Shareholder Agreement, dated as of May 20, 2019 by and among Eastman Kodak Company, Southeastern Asset Management, Inc., Longleaf Partners Small-Cap Fund, C2W Partners Master Fund Limited and Deseret Mutual Pension Trust. \(Incorporated by reference to Exhibit \(10.2\) of the Company's Current Report on Form 8-K as filed May 21, 2019\).](#)

- (4.5) [Registration Rights Agreement, dated as of May 24, 2019, by and among Eastman Kodak Company, Longleaf Partners SmallCap Fund, C2W Partners Master Fund Limited and Deseret Mutual Pension Trust \(Incorporated by reference to Exhibit \(4.3\) of the Company's Current Report on Form 8-K as filed May 24, 2019\),](#)
- (4.6) [Registration Rights Agreement, dated as of February 26, 2021, by and between Eastman Kodak Company and GO EK Ventures IV, LLC \(Incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K as filed March 1, 2021\),](#)
- (4.7) [Registration Rights Agreement, dated as of February 26, 2021, by and among Eastman Kodak Company, Kennedy Lewis Capital Partners Master Fund LP and Kennedy Lewis Capital Partners Master Fund II LP \(Incorporated by reference to Exhibit 10.11 of the Company's Current Report on Form 8-K as filed March 1, 2021\),](#)
- (4.8) [Board Rights Agreement, dated as of February 26, 2021, by and between Eastman Kodak Company and Kennedy Lewis Investment Management LLC \(Incorporated by reference to Exhibit 10.7 of the Company's Current Report on Form 8-K as filed March 1, 2021\),](#)
- (4.9) [Convertible Promissory Note, dated as of February 26, 2021, from Eastman Kodak Company to Kennedy Lewis Capital Partners Master Fund LP \(Incorporated by reference to Exhibit 10.8 of the Company's Current Report on Form 8-K as filed March 1, 2021\),](#)
- (4.10) [Convertible Promissory Note, dated as of February 26, 2021, from Eastman Kodak Company to Kennedy Lewis Capital Partners Master Fund II LP \(Incorporated by reference to Exhibit 10.9 of the Company's Current Report on Form 8-K as filed March 1, 2021\),](#)
- (4.11) [Description of Securities, filed herewith.](#)
- *(10.1) [Eastman Kodak Company 2013 Omnibus Incentive Plan \(As Amended and Restated effective May 20, 2020 \(Incorporated by reference to Exhibit \(10.1\) of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 as filed on August 11, 2020\),](#)
- *(10.2) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Executive Restricted Stock Unit Award Agreement \(Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2013 as filed on November 12, 2013\),](#)
- *(10.3) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Nonqualified Stock Option Agreement \(Incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 as filed on May 7, 2015\),](#)
- *(10.4) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Executive Restricted Stock Unit and Nonqualified Stock Option Award Agreement \(with Modified Accelerated Vesting\) \(Incorporated by reference to Exhibit 10.5 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 as filed on March 7, 2017\),](#)
- *(10.5) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Executive Restricted Stock Unit and Nonqualified Stock Option Award Agreement \(with Continued Vesting\) \(Incorporated by reference to Exhibit 10.6 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 as filed on March 7, 2017\),](#)
- *(10.6) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Executive Restricted Stock Unit and Nonqualified Stock Option Award Agreement \(with Forfeiture upon Termination\) \(Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017 as filed on August 9, 2017\),](#)
- *(10.7) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Director Restricted Stock Unit Award Agreement \(Incorporated by reference to Exhibit 10.3 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 as filed on March 19, 2014\),](#)

- *(10.8) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Director Restricted Stock Unit Award Agreement \(One Year Vesting\)](#), (Incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017 as filed on August 9, 2017),
- *(10.9) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Quarterly Director Restricted Stock Unit Award Agreement \(Immediate Vesting\)](#), (Incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019 as filed on November 7, 2019),
- *(10.10) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Executive Nonqualified Stock Option Award Agreement \(multiple tranches\)](#), (Incorporated by reference to Exhibit (10.2) of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020 as filed on November 10, 2020),
- *(10.11) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Director Nonqualified Stock Option Award Agreement \(multiple tranches\)](#), (Incorporated by reference to Exhibit (10.3) of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020 as filed on November 10, 2020),
- *(10.12) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Executive Restricted Stock Unit Award Agreement \(with Immediate Vesting\)](#), filed herewith,
- *(10.13) [Eastman Kodak Company 2013 Omnibus Incentive Plan Form of Executive Restricted Stock Unit Award Agreement \(with Modified Accelerated Vesting\)](#), filed herewith,
- *(10.14) [Eastman Kodak Company Deferred Compensation Plan for Directors dated December 26, 2013](#), (Incorporated by reference to Exhibit 10.23 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 as filed on March 19, 2014),
- *(10.15) [Eastman Kodak Company Officer Severance Policy, effective as of November 10, 2015](#), (Incorporated by reference to Exhibit 10.25 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 as filed on March 15, 2016),
- *(10.16) [Eastman Kodak Company Executive Compensation for Excellence and Leadership \(as amended and restated January 1, 2014\)](#), (Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014 as filed on May 6, 2014),
- *(10.17) [Executive Chairman and CEO Agreement between Eastman Kodak Company and James V. Continenza, dated February 26, 2021](#), filed herewith,
- *(10.18) [James V. Continenza Consolidated Award Agreements, Tranches 1-4, dated February 20, 2019](#), (Incorporated by reference to Exhibit (10.24) of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 as filed on April 1, 2019),
- *(10.19) [Employment Agreement between Eastman Kodak Company and David E. Bullwinkle, dated June 20, 2016](#), (Incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016 as filed on August 9, 2016),
- *(10.20) [Description of David E. Bullwinkle Compensation Increase](#), (Incorporated by reference to the description in Item 5.02 in the Company's Current Report on Form 8-K as filed on November 30, 2018),
- *(10.21) [Description of John O'Grady Compensation Increase](#), (Incorporated by reference to the description in Item 5.02 in the Company's Current Report on Form 8-K as filed on April 9, 2018),
- *(10.22) [Letter Agreement Regarding Special Severance Plan dated May 31, 2018 between Eastman Kodak Company and Roger W. Byrd](#), (Incorporated by reference to Exhibit (10.31) of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 as filed on March 17, 2020),
- (10.23) [Amendment No. 4 to Amended and Restated Credit Agreement \(including attached Amended and Restated Credit Agreement\), dated as of August 26, 2021 by and among Eastman Kodak Company, the Lenders named therein, the Guarantors named therein and Bank of America, N.A., as agent](#), (Incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K as filed March 1, 2021),

- (10.24) [Amended and Restated Security Agreement, dated May 26, 2016, from the Grantors referred to therein, as Grantors, to Bank of America, N.A., as Agent, \(Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016 as filed on August 9, 2016\),](#)
- (10.25) [Letter of Credit Facility Agreement, dated as of February 26, 2021, by and among Eastman Kodak Company, the Lenders named therein, the Guarantors named therein, Bank of America, N.A., as administrative agent and collateral agent and Bank of America, N.A., as issuing bank, \(Incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K as filed March 1, 2021\),](#)
- (10.26) [Security Agreement, dated February 26, 2021, from the Grantors referred to therein, as Grantors, to Bank of America, N.A., as Agent, filed herewith,](#)
- (10.27) [Credit Agreement, dated as of February 26, 2021, by and among Eastman Kodak Company, the Lenders named therein and Alter Domus \(US\) LLC, as Administrative Agent, \(Incorporated by reference to Exhibit 10.6 of the Company's Current Report on Form 8-K as filed March 1, 2021\),](#)
- (10.28) [Guarantee and Collateral Agreement, dated February 26, 2021, made by the Grantors referred to therein, as Grantors, to Alter Domus \(US\) LLC, as Administrative Agent, filed herewith,](#)
- (10.29) [Intercreditor Agreement, dated as of February 26, 2021, among Bank of America, N.A., as Representative with respect to the ABL Credit Agreement, Bank of America, N.A., as Representative with respect to the LC Credit Agreement, and Alter Domus \(US\) LLC, as Representative with respect to the Term Loan Agreement, Eastman Kodak Company, and each of the other Grantors party thereto, filed herewith,](#)
- (10.30) [Intercreditor Agreement, dated as of February 26, 2021, among Bank of America, N.A., as Representative with respect to the ABL Credit Agreement, Bank of America, N.A., as Representative with respect to the LC Credit Agreement, Eastman Kodak Company, and each of the other Grantors party thereto, filed herewith,](#)
- (10.31) [Series A Preferred Stock Purchase Agreement, dated as of November 7, 2016, by and among Eastman Kodak Company, Southeastern Asset Management, Inc., Longleaf Partners Small-Cap Fund, C2W Partners Master Fund Limited and Deseret Mutual Pension Trust, \(Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K as filed on November 7, 2016\),](#)
- (10.32) [Amendment Number One to Series A Preferred Stock Purchase Agreement, dated as of December 24, 2020, by and among Eastman Kodak Company, Southeastern Asset Management, Inc., Longleaf Partners Small-Cap Fund, C2W Partners Master Fund Limited and Deseret Mutual Pension Trust, filed herewith,](#)
- (10.33) [Series A Preferred Stock Repurchase and Exchange Agreement, dated as of February 26, 2021, by and among Eastman Kodak Company, Southeastern Asset Management, Inc., Longleaf Partners Small-Cap Fund, C2W Partners Master Fund Limited and Deseret Mutual Pension Trust, \(Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K as filed March 1, 2021\),](#)
- (10.34) [Series C Preferred Stock Purchase Agreement, dated as of February 26, 2021, by and among Eastman Kodak Company and GO EK Ventures IV, LLC, \(Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K as filed March 1, 2021\),](#)
- (10.35) [Securities Purchase Agreement, dated as of February 26, 2021, by and among Eastman Kodak Company, Kennedy Lewis Capital Partners Master Fund LP and Kennedy Lewis Capital Partners Master Fund II LP, \(Incorporated by reference to Exhibit 10.8 of the Company's Current Report on Form 8-K as filed March 1, 2021\),](#)
- (10.36) [Amended and Restated Settlement Agreement \(Eastman Business Park\) between Eastman Kodak Company, the New York State Department of Environmental Conservation, and the New York State Urban Development Corporation d/b/a Empire State Development, dated August 6, 2013, \(Incorporated by reference to Exhibit 10.10 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2013 as filed on November 12, 2013\),](#)
- (21) [Subsidiaries of Eastman Kodak Company, filed herewith,](#)
- (23.1) [Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm, filed herewith,](#)

- (23.2) [Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, filed herewith.](#)
- (31.1) [Certification signed by James V. Continenza, filed herewith.](#)
- (31.2) [Certification signed by David E. Bullwinkle, filed herewith.](#)
- (32.1) [Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by James V. Continenza, filed herewith.](#)
- (32.2) [Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 signed by David E. Bullwinkle, filed herewith.](#)
- (101.CAL) XBRL Taxonomy Extension Calculation Linkbase.
- (101.INS) XBRL Instance Document.
- (101.LAB) XBRL Taxonomy Extension Label Linkbase.
- (101.PRE) XBRL Taxonomy Extension Presentation Linkbase.
- (101.SCH) XBRL Taxonomy Extension Scheme Linkbase.
- (101.DEF) XBRL Taxonomy Extension Definition Linkbase.

* Management contract or compensatory plan or arrangement.

Eastman Kodak Company was granted confidential treatment for certain information contained in this exhibit. Such information was filed separately with the Securities and Exchange Commission pursuant to an application for confidential treatment under 17 C.F.R. §§ 200.80(b)(4) and 240.24b-2

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EASTMAN KODAK COMPANY
(Registrant)

By: /s/ James V. Continenza
James V. Continenza
Executive Chairman
March 16, 2021

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

	Signature	Title
By:	<u>/s/ James V. Continenza</u> James V. Continenza	Executive Chairman and Chief Executive Officer (Principal Executive Officer)
By:	<u>/s/ David E. Bullwinkle</u> David E. Bullwinkle	Chief Financial Officer (Principal Financial Officer)
By:	<u>/s/ Eric H. Samuels</u> Eric H. Samuels	Chief Accounting Officer and Corporate Controller (Principal Accounting Officer)
By:	<u>/s/ Jeffrey D. Engelberg</u> Jeffrey D. Engelberg	Director
By:	<u>/s/ George Karfunkel</u> George Karfunkel	Director
By:	<u>/s/ Philippe D. Katz</u> Philippe D. Katz	Director
By:	<u>/s/ Jason New</u> Jason New	Director
By:	<u>/s/ William G. Parrett</u> William G. Parrett	Director

Date: March 16, 2021

EASTMAN KODAK COMPANY
DESCRIPTION OF COMMON STOCK

Eastman Kodak Company, a New Jersey corporation (the "Company"), has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): its common stock, par value \$0.01 per share ("Common Stock").

General

The Company is authorized to issue up to 500,000,000 shares of Common Stock and 60,000,000 shares of preferred stock, no par value per share. The rights of holders of the Common Stock are subject to the rights of holders of any series of preferred stock that may be issued from time to time (including (i) the 1,000,000 shares of the Company's currently outstanding 4.0% Series B Convertible Preferred Stock, no par value per share (the "Series B Preferred Stock") and (ii) up to 1,435,000 shares of the Company's 5.0% Series C Convertible Preferred Stock, no par value per share (the "Series C Preferred Stock")), including liquidation rights, special voting rights and preferences with respect to payment of dividends. For a more detailed description of the terms of our capital stock, please refer to the Company's Second Amended and Restated Certificate of Incorporation and amendments thereto (collectively, the "Certificate") and the Fourth Amended and Restated By-Laws (the "By-Laws") filed as exhibits to the report to which this description is filed as an exhibit.

Dividends

Subject to applicable law and to the designated preferential rights of any outstanding series of preferred stock that the Board of Directors of the Company (the "Board") may cause to be issued, from time to time, the holders of Common Stock will be entitled to dividends as may be declared from time to time by the Board.

Holders of Series B Preferred Stock are entitled to receive cash dividends in an amount equal to the dividend rate of 4.0% per annum of the liquidation preference of \$100.00 per share of Series B Preferred Stock. Dividends on the Series B Preferred Stock will be paid in cash if the Company has funds legally available for payment and the Board, or an authorized committee thereof, declares a cash dividend payable.

Unless (i) all accumulated and unpaid dividends on the Series B Preferred Stock have been paid in full or a sum for such amounts has been set aside for payment or (ii) the Company has fully performed its obligation to redeem in full all outstanding shares of the Series B Preferred Stock, the Company may not declare dividends on shares of Common Stock or any other shares of the Company's stock ranking junior to the Series B Preferred Stock and may not purchase, redeem or otherwise acquire such shares, subject to certain customary exceptions.

Holders of the Series C Preferred Stock are entitled to receive dividends payable "in-kind" in the form of additional shares of the Series C Preferred Stock in an amount equal to 5.0% per annum of the liquidation preference per share of the Series C Preferred Stock. The Series C Preferred Stock has an initial liquidation preference of \$100.00 per share. If dividends on the Series C Preferred Stock are not declared and paid for any given fiscal quarter, the liquidation preference is automatically increased by the amount of such unpaid dividends. Holders of the Series C Preferred Stock are also entitled to participate in any dividends paid on the Common Stock (other than stock dividends) in an amount equal to the amount of such dividends which would be payable on the number of shares of Common Stock into which such shares of the Series C Preferred Stock could be converted on the applicable record date, with such dividends on any shares of the Series C Preferred Stock being payable upon conversion of such shares of the Series C Preferred Stock into Common Stock.

Unless (i) all accumulated and unpaid dividends on the Series C Preferred Stock have been paid in full in the form of additional shares of the Series C Preferred Stock or the liquidation preference has been increased by the amount of any unpaid dividends or (ii) the Company has fully performed its obligation to redeem in full all outstanding shares of the Series C Preferred Stock, the Company may not declare dividends on shares of Common Stock or any other shares of the Company's stock ranking junior to the Series C Preferred Stock and may not purchase, redeem or otherwise acquire such shares, subject to certain customary exceptions.

Ranking

The Common Stock ranks junior to the Series B Preferred Stock and the Series C Preferred Stock as to payment of dividends and distributions of assets upon the liquidation, dissolution or winding up of Company.

Voting Rights

Each share of Common Stock entitles the holder thereof to one vote on all matters, including the election of directors, and, except as otherwise required by law or provided in any resolution adopted by our Board with respect to any series of preferred stock, the holders of the shares of Common Stock will possess all voting power. Generally, all matters to be voted on by the shareholders must be approved by a majority of the votes cast at a meeting at which a quorum is present, subject to state law and any voting rights granted to any of the holders of preferred stock. Holders of Series C Preferred Stock are entitled to vote upon all matters upon which holders of Common Stock have the right to vote, and will be entitled to the number of votes equal to the number of full shares of Common Stock into which such shares of Series C Preferred Stock could be converted on the applicable record date, such votes to be counted together with shares of Common Stock and not separately as a class. The Certificate provides for certain limitations on the voting rights of holders of Common Stock with respect to amendments to the Certificate that affect the terms of outstanding preferred stock, including the Series B Preferred Stock and the Series C Preferred Stock.

Directors

The number of directors shall be no fewer than seven and not more than 13, or as otherwise fixed pursuant to the By-laws. Holders of Common Stock do not have cumulative voting rights with respect to the election of directors. A nominee for director shall be elected to the Board if the nominee receives a majority of the votes cast at a meeting at which a quorum is present. A nominee receives a majority of the votes cast if the votes "for" such nominee's election exceed the votes "against" such nominee's election. However, directors shall be elected by a plurality of the votes cast in any contested election for directors. A "contested election" is any election in which the number of nominees seeking election is more than the number of directors to be elected. Shareholders will be permitted only to vote "for" or "withhold" authority in a contested election.

If dividends on the Series B Preferred Stock are in arrears for six or more consecutive or non-consecutive dividend periods, the holders of the Series B Preferred Stock will be entitled to nominate one director at the next annual shareholder meeting and all subsequent shareholder meetings until all accumulated dividends on such Series B Preferred Stock have been paid in full or set aside, at which time any such director serving on the Board shall resign.

The initial holder of the Series C Preferred Stock is contractually entitled to nominate one director to the Board. This nomination right expires on February 26, 2024. Following February 26, 2024, if dividends on the Series C Preferred Stock are in arrears for six or more consecutive or non-consecutive dividend periods, the initial holder of the Series C Preferred Stock will be entitled to nominate one director at the next annual shareholder meeting and all subsequent shareholder meetings until all accumulated dividends on such Series C Preferred Stock have been paid in full in the form of additional shares of Series C Preferred Stock or the liquidation preference has been increased by the amount of any unpaid dividends, at which time any such director serving on the Board shall resign. The foregoing nomination rights will automatically terminate upon the initial holder ceasing to directly or indirectly hold at least a majority of the shares of the Series C Preferred Stock purchased or the Common Stock received upon the conversion of such shares. Such nomination rights are exclusive to the initial holder of the Series C Preferred Stock and do not transfer with the Series C Preferred Stock.

In connection with debt financing obtained by the Company from certain funds affiliated with Kennedy Lewis Investment Management LLC ("KLIM") pursuant to that certain Credit Agreement among the Company, the lenders party thereto, and Alter Domus (US) LLC, as administrative agent (the "Term Loan Credit Agreement"), the Company has agreed that the Board will appoint an individual designated by KLIM as a member of the Board at or prior to the next annual shareholder meeting. Thereafter, KLIM will have the right to nominate one director at each subsequent shareholder meeting until the earlier to occur of (x) February 26, 2024 or (y) KLIM affiliated funds ceasing to hold at least 50% of the original principal amount of the term loans and commitments under the Term Loan Credit Agreement. Until KLIM ceases to hold at least 50% of the original principal amount of the term loans and commitments under the Term Loan Credit Agreement, at any time that KLIM's designated director is not serving on the Board, KLIM will have the right to designate a non-voting observer to the Board.

Except as may otherwise be required by law or by the Certificate, the By-Laws may be amended, altered, or repealed, in whole or in part, by the affirmative vote of a majority of the Board. The shareholders, by a majority of the votes cast at a meeting of the shareholders called for such purpose, may adopt, alter, amend or repeal the By-Laws whether made by the Board or otherwise; such amendments adopted by the shareholders may not be amended

or repealed by action of the Board without (i) the affirmative vote of a majority of the votes cast at a meeting of the shareholders called for such purpose or (ii) approval by written consent of the shareholders.

Other

The holders of Common Stock do not have preemptive rights. There are no subscription, redemption, conversion or sinking fund provisions with respect to the Common Stock.

Pursuant to section 1123(a)(6) of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), the Company is prohibited from issuing any non-voting equity securities for so long as section 1123 of the Bankruptcy Code is in effect and applicable to the Company. This restriction on the issuance of non-voting equity securities is included in the Certificate.

The transfer agent and registrar for the Common Stock, which is listed on the New York Stock Exchange under the symbol KODK, is Computershare Shareowner Services.

Anti-Takeover Provisions

Various provisions contained in the Certificate, the By-Laws, and New Jersey law could delay or discourage some transactions involving an actual or potential change in control of the Company or its management. Provisions in the Certificate and the By-Laws:

- provide that only a majority of the Board, the Chairman or the President may call a special meeting of the shareholders, except that a special meeting must be called upon the request from at least 20% of the total number of votes represented by the entire amount of capital stock of the Company issued and outstanding and entitled to vote at the meeting;
- provide an advanced written notice procedure with respect to shareholder proposals and shareholder nomination of candidates for election as directors; and
- provide that directors may fill any vacancies on the Board, including vacancies resulting from an increase the number of directors.

In addition, the Company is subject to Chapter 14A:10A of the New Jersey Business Corporation Act, the New Jersey Shareholders Protection Act. Chapter 14A:10A is an anti-takeover statute designed to protect shareholders against coercive, unfair or inadequate tender offers and other abusive tactics and to encourage any person contemplating a business combination with the Company to negotiate with the Board for the fair and equitable treatment of all shareholders. Subject to certain qualifications and exceptions, the statute prohibits an interested stockholder of a corporation from effecting a business combination with the corporation for a period of five years from the date the interested stockholder acquires the corporation's stock, unless (a) the corporation's board of directors approved the combination prior to the stockholder becoming an interested stockholder or (b) (i) the corporation's board of directors approved the transaction or series of transactions causing the stockholder to become an interested stockholder and the corporation's disinterested directors or a committee of disinterested directors approved the subsequent business combination and (ii) such subsequent business combination was also approved by the affirmative vote of holders of a majority of the voting stock of the corporation not owned by the interested stockholder. In addition, but not in limitation of the five-year restriction, if applicable, corporations covered by the New Jersey statute may not engage at any time in a business combination with any interested stockholder of that corporation unless (x) the combination is approved by the board of directors prior to the interested stockholder's stock acquisition date, (y) the combination receives the approval of holders of two-thirds of the voting stock of the corporation not beneficially owned by the interested stockholder or (z) the combination meets minimum financial terms specified by the statute.

An "interested stockholder" is defined to include any beneficial owner of 10% or more of the voting power of the outstanding voting stock of the corporation and any affiliate or associate of the corporation who within the prior five year period has at any time owned 10% or more of the voting power of the then outstanding stock of the corporation.

The term "business combination" is defined to include a broad range of transactions including, among other things:

- the merger or consolidation of the corporation with the interested stockholder or any corporation that is or after the merger or consolidation would be an affiliate or associate of the interested stockholder,
- the sale, lease, exchange, mortgage, pledge, transfer or other disposition to an interested stockholder or any affiliate or associate of the interested stockholder of 10% or more of the corporation's assets, or
- the issuance or transfer to an interested stockholder or any affiliate or associate of the interested stockholder of 5% or more of the aggregate market value of the stock of the corporation.

The effect of the statute is to protect non-tendering, post-acquisition minority shareholders from mergers in which they will be "squeezed out" after the merger, by prohibiting transactions in which an acquirer could favor itself at the expense of minority shareholders. The statute generally applies to corporations that are organized under New Jersey law.

EASTMAN KODAK COMPANY
2013 OMNIBUS INCENTIVE PLANAward Agreement

This "Award Agreement" evidences an award of Restricted Stock Units (the "RSUs") by the Company under the Eastman Kodak Company 2013 Omnibus Incentive Plan (the "Plan"), as indicated below. The Award is subject to all other terms set forth in the Plan and this Award Agreement. Capitalized terms not defined in this Award Agreement have the meanings given to them in the Plan.

Name of Grantee:

Grant Date:

Number of RSUs:

RSU TermsVesting:

The RSUs awarded as set forth above are immediately vested on the Grant Date. Notwithstanding that the RSUs are immediately vested, if the Company terminates the Grantee's employment for "Cause" as defined in the attached Appendix on or after the Grant Date, the Company may recover from the Grantee the total number of Shares, before reduction for the payment of applicable taxes or other amounts, payable or previously paid to the Grantee pursuant to any vested RSUs (or the Fair Market Value of such Shares as of the date of termination).

Payment/Delivery:

Subject to the "Withholding" provision below, generally within 30 days after the Grant Date, but in no event later than March 15 of the calendar year immediately following the calendar year in which the RSUs vest, the Company shall issue to the Grantee one Share (or, at the election of the Company, cash equal to the Fair Market Value thereof) for each RSU that vests on such date.

Withholding:

Pursuant to Section 16.4 of the Plan, the Company shall have the power and the right to deduct or withhold (or cause to be deducted or withheld) from any amount deliverable under the RSUs or otherwise (including Shares otherwise deliverable), or require the Grantee to remit to the Company, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising in connection with the RSUs.

Subject to the Company's automatic withholding right set out above, the Grantee may elect to satisfy the withholding requirement, in whole or in part:

- (i) by having the Company withhold Shares; or
- (ii) through an independent broker-dealer arrangement to sell a sufficient number of Shares;

in each case, having a Fair Market Value on the date the tax is to be determined equal to the minimum tax required to be withheld.

If the Grantee is located in a country outside of the United States, the RSUs may be subject to applicable local laws, which may limit, qualify or supplement the terms set forth herein, including how the applicable tax withholdings associated with the grant and payment of the RSUs are satisfied. In addition, if the Grantee is located in a country outside of the United States, the Grantee may be subject to foreign asset reporting, repatriation or other obligations under the laws of the country in which the Grantee resides, and the Grantee is advised to consult with the Grantee's individual advisor as to what, if any, obligations apply as a result of the receipt or payment of the RSUs, or the sale of the Kodak shares received by the Grantee.

Grantee Rights:

The Grantee will not have any of the rights of a shareholder with respect to the Shares underlying or covered by the RSUs, whether or not vested, until such Shares are actually issued and delivered to the Grantee.

Transferability:

Except as otherwise provided by the Plan, the RSUs are not in any manner subject to alteration, anticipation, sale, transfer, assignment, pledge or encumbrance.

No Right to Continued Employment:

The Grantee's receipt of the RSUs does not give the Grantee a right to remain in the employment of the Company or any of its Affiliates.

Data Privacy:

By accepting the RSUs, the Grantee agrees that any data, including the Grantee's personal data, may be exchanged among the Company and its Affiliates to the extent the Company determines necessary or advisable to administer the Plan and the RSUs, as well as with any third-party engaged by the Company to administer the Plan and the RSUs granted under the Plan.

Amendment:

Pursuant to Section 15.2 of the Plan, the Committee may from time to time amend this Award Agreement; provided, however, no amendment shall materially adversely impair the rights of the Grantee under this Award Agreement without the Grantee's consent.

Miscellaneous

The RSUs described in this Award Agreement are intended to be exempt from Section 409A under the short-term deferral exception thereto, and the Plan and this Award Agreement shall be interpreted and administered consistent with such intention, and in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance. The Company may unilaterally amend this Award Agreement for purposes of exemption from or compliance with Section 409A if, in its sole discretion, the Company determines that such amendment would not have a material adverse effect with respect to the Grantee's rights under this Award Agreement. Notwithstanding the foregoing, no person connected with the Plan or the RSUs in any capacity, including, but not limited to, the Company and its directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment will be applicable with respect to the RSUs or payments made under this Award Agreement, or that such tax treatment will apply to or be available to the Grantee.

The RSUs (at the time of vesting or otherwise) will not be includible as compensation or earnings for purposes of any benefit or compensation plan offered by the Company or its Affiliates.

The obligations of the Company pursuant hereto are subject to compliance with all applicable governmental laws, regulations, rules and administrative actions, including, but not limited to, the Securities Act of 1933, as amended, and the Exchange Act, and all rules promulgated thereunder. In order to avoid any violations, the Committee may, at any time and from time to time, impose additional restrictions upon the RSUs.

By accepting the RSUs, the Grantee agrees to be subject to the terms and conditions of the Plan and this Award Agreement.

Appendix:

“Cause” has the meaning given to such term (or an equivalent term) in the employment or similar agreement between the Company and the Grantee as in effect on the Grant Date (the “Employment Agreement”) or, if no Employment Agreement is in effect on the Grant Date or the Employment Agreement does not have such a defined term, “Cause” means any of the following:

1. The Grantee’s continued failure, for a period of at least 30 calendar days following a written warning, to perform his or her duties in a manner deemed satisfactory by his or her supervisor, in the exercise of the supervisor’s sole discretion.
2. The Grantee’s failure to follow a lawful written directive of the Chief Executive Officer, the Grantee’s supervisor or the Board, as applicable.
3. The Grantee’s willful violation of any material rule, regulation, or policy that may be established from time to time for the conduct of the Company’s business.
4. The Grantee’s unlawful possession, use or sale of narcotics or other controlled substances, or performing job duties while illegally used controlled substances are present in his or her system.
5. Any act or omission or commission by the Grantee in the scope of his or her employment (a) which results in the assessment of a civil or criminal penalty against the Grantee or the Company, or (b) which in the reasonable judgment of the Grantee’s supervisor could result in a material violation of any foreign or U.S. federal, state or local law or regulation having the force of law.
6. The Grantee’s conviction of or plea of guilty or no contest to any crime involving moral turpitude.
7. Any misrepresentation of a material fact to, or concealment of a material fact from, the Grantee’s supervisor or any other person in the Company to whom the Grantee has a reporting relationship in any capacity.
8. The Grantee’s breach of the Company’s Business Conduct Guide or the Eastman Kodak Company Employee’s Agreement.

**EASTMAN KODAK COMPANY
2013 OMNIBUS INCENTIVE PLAN**

Award Agreement

This "Award Agreement" evidences an award of Restricted Stock Units (the "RSUs") by the Company under the Eastman Kodak Company 2013 Omnibus Incentive Plan (the "Plan"), as indicated below. The Award is subject to all other terms set forth in the Plan and this Award Agreement. Capitalized terms not defined in this Award Agreement have the meanings given to them in the Plan.

Name of Grantee:

Grant Date:

Number of RSUs:

Vesting Schedule:

Vesting Date	Percentage Vesting
	33 1/3%
	33 1/3%
	33 1/3%

RSU Terms

Vesting:

The Vesting Schedule for any RSUs awarded is set forth above under "Vesting Schedule." The RSUs will only vest if the Grantee is continuously employed by the Company or any of its Affiliates from the Grant Date through the applicable Vesting Date, and except as otherwise provided by this Award Agreement or determined by the Committee, any unvested RSUs will be forfeited upon any termination of employment.

If the Company terminates the Grantee's employment without "Cause" or the Grantee terminates his or her employment for "Good Reason," each as defined in the attached Appendix, on or after the Grant Date, the unvested RSUs which would otherwise vest on the Vesting Date immediately following the date of the termination of the Grantee's employment will vest as of the date of termination of employment, and any unvested RSUs which would otherwise vest on a Vesting Date after the Vesting Date immediately following the termination of the Grantee's employment will be forfeited upon the termination of employment ("Accelerated Vesting").

If the Company terminates the Grantee's employment for Cause or the Grantee terminates his or her employment without Good Reason, on or after the Grant Date, any unvested RSUs will be forfeited upon the termination of employment.

In addition, if the Company terminates the Grantee's employment for Cause on or after the Grant Date, the Company may recover from the Grantee the total number of Shares,

before reduction for the payment of applicable taxes or other amounts, payable or previously paid to the Grantee pursuant to any vested RSUs (or the Fair Market Value of such Shares as of the date of termination).

If the Grantee's employment terminates as a result of his or her Disability or death, on or after the Grant Date, the Company will provide Accelerated Vesting treatment to the unvested RSUs. For purposes of this Award Agreement, "**Disability**," means that the Grantee meets the definition of disability under the terms of the Kodak Long-Term Disability Plan and is receiving benefits under such plan.

Payment/Delivery:

Subject to the "Withholding" provision below, generally within 30 days after the applicable Vesting Date (or such earlier date on which RSUs vest), but in no event later than March 15 of the calendar year immediately following the calendar year in which the RSUs vest, the Company shall issue to the Grantee one Share (or, at the election of the Company, cash equal to the Fair Market Value thereof) for each RSU that vests on such date.

Withholding:

Pursuant to Section 16.4 of the Plan, the Company shall have the power and the right to deduct or withhold (or cause to be deducted or withheld) from any amount deliverable under the RSUs or otherwise (including Shares otherwise deliverable), or require the Grantee to remit to the Company, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising in connection with the RSUs.

Subject to the Company's automatic withholding right set out above, the Grantee may elect to satisfy the withholding requirement, in whole or in part:

- (i) by having the Company withhold Shares; or
- (ii) through an independent broker-dealer arrangement to sell a sufficient number of Shares;

in each case, having a Fair Market Value on the date the tax is to be determined equal to the minimum tax required to be withheld.

If the Grantee is located in a country outside of the United States, the RSUs may be subject to applicable local laws, which may limit, qualify or supplement the terms set forth herein, including how the applicable tax withholdings associated with the grant and payment of the RSUs are satisfied. In addition, if the Grantee is located in a country outside of the United States, the Grantee may be subject to foreign asset reporting, repatriation or other obligations under the laws of the country in which the Grantee resides, and the Grantee is advised to consult with the Grantee's individual advisor as to what, if any, obligations apply as a result of the receipt or payment of the RSUs, or the sale of the Kodak shares received by the Grantee.

Grantee Rights:

The Grantee will not have any of the rights of a shareholder with respect to the Shares underlying or covered by the RSUs, whether or not vested, until such Shares are actually issued and delivered to the Grantee.

Change of Control:

Upon the occurrence of a Change of Control, the Committee may, but shall not be required, to make one or more of the adjustments set forth in Section 14.2 of the Plan to the RSUs if and to the extent that the RSUs are outstanding at the time of the Change of Control.

Transferability:

Except as otherwise provided by the Plan, the RSUs are not in any manner subject to alteration, anticipation, sale, transfer, assignment, pledge or encumbrance.

No Right to Continued Employment:

The Grantee's receipt of the RSUs does not give the Grantee a right to remain in the employment of the Company or any of its Affiliates.

Data Privacy:

By accepting the RSUs, the Grantee agrees that any data, including the Grantee's personal data, may be exchanged among the Company and its Affiliates to the extent the Company determines necessary or advisable to administer the Plan and the RSUs, as well as with any third-party engaged by the Company to administer the Plan and the RSUs granted under the Plan.

Amendment:

Pursuant to Section 15.2 of the Plan, the Committee may from time to time amend this Award Agreement; provided, however, no amendment shall materially adversely impair the rights of the Grantee under this Award Agreement without the Grantee's consent.

Miscellaneous

The RSUs described in this Award Agreement are intended to be exempt from Section 409A under the short-term deferral exception thereto, and the Plan and this Award Agreement shall be interpreted and administered consistent with such intention, and in accordance with Eastman Kodak Company's Policy Regarding Section 409A Compliance. The Company may unilaterally amend this Award Agreement for purposes of exemption from or compliance with Section 409A if, in its sole discretion, the Company determines that such amendment would not have a material adverse effect with respect to the Grantee's rights under this Award Agreement. Notwithstanding the foregoing, no person connected with the Plan or the RSUs in any capacity, including, but not limited to, the Company and its directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment will be applicable

with respect to the RSUs or payments made under this Award Agreement, or that such tax treatment will apply to or be available to the Grantee.

The RSUs (at the time of vesting or otherwise) will not be includible as compensation or earnings for purposes of any benefit or compensation plan offered by the Company or its Affiliates.

The obligations of the Company pursuant hereto are subject to compliance with all applicable governmental laws, regulations, rules and administrative actions, including, but not limited to, the Securities Act of 1933, as amended, and the Exchange Act, and all rules promulgated thereunder. In order to avoid any violations, the Committee may, at any time and from time to time, impose additional restrictions upon the RSUs.

By accepting the RSUs, the Grantee agrees to be subject to the terms and conditions of the Plan and this Award Agreement.

Appendix:

- a. "Cause" has the meaning given to such term (or an equivalent term) in the employment or similar agreement between the Company and the Grantee as in effect on the Grant Date (the "Employment Agreement") or, if no Employment Agreement is in effect on the Grant Date or the Employment Agreement does not have such a defined term, "Cause" means any of the following:
1. The Grantee's continued failure, for a period of at least 30 calendar days following a written warning, to perform his or her duties in a manner deemed satisfactory by his or her supervisor, in the exercise of the supervisor's sole discretion.
 2. The Grantee's failure to follow a lawful written directive of the Chief Executive Officer, the Grantee's supervisor or the Board, as applicable.
 3. The Grantee's willful violation of any material rule, regulation, or policy that may be established from time to time for the conduct of the Company's business.
 4. The Grantee's unlawful possession, use or sale of narcotics or other controlled substances, or performing job duties while illegally used controlled substances are present in his or her system.
 5. Any act or omission or commission by the Grantee in the scope of his or her employment (a) which results in the assessment of a civil or criminal penalty against the Grantee or the Company, or (b) which in the reasonable judgment of the Grantee's supervisor could result in a material violation of any foreign or U.S. federal, state or local law or regulation having the force of law.
 6. The Grantee's conviction of or plea of guilty or no contest to any crime involving moral turpitude.
 7. Any misrepresentation of a material fact to, or concealment of a material fact from, the Grantee's supervisor or any other person in the Company to whom the Grantee has a reporting relationship in any capacity.
 8. The Grantee's breach of the Company's Business Conduct Guide or the Eastman Kodak Company Employee's Agreement.
- b. "Good Reason" has the meaning given to such term (or an equivalent term) in the Employment Agreement or, if no Employment Agreement is in effect on the Grant Date or the Employment Agreement does not have such a defined term, "Good Reason" means any of the following:
1. A material diminution in the Grantee's total target cash compensation, comprised of his or her Salary and target Annual Incentive.
 2. A material diminution in the Grantee's authority or responsibilities.

3. Any material breach of the Employment Agreement, if any, by the Company.
4. Any purported termination by the Company of the Grantee's employment other than as expressly permitted by the Employment Agreement, if any.

February 26, 2021

James V. Continenza
15400 Emerald Coast Parkway
Unit #1106
Destin, Florida 32541

Re: Executive Chairman and CEO Agreement

Dear Mr. Continenza:

You and Eastman Kodak Company (the “*Company*”) are entering into this mutually agreeable form of employment agreement (this “*Agreement*”), which will be effective as of February 26, 2021 (the “*Effective Date*”), and which sets forth the terms of your employment as Executive Chairman and Chief Executive Officer (“CEO”) of the Company for the Scheduled Term set forth below. This Agreement shall be considered a renewal of your prior employment agreement entered into on February 20, 2019 (the “2019 Agreement”), but by renewal under this Agreement, the 2019 Agreement and all terms therein are superseded and rendered null and void, except as expressly set forth herein.

1. Terms Schedule

Some of the terms of your employment are in the attached schedule (your “*Schedule*”), which is part of this Agreement.

2. Scheduled Term

The term of this Agreement will be for three years, beginning on the Effective Date and, subject to earlier termination as provided for in Section 6 herein, ending on the third anniversary of the Effective Date (the “*Scheduled Term*”). The terms of your employment between February 20, 2021 and the Effective Date will be as set forth in the 2019 Agreement.

2a. Notice of Renewal or Non-Renewal

At least 180 days prior to the end of the Scheduled Term, if your employment is not earlier terminated in accordance with Section 6, the Company shall provide you written notice in accordance with Section 11(d) of its intention to either: (A) renew this Agreement for a subsequent three-year term and provide you with a Schedule with updated compensation information; or (B) to terminate your employment at the expiration of the Scheduled Term. If the Company provides you notice of its intention to renew this Agreement, you will have 90 days after the giving of such notice to either elect to accept the three year renewal term or to negotiate different terms to continue

your employment. The Scheduled Term may also be extended automatically for an additional three-year term (added to the end of the Scheduled Term) without further action by either party. The Company's failure to provide you at least 180 days' notice under this Section 2a, shall be considered an automatic renewal and your failure to respond to such a notice offering to renew this Agreement within 90 days after such notice shall be considered an automatic acceptance of the terms of such proposed renewal.

3. Your Position, Performance and Other Activities

- (a) *Position.* You will be employed in the position(s) stated in your Schedule.
- (b) *Authority, Responsibilities, and Reporting.* Your authority, responsibilities and reporting relationships will be determined from time to time by the Board of Directors of the Company (the "Board") in good faith.
- (c) *Performance.* You will devote as much time and attention as is reasonably required to fulfill your responsibilities hereunder and will use good faith efforts to discharge your responsibilities under this Agreement to the best of your ability.
- (d) *Other Activities.* During the Scheduled Term, you may (1) serve on corporate, civic or charitable boards or committees, (2) manage personal investments, and (3) serve as an employee for other companies where you are currently an employee, *so long as* these activities, whether individually or in the aggregate, do not materially interfere or conflict with your performance of your responsibilities under this Agreement and do not violate Section 7 or 8 hereof or the Employee's Agreement (as defined below). Should such activities as described in this Section 3(d) appear to materially interfere or conflict with your performance, the Company shall promptly notify you in writing so that you may address any such interference or conflict.
- (e) *Acknowledgment of Employee's Agreement.* You acknowledge and agree to comply with the terms of Eastman Kodak Company Employee's Agreement, which is attached hereto as Exhibit 1 (the "Employee's Agreement"). To the extent any terms of the Employee's Agreement are inconsistent with this Agreement, this Agreement and the Schedule shall control. For purposes of the Employee's Agreement, you acknowledge and agree that you are employed in the State of New York.

4. Your Compensation

- (a) *Salary.* During the Scheduled Term, you will receive an annual base salary (your "Salary"). Commencing on the Effective Date, the starting amount of your Salary will be the amount set forth in your Schedule. The Compensation, Nominating and Governance Committee of the Board (the "Committee") will review your Salary at least annually and may increase it at any time for any reason. However, your Salary may not be decreased at any time (including after any increase) absent your prior written consent, and any increase in your Salary will not reduce or limit any other obligation to you under this Agreement. Your Salary will be paid in accordance with the Company's normal practices for similarly situated executives. Your Salary

shall be in lieu of, and not in addition to, any director fees that you are otherwise entitled to receive, except as otherwise has been or may be determined by the Board and in compliance with any applicable Company policies. The Company may substitute special retirement benefits under its US pension plan (in excess of the standard benefit to which you are otherwise entitled) on a dollar-for-dollar basis to the extent permitted under such US pension plan.

- (b) *Annual Incentive.* During 2021 and each full year of the Scheduled Term thereafter, you will be entitled to an annual incentive award, determined in accordance with the terms set forth in Schedule 1 (your “*Annual Incentive*”), calculated based on goals and funding formulas set and approved by the Compensation Committee in consultation with you at the beginning of each year. Each year, you shall also be delegated an amount equal to your target Annual Incentive that you may award to Company employees at your discretion (the “*Employee Incentive*”), without any input from the Board or the Committee except as expressly required by the charter of the Committee. Neither the Board nor the Committee will have any right to approve, deny, revoke or reduce any Employee Incentive award you make to any employee except as expressly required by the charter of the Committee.
- (c) *Long Term Incentive Awards.* You will be granted, the equity-based awards stated in your Schedule which will be subject to the terms and conditions set forth in the applicable award agreements except as otherwise provided by this Agreement. You acknowledge and agree that, during the Scheduled Term, you are not entitled to any grants of equity-based awards based on your service as a director.

4a. Beneficial Ownership Limitation

Notwithstanding anything to the contrary contained in this Agreement, you shall not have the right to effect any exercise of any stock option granted to you pursuant to the terms of any award granted to you in February 2019 or July 2020 (collectively, the “*Option Awards*”) under the Company’s Amended and Restated 2013 Omnibus Incentive Plan and the Company shall not effect the exercise of any Option Awards, to the extent that, after giving effect to the issuance of the Company’s common stock, par value \$0.01 per share (“*Common Stock*”), resulting from such exercise, you (together with your affiliates and any person acting as a group (as such term is defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and Rule 13d-5(b)(1) promulgated thereunder), with you, would beneficially own more than 4.99% (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) of the then issued and outstanding shares of Common Stock (the “*Beneficial Ownership Limitation*”). Upon your written or oral request, the Company shall promptly (but not later than one (1) business day after such request) confirm orally or in writing to you the number of shares of Common Stock then outstanding. You and the Company shall each cooperate in good faith in the determinations required hereby and the application hereof. Notwithstanding anything to the contrary contained in this Agreement, (i) subject to the immediately following clause (ii), the provisions of this Section 4a may only be amended or terminated by the written agreement of you and the Company, and any increase in the Beneficial Ownership Limitation resulting from any amendment or termination of this Agreement shall not be effective until the sixty-first (61st) day after such amendment or termination, and (ii) the

Beneficial Ownership Limitation shall cease and be of no further force and effect upon a "Change of Control" (as such term is defined in the Company's Amended and Restated 2013 Omnibus Incentive Plan as in existence on the date hereof). To the extent required to be effective, this Section 4a shall be deemed to be an amendment to the award agreements defining the rights and obligations with respect to the Option Awards. The Company hereby acknowledges and agrees that the Option Awards are in full force and effect in accordance with their terms, subject to the limitations imposed by this Section 4a.

5. Your Benefits

- (a) *Employee Benefit Plans.* During the Scheduled Term, you will be entitled to participate in each of the Company's employee health, benefit and welfare plans, including plans providing retirement benefits and medical, dental, hospitalization, life and disability insurance, on a basis that is at least as favorable as that provided to similarly situated executives of the Company, subject to the terms of applicable Company plans as in effect from time to time.
- (b) *Vacation.* During the Scheduled Term, you will be entitled to paid annual vacation on a basis that is at least as favorable as that provided to similarly situated executives of the Company.
- (c) *Business Expenses.* During the Scheduled Term, you will be reimbursed for all reasonable business expenses incurred by you in performing your responsibilities under this Agreement, subject to the terms of applicable Company reimbursement policies as in effect from time to time.
- (d) *Indemnification; Advancement of Expenses.* Pursuant to the Company's articles of incorporation and bylaws, the Company will indemnify you and advance or reimburse expenses as set forth in Section 9a herein.

6. Termination of Your Employment

- (a) *No Reason Required.* Neither you nor the Company is under any obligation to continue your employment beyond the Scheduled Term, subject to the Notice requirements set forth in Section 2a. In addition, you or the Company may terminate your employment early at any time for any reason, or for no reason, subject to compliance with Section 6(c). The early termination provisions in this Section 6, including payments by the Company to you, shall also apply to any early termination of an extension or renewal of the Scheduled Term pursuant to Section 2a.
- (b) *Related Definitions.*
 - 1. "Cause" means any of the following: (A) your Willful and continued failure or refusal for a period of at least 60 days following delivery to you of a written notification from the Board to attempt to perform the usual, customary or reasonable functions of your positions other than due to a disability or approved leave; or (B) your gross negligence or Willful

misconduct in the performance of your duties or obligations to the Company that has caused, as determined by the Board in good faith, material injury to the Company; or (C) your conviction of any felony (other than a felony predicated on your vicarious liability or involving a traffic violation) or crime involving moral turpitude; or (D) your unlawful possession, use or sale of narcotics or other controlled substances on Company premises, or performing job duties while under the influence of illegally used controlled substances; or (E) your material breach of this Agreement which, if correctable, remains materially uncorrected for 30 days after written notice to you by the Company of the breach; or (F) your material breach of a requirement of the Kodak Business Conduct Guide which requirement has consistently resulted in the termination of employment by employees who have committed similar breaches and which, if correctable, remains materially uncorrected for 30 days after written notice to you by the Company of the breach; or (G) your material breach of the Employee's Agreement. For purposes of this Agreement, Cause shall not be deemed to exist unless the termination of your employment hereunder for Cause occurs within 90 days after the Board or the Committee first obtains knowledge of the initial existence of the condition providing the basis for such termination as specified in clauses (A) through (G) above.

2. "Disability" means meeting the definition of disability under the terms of the Kodak Long-Term Disability Plan and receiving benefits under such plan.
3. "Good Reason" means (a) a material breach of this Agreement by the Company; (b) a material reduction in or adverse modification of the nature and scope of your authority, duties, responsibilities, or privileges (whether or not accompanied by a change in title); (c) a material diminution in or failure to timely pay any compensation, including your Base Salary, Annual Cash Performance Incentive, Special 2021 Renewal Bonus, or Long Term Incentive Compensation as set forth in Schedule 1; or (d) a refusal to allow you to work remotely consistent with your historical practices.
4. "Willful" or "Grossly Negligent" means any act done or omitted to be done not in good faith and without reasonable belief that such action or omission was in the best interest of the Company.
5. "Change of Control" shall have the same meaning as defined in the Company's Amended and Restated 2013 Omnibus Incentive Plan.

(c) *Advance Notice Generally Required.*

1. To terminate your employment before the end of the Scheduled Term, either you or the Company must provide a Termination Notice to the other. A "Termination Notice" is a written notice that states the specific provision of this Agreement on which termination is based, including, if applicable, the

specific clause of the definition of Cause and a reasonably detailed description of the facts that permit termination under that clause; *provided*, that the failure to include any fact in a Termination Notice that contributes to a showing of Cause or Good Reason does not preclude the Company or you, respectively, from asserting that fact in enforcing its rights under this Agreement.

2. You and the Company agree to provide 30 days' advance Termination Notice of any termination prior to the end of the Schedule Term, unless your employment is terminated by the Company for Cause, by you for Good Reason, or because of your Disability or death. If you die or become Disabled after the Company provides a Termination Notice without Cause, your termination will be treated as a termination without Cause, effective as of the date of your Disability or death.
3. Following receipt of such notice, the Company may, at its sole discretion, choose to either (1) waive that notice period (thereby immediately terminating your employment) or (2) place you on paid leave, at your then-current salary for any or all of the notice period.

(d) *Without Cause or Voluntary Termination by You for Good Reason.* If, during the Scheduled Term, the Company terminates your employment without Cause, including in connection with a Change of Control, or you voluntarily terminate your employment for Good Reason:

1. The Company will pay you (or your legal representative) the following at the end of your employment: (A) your accrued but unpaid Salary through the last day of your employment and (B) any accrued expense reimbursements and other cash entitlements (including for accrued expense reimbursement for which supporting documentation is submitted within 30 days after the termination of your employment) (together, your "*Accrued Compensation*"). In addition, the Company will timely pay you (or your legal representative) any amounts and provide you any benefits that are required, or to which you are entitled, under any plan, contract or arrangement of the Company as of the end of your employment, including but not limited to reimbursement of unpaid, accrued expenses (together, your "*Other Benefits*").
2. The Company will also pay you (or your legal representative): (A) an amount equal to two years of your Salary plus two years of your Annual Incentive, paid in accordance with Company payroll practices; (B) your earned but unpaid Annual Incentive for the fiscal year ending immediately prior to the year in which your employment is terminated by the Company without Cause or you voluntarily terminate your employment for Good Reason; and (C) an amount equal to the Annual Incentive that was forfeited upon termination in respect of the fiscal year in which your termination of employment occurs as a result of your termination by the Company without

Cause or you voluntarily terminate your employment for Good Reason, pro-rated based upon the number of days from the beginning of such fiscal year through the date of your termination of employment (the "*Pro-Rata Annual Incentive for the Termination Year*").

3. Effective upon the date your employment is terminated by the Company without Cause or you voluntarily terminate your employment for Good Reason, the next tranche of granted, unvested Restricted Stock Units ("*RSUs*") (whether granted to you as an employee, officer or director) that would have vested but for your termination, will become immediately vested, and any other unvested portion of your remaining RSUs will be immediately forfeited and cancelled.
 4. You and your eligible dependents shall be permitted to continue to participate in all health, medical and dental plans and programs maintained by the Company for 24 months after your employment is terminated by the Company without Cause or you voluntarily terminate your employment for Good Reason, and the Company shall pay, at the same cost to you as would apply if you remained employed by the Company, all required contributions to maintain such coverage, following which time you and your eligible dependents will be entitled to the full COBRA continuation rights as if the end of such 24-month period was the date of your termination of employment; provided that coverage hereunder will cease (except for entitlement to rights under COBRA) at such time as coverage of the same general type (including, without limitation, cost to you and levels and type of coverage) is available to you from another employer. If for any reason the Company is unable to permit you and your eligible dependents to continue to participate in its health, medical and dental plans and programs, the Company will pay you in full any out of pocket costs, including premiums and any state, local and federal income taxes, you incur to maintain equivalent coverage through COBRA for you and your dependents. The Company shall pay you such reimbursement on the first day of the month immediately following the month in which you remit a COBRA premium payment.
- (e) *For Cause or Your Voluntary Termination not for Good Reason.* If, during the Scheduled Term, the Company terminates your employment for Cause or you terminate your employment not for Good Reason, the Company will pay you (or your legal representatives) your Accrued Compensation and your Other Benefits. Effective upon the date of this termination for Cause or voluntary termination at your election not for Good Reason, all of the unvested portion of your remaining equity-based awards will be immediately forfeited.
- (f) *For Your Disability or Death.* If, during the Scheduled Term, your employment terminates as a result of your Disability or death, the Company will pay you (or your legal representatives): (1) your Accrued Compensation; (2) your earned but unpaid Annual Incentive for the fiscal year ending immediately prior to the year in

which your employment terminates as a result of your Disability or death; (3) the Pro-Rata Annual Incentive for the Termination Year; and will provide you (or your legal representatives) (4) your Other Benefits. Effective upon the date of this termination due to your Disability or death, any granted, unvested RSUs (whether granted to you as an employee, officer or director) will become immediately vested, and any other unvested portion of your remaining equity-based awards will be immediately forfeited and cancelled. For the avoidance of doubt, in the event of your death or Disability your estate or legal representatives shall be entitled to these payments and benefits, and the executor of your estate or legal representative shall be permitted to execute a related severance agreement as if you executed it.

- (g) You hereby acknowledge and agree that you shall not be eligible for any payment or benefit under the Company's Termination Allowance Plan if your employment ceases under Sections 6 (d), (e) or (f) herein.
- (h) *At the Expiration of the Scheduled Term.* If the Company provides you adequate notice pursuant to Section 2a and your employment terminates as a result of the expiration of the Scheduled Term, the Company will pay you (or your legal representatives) your Other Benefits.
- (i) *In the Context of a Change of Control.* Any termination of your employment by the Company occurring within 6 months of a Change of Control will be presumed to be a Termination without Cause.
- (j) *Severance Agreement.* The payment of any compensation or benefits other than your Accrued Compensation or Other Benefits is subject to you executing, delivering and not revoking a release of any and all claims you may have against the Company (other than the rights and benefits provided in Section 5 and the other rights under this Agreement that continue following your employment) in the form of the Company's then standard severance agreement, the Company shall pay you pursuant to this Section 6, subject to applicable deductions and withholdings, and in accordance with Sections 6(k) and 6(l) below. Such severance agreement shall contain confidentiality restrictions, a mutual non-disparagement provision, and a non-solicitation restriction substantially equivalent the Non-Solicitation restrictions set forth in Section 8(d)-(e) of this Agreement. Under no circumstance shall such severance agreement contain a non-competition restriction or shall you be required to agree to a post-employment non-competition restriction in order to receive any benefit under this Section 6. The Company shall negotiate a severance agreement under this Section 6(j) in good faith and may not unreasonably refuse to enter a severance agreement in order to avoid paying you post-employment benefits under this Section 6.
- (k) *Benefits Bearing.* In no event shall any of the payments or benefits provided under this Section 6 be "benefits bearing."
- (l) *Timing.* The benefits provided in this Section 6 will begin at the end of your employment, and any cash payments owed to you under this Section 6 (other than

under Section 6(a)) will be paid in one lump sum 65 days following your date of termination except that any Pro-Rata Annual Incentive for the Termination Year shall be paid in the year following the year in which such termination of employment occurs.

- (m) *Section 409A.* This Agreement and any severance agreement are intended to comply with or be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder and other official guidance issued thereunder ("*Section 409A*") with respect to amounts or benefits, if any, subject thereto and shall be interpreted, construed and performed consistent with such intent. To the extent you would otherwise be entitled to any payment that under this Agreement, or any plan or arrangement of the Company or its affiliates, constitutes "deferred compensation" subject to Section 409A, and that if paid during the six months beginning on the date of termination of your employment would be subject to the Section 409A additional tax because you are a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment will be paid to you on the earlier of the day following the six-month anniversary of your date of termination or your death. Similarly, to the extent you would otherwise be entitled to any benefit (other than a payment) during the six months beginning on termination of your employment that would be subject to the Section 409A additional tax, the benefit will be delayed and will begin being provided (together, if applicable, with an adjustment to compensate you for the delay) on the earlier of the six-month anniversary of your date of termination or your death. In addition, any payment or benefit due upon a termination of your employment that represents "deferred compensation" subject to Section 409A shall be paid or provided to you only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment under this Agreement shall be deemed to be a separate payment for purposes of Section 409A, amounts payable under Sections 6(a) and 6(d)(1) through 6(d)(2)(a) of this Agreement shall be deemed not to be "deferred compensation" subject to Section 409A to the extent provided in the exceptions in Treas. Reg. Sections 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treas. Reg. Section 1.409A-1 through A-6. Notwithstanding anything to the contrary in this Agreement, the Company and its officers, directors, employees or agents make no representations or guarantees that the terms of this Agreement or the arrangements described in this Agreement, in each case, as written, comply with or are exempt from the provisions of Section 409A or that the payments and benefits provided under this Agreement are or will be exempt from, or compliant with, Section 409A, and in no event shall the Company and its officers, directors, employees or agents be liable for all or any portion of any taxes, penalties, interest or other expenses that you may incur on account of any non-compliance with Section 409A.

Notwithstanding anything to the contrary in this Agreement or elsewhere, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treas. Reg. Section 1.409A-1(b)(9)(v)(A) or (C) shall be paid or provided to you only to the extent that the expenses are not incurred, or the benefits

are not provided, beyond the last day of your second taxable year following your taxable year in which the “separation from service” occurs; and *provided further* that such expenses are reimbursed no later than the last day of your third taxable year following the taxable year in which your “separation from service” occurs. Except as otherwise expressly provided herein, to the extent any expense reimbursement or the provision of any in-kind benefit under this Agreement is determined to be subject to Section 409A, the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect the expenses eligible for reimbursement in any other taxable year (except for any life-time or other aggregate limitation applicable to medical expenses), in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which you incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit.

7. Confidential Information

You acknowledge and agree that confidential information, including, without limitation, Company intellectual property, customer lists and other proprietary business information, obtained by you while employed by the Company or any of its subsidiaries concerning the business affairs of the Company or any subsidiary of the Company are the property of the Company or such subsidiary (hereinafter, “*Confidential Information*”). Consequently, you agree that, except to the extent required by applicable law, statute, ordinance, rule, regulation or orders of courts or regulatory authorities, you shall not at any time (whether during or after your employment) disclose to any unauthorized person or use for your own account any Confidential Information without the prior written consent of the Company, unless and to the extent that the aforementioned matters are or become generally known to and available for use by the public other than as a result of your acts or omissions to act or as required by law.

Notwithstanding the foregoing, nothing in this Section 7, this Agreement, the Employee’s Agreement, or any other agreement or Company policy (a) prohibits or prevents you from making reports or assisting in the investigation of possible violations of federal law or regulation with any governmental agency, official, or entity in accordance with the provisions and rules of Section 21F of the Exchange Act, Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of state or federal law or regulation, or (b) requires notification or prior approval by the Company of any such report or assistance; provided that, you are not authorized to disclose communications with counsel that were made for the purpose of receiving legal advice or that contain legal advice on behalf of the Company or any of its subsidiaries, or that are protected by the Company’s or any of its subsidiaries’ attorney work product or similar privilege. Furthermore, in accordance with the Defend Trade Secrets Act, 18 U.S.C. § 1833(b), and other applicable law, you shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (1) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law or (2) in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal.

You shall deliver to the Company at the termination of your employment, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) containing or constituting Confidential Information which you may then possess or have under your control.

8. On-going Restrictions on Your Activities

(a) *Related Definitions.*

1. “*Competitive Enterprise*” means any business enterprise that derives more than 20% of its revenue from any activity that competes anywhere with any activity that the Company is then engaged in and which activity generates more than 10% of the Company’s revenue.
2. “*Client*” means any client or prospective client of the Company to whom you personally provided services, or for whom you personally transacted business, or whose identity became known to you in connection with your employment by the Company.
3. “*Solicit*” means any direct communication that invites, advises, encourages or requests any person to take or refrain from taking any action.

(b) *Your Importance to the Company and the Effect of this Section 8.* You acknowledge that:

1. In the course of your involvement in the Company’s activities, you will have access to Confidential Information and the Company’s client base and will profit from the goodwill associated with the Company. In return for the benefits you will receive from the Company and to induce the Company to enter into this Agreement, and in light of the potential harm you could cause the Company, you agree to the provisions of this Section 8. The Company would not have entered into this Agreement if you did not agree to this Section 8.

(c) *Transition Assistance.* During the 90 days after a Termination Notice has been given, you will take all actions the Company may reasonably request to maintain for the Company the business, goodwill and business relationships with any Clients, provided that you will be paid for your actual time at a rate of \$500 per hour and the Company will pay all expenses incurred by you in the taking of all actions under this Section 8(c).

(d) *Non-Solicitation of Clients.* Until the end of the twelve (12) month period following the termination of your employment, you will not Solicit any Client to transact business with a Competitive Enterprise or to reduce or refrain from doing any business with the Company or interfere with or damage any relationship between the Company and a Client.

- (e) *Non-Solicitation of Company Employees.* Until the end of the twelve (12) month period following the termination of your employment, you will not attempt to Solicit anyone who is then an employee or consultant of the Company (or who was an employee or consultant of the Company within the prior six months) to resign from or cease to provide services to the Company or to apply for or accept employment with any Competitive Enterprise, except that such restriction shall not apply to any employee that you previously worked with prior to becoming employed by the Company and who you brought to the Company.
- (f) *Notice to New Employers.* Before you accept employment with any other person or entity while this Section 8 is in effect, you will provide the prospective employer with written notice of the provisions of this Section 8 and will deliver a copy of the notice to the Company.
- (g) *Other Employment.* Notwithstanding anything to the contrary contained in this Agreement or the Employee's Agreement, no term or condition of this Agreement or the Employee's Agreement shall restrict you from continuing employment as Chief Executive Officer of Vivial, Inc. in a manner substantially similar to how such employment is conducted as of the date of this Agreement. You hereby represent and warrant to the Company that (a) the execution, delivery and performance of this Agreement by you does not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which you are a party or by which you are bound, (b) you are not a party to or bound by any employment agreement, consulting agreement, non-compete agreement, confidentiality agreement or other restriction with any other person or entity, which would be breached by entering into this Agreement, and (c) you will abide by all contractual obligations that you may have to all prior employers or other persons or entities, and you will not retain, review, or utilize any other person's or entity's confidential or proprietary information or trade secrets in connection with your work for the Company, or share or disclose any such information with or to the Company or any of its personnel. You agree to immediately notify the Company, in writing, if any representation in this Section 8 is or becomes untrue or inaccurate at any time. In addition, should you become aware of any reason that you cannot remain employed by the Company or fully execute your responsibilities for the Company, or should a former employer or any other person or entity allege that you are in violation of any obligation to such person or entity, or if you believe any violation of law exists relating to the Company, you promise to immediately so notify the Company in writing.

9. Effect on Other Agreements; Entire Agreement

This Agreement and the Employee's Agreement contain the entire agreement between you and the Company with respect to the relationship contemplated by this Agreement and supersedes any earlier agreement, written or oral, with respect to the subject matter of this Agreement, including the 2019 Agreement; provided however that any Long Term Incentive Compensation previously granted to you pursuant to an agreement between you and the Company, including the 2019 Agreement, shall be governed by the terms of such prior agreement except as provided by Section

4a. In entering into this Agreement, no party has relied on or made any representation, warranty, inducement, promise or understanding that is not in this Agreement or the Employee's Agreement.

9a. Indemnification and Advancement of Expenses

Pursuant to the Company's articles of incorporation and bylaws, the Company shall indemnify you and advance and reimburse expenses to the fullest extent permitted by law, including at least to the same extent as the most favorable indemnification and advancement or reimbursement of expenses provisions applicable to any member of the Board. Your indemnification, advancement and reimbursement right shall include but not be limited to the payment of attorneys' fees to the attorney of your selection, which selection is entirely in your discretion. The Company's ability to make any payment contemplated by your applicable advancement right will not under any circumstances be conditioned on or require an investigation or determination by the Board. If the Company's ability to make any payment contemplated by your applicable indemnification and reimbursement of expenses provisions depends on an investigation or determination by the Board or any member of the Company, the Company will use its best efforts to cause the investigation to be made (at the Company's expense) and to have the Board reach a determination as soon as reasonably possible. For the avoidance of doubt, the obligations of the Company under this Section 9(a), shall include if you are or were involved in any matter (including, without limitation as a party or witness) or are threatened to be made so involved in any threatened, pending or completed investigation, claim, action, suit or proceeding of any kind, including whether civil, criminal, administrative or investigative, including, without limitation, any investigation, claim, action, suit or proceeding by or in the right of the Company to procure a judgment in its favor) (a "Proceeding") by reason of the fact that you are or were a director, officer or agent of the Company and shall cover Proceedings whether now pending or hereafter commenced and shall be retroactive to cover acts or omissions or alleged acts or omissions relating to the Company or any of its affiliates that take place during your tenure with the Company, subject to the terms set forth above. Your right to indemnification, advancement and reimbursement of expenses, including with respect to attorneys' fees for the attorney of your selection, shall apply with equal force to any request by the Company to cooperate with or assist it in any respect related to the prosecution, defense or participation in any investigation, claim, action, suit or proceeding of any kind, including whether civil, criminal, administrative or investigative. Your rights under this Section 9a shall survive the termination of your employment for any reason.

10. Successors

- (a) *Assignment by You.* You may not assign this Agreement without the Company's consent. Also, except as required by law, your right to receive payments or benefits under this Agreement may not be subject to execution, attachment, levy or similar process. Any attempt to effect any of the preceding in violation of this Section 10, whether voluntary or involuntary, will be void; provided however that your right to benefits under this Agreement may be assigned to your estate or legal representatives in the event of your death or Disability.
- (b) *Assumption by any Surviving Company.* Before the effectiveness of any merger, consolidation, statutory share exchange or similar transaction (including an

exchange offer combined with a merger or consolidation) involving the Company (a “*Reorganization*”) or any sale, lease or other disposition (including by way of a series of transactions or by way of merger, consolidation, stock sale or similar transaction involving one or more subsidiaries) of all or substantially all of the Company’s consolidated assets (a “*Sale*”), the Company will cause (1) the Surviving Company to unconditionally assume this Agreement in writing and (2) a copy of the assumption to be provided to you. After the Reorganization or Sale, the Surviving Company will be treated for all purposes as the Company under this Agreement. The “*Surviving Company*” means (A) in a Reorganization, the entity resulting from the Reorganization or (B) in a Sale, the entity that has acquired all or substantially all of the assets of the Company.

11. General Provisions

- (a) *Withholding.* You and the Company will treat all payments to you under this Agreement as compensation for services. Accordingly, the Company may withhold from any payment any taxes that are required to be withheld under any law, rule or regulation.
- (b) *Severability.* If any provision of this Agreement is found by any court of competent jurisdiction (or legally empowered agency) to be illegal, invalid or unenforceable for any reason, then (1) the provision will be amended automatically to the minimum extent necessary to cure the illegality or invalidity and permit enforcement and (2) the remainder of this Agreement will not be affected. In particular, if any provision of Section 8 is so found to violate law or be unenforceable because it applies for longer than a maximum permitted period or to greater than a maximum permitted area, it will be automatically amended to apply for the maximum permitted period and maximum permitted area.
- (c) *No Set-off or Mitigation.* Your and the Company’s respective obligations under this Agreement will not be affected by any set-off, counterclaim, recoupment or other right you or any member of the Company may have against each other or anyone else (except as this Agreement specifically states). You do not need to seek other employment or take any other action to mitigate any amounts owed to you under this Agreement, and those amounts will not be reduced if you do obtain other employment.
- (d) *Notices.* All notices, requests, demands and other communications under this Agreement must be in writing and will be deemed given (1) on the business day sent, when delivered by hand or facsimile transmission (with confirmation) during normal business hours, (2) on the business day after the business day sent, if delivered by a nationally recognized overnight courier or (3) on the third business day after the business day sent if delivered by registered or certified mail, return receipt requested, in each case to the following address or number (or to such other addresses or numbers as may be specified by notice that conforms to this Section 11(d)):

If to you, to the address stated on the first page of this Agreement with a copy to:

Jessica T. Rosenberg
Kasowitz, Benson, Torres LLP
1633 Broadway
New York, New York 10019
jrosenberg@kasowitz.com

If to the Company or any other member of the Company, to:

Eastman Kodak Company
343 State Street
Rochester, New York 14650-0224
Attention: General Counsel

- (e) *Amendments and Waivers.* Any provision of this Agreement or the Employee's Agreement may be amended or waived, but only if the amendment or waiver is in writing and signed, in the case of an amendment, by you and the Company or, in the case of a waiver, by the party that would have benefited from the provision waived. Except as this Agreement or the Employee's Agreement otherwise provides, no failure or delay by you or the Company to exercise any right or remedy under this Agreement will operate as a waiver, and no partial exercise of any right or remedy will preclude any further exercise.
- (f) *Jurisdiction; Choice of Forum; Costs.* You and the Company irrevocably submit to the exclusive jurisdiction of any state or federal court located in the County of New York over any controversy or claim arising out of or relating to or concerning this Agreement or any aspect of your employment with the Company (together, an "*Employment Matter*"). Both you and the Company (1) acknowledge that the forum stated in this Section 11(f) has a reasonable relation to this Agreement and to the relationship between you and the Company and that the submission to the forum will apply even if the forum chooses to apply non-forum law, (2) waive, to the extent permitted by law, any objection to personal jurisdiction or to the laying of venue of any action or proceeding covered by this Section 11(f) in the forum stated in this Section, (3) agree not to commence any such action or proceeding in any forum other than the forum stated in this Section 11(f) and (4) agree that, to the extent permitted by law, a final and non-appealable judgment in any such action or proceeding in any such court will be conclusive and binding on you and the Company. However, nothing in this Agreement precludes you or the Company from bringing any action or proceeding in any court for the purpose of enforcing the provisions of this Section 11(f). To the extent permitted by law, the Company will pay, advance and reimburse any reasonable expenses, including reasonable attorney's fees for the attorney of your sole selection, you incur as a result of any Employment Matter.

- (g) **Governing Law.** This Agreement will be governed by and construed in accordance with the law of the State of New York applicable to contracts made and to be performed entirely within that State.
- (h) *Counterparts.* This Agreement may be executed in counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.
- (i) *Legal Fees.* You shall be entitled to be reimbursed by the Company in an amount not to exceed \$50,000 for reasonable legal fees and expenses incurred by you in connection with negotiating and documenting this Agreement, subject to receiving customary back-up documentation regarding such fees and expenses within thirty (30) days following the Effective Date. Reimbursement for such fees and expenses shall be made within thirty (30) days after receipt of documentation reasonably acceptable to the Company, but in no event later than the last day of the taxable year following the taxable year in which such fees and costs were incurred.
- (j) *Undefined Terms.* All terms and acronyms used herein or in the Schedule and not specifically defined shall have the ordinary meaning as used by the party in the ordinary course of the Company's business and so as to fairly accomplish the purposes and intentions of the parties hereto.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

EASTMAN KODAK COMPANY

By: /s/ David E. Bullwinkle
David Edward Bullwinkle
Chief Financial Officer, Sr. Vice President

[Signature page to Executive Chairman Agreement]

EXECUTIVE CHAIRMAN

/s/ James V. Continenza

James V. Continenza

[Signature page to Executive Chairman Agreement]

JAMES V. CONTINENZA
EXECUTIVE CHAIRMAN AND CEO AGREEMENT

EFFECTIVE FEBRUARY 26, 2021
TERMS SCHEDULE

<i>Position</i>	Executive Chairman and Chief Executive Officer, Eastman Kodak Company
<i>Base Salary</i>	\$1,000,000
<i>Annual Cash Performance Incentive</i>	<p>Your cash Annual Incentive for each year of the Scheduled Term will be 100% of your Base Salary, predicated on the achievement by the Company of the yearly targeted free cash flow achievement, such free cash flow to be calculated low to be calculated before consideration of (a) pension and other post retirement income obligations, (b) debt and equity transactions, and (c) Board approved CapEx growth.</p> <p>Annual Incentive will be earned on a pro rata basis and paid in cash within the first two months of the year following the Scheduled Term year for which the Annual Incentive was earned.</p>
<i>Special 2021 Renewal Bonus.</i>	Upon the execution of this Agreement (i.e., the renewal of the 2019 Agreement) you will be granted 200,000 fully vested Restricted Stock Units ("RSUs").
<i>Long-Term Equity Incentive Compensation</i>	<p>In addition to any Stock Options previously granted to you, including under the 2019 Agreement, which shall not be impacted by this Agreement except as provided by Section 4a, you will receive the following Annual Long-Term Equity Incentive Grants, which will be subject to the terms and conditions of the Eastman Kodak Company 2013 Omnibus Incentive Plan (as amended and restated and as it may be further amended, the "Plan"):</p> <p>Each year you will be granted 300,000 unvested RSUs. The RSUs will vest in substantially equal installments on each of the date that is 1 year, 2 years, and 3 years following the grant date, subject to continued employment through each applicable vesting date, except as otherwise expressly provided for in this Agreement or in the applicable award agreement, and the terms and conditions of each such grant shall be subject to approval by the Committee. The first Annual Long-Term Equity Incentive Grant will be made upon the execution of this Agreement. In the event of any automatic renewal of this Agreement, the number of RSUs granted as Long Term Incentive Awards for each year of the renewal term shall be determined by dividing \$3,000,000 by the volume-weighted average price per share of Common Stock for the twenty (20) trading days prior to the date of grant (which shall be an anniversary of the Effective Date).</p>

Exhibit 1

(Terms of Eastman Kodak Company Employee's Agreement)

**EASTMAN KODAK COMPANY
EMPLOYEE'S AGREEMENT**

PREAMBLE

Eastman Kodak Company and its affiliates and subsidiaries (hereinafter collectively called "Kodak") operate in very competitive environments around the world. As part of your employment, you may from time to time have access to confidential and proprietary company information. This Employee's Agreement (this "Agreement") governs certain understandings between Kodak and you regarding your work for Kodak, its confidential and proprietary information, and your responsibilities to Kodak including, but not limited to, nondisclosure of Kodak's Confidential Information and Proprietary Information (each as defined below), assignment of rights and non-solicitation.

BACKGROUND

I understand that Kodak is engaged in the research, development, manufacture, use, marketing and sale of and services related to equipment, materials (including, but not limited to, photographic and other imaging media), software, firmware, components, web applications, multimedia data including, but not limited to, audio information, hardcopy information, digital information (including but not limited to metadata), chemicals, and systems including any of the foregoing (collectively, "Kodak Business"). I also understand that, in connection with the Kodak Business, I will be exposed to and may generate information including, but not limited to, technical, marketing, accounting, cost, sales, medical, personnel data, customer lists, vendor lists, production procedures, administrative and service information (hereinafter collectively "Kodak Proprietary Information"). I further understand that Kodak requires its employees to assign to it all right, title and interest in and to all worldwide inventions, discoveries, improvements, patents, trade secrets, trademarks, mask works, any and all other copyrightable subject matter, and any application for any of the foregoing (hereinafter separately and collectively called "Rights") within or arising out of any field of employment in which they work during their employment by Kodak and for a period of time after termination of employment from Kodak as described more fully below, and that this Agreement is essential for the full protection of the Kodak Business.

Therefore, in consideration of my employment by Kodak and of certain other benefits to be received by me in connection with such employment, it is understood and agreed as follows:

1. Nondisclosure

During my employment by Kodak, and thereafter, I will not disclose to any person or entity or make use of any Kodak Proprietary Information, trade secret, or other information of a confidential nature regarding the Kodak Business or the commercial, financial, technical or business affairs of Kodak, including such trade secret, proprietary or confidential information of any customer or other entity to which Kodak owes an

obligation not to disclose such information, which I acquire during my employment by Kodak, including, but not limited to, records kept in the ordinary course of business (hereinafter collectively called "Kodak Confidential Information"), except as such disclosure or use may be required in connection with my work as an employee of Kodak. I understand that this restriction prohibits disclosure to Kodak affiliates and subsidiaries in which Kodak owns less than 80% of the stock, unless I receive written authorization for specific disclosures from my management. Notwithstanding the foregoing, in accordance with the Defend Trade Secrets Act, 18 U.S.C. § 1833(b), and other applicable law, nothing in this section 1, this Employee's Agreement, or any other agreement or Kodak policy shall prevent me from, or expose me to criminal or civil liability under federal or state trade secret law for, (a) directly or indirectly sharing any trade secrets or other Confidential Information (except information protected by Kodak's or any of its subsidiaries' attorney-client or work product privilege) with an attorney or with any federal, state, or local government agencies, regulators, or officials, for the purpose of investigating or reporting a suspected violation of law, whether in response to a subpoena or otherwise, without notice to Kodak, or (b) disclosing Kodak's trade secrets in a filing in connection with a legal claim, provided that the filing is made under seal.

2. Assignment of Rights

- 2.1 I hereby assign and transfer to Kodak all of my right, title and interest in and to all Rights that are made or conceived by me, alone or with others: (i) during my employment by Kodak, that are within or arise out of any general field of the Kodak Business in which I have been employed or have worked during my employment by Kodak; and (ii) during my employment by Kodak and within the two (2) years following the termination of my employment from Kodak, that (a) arise out of any work I perform or information I received regarding the Kodak Business which I received while employed by Kodak; or (b) arise from work that Kodak authorizes me to perform for or on behalf of any person or entity affiliated with Kodak.
- 2.2 While employed in California, no employee will be required to make an assignment of any invention to the extent prohibited by California Labor Code §2870(a) (a copy of which will be made available to any employee upon request).
- 2.3 I will fully disclose to Kodak as promptly as available all information known or possessed by me concerning the Rights referred to in the preceding section 2.1, and upon request by Kodak and without any further remuneration in any form to me by Kodak, but at the expense of Kodak, execute all applications for patents and for copyright registrations, assignments thereof and other instruments and do all things which Kodak deems necessary to vest and maintain in it the entire right, title and interest in and to all such Rights.

3. Non-solicitation

In order to protect Kodak's trade secrets, during my Kodak employment and for a period of one (1) year after termination of my employment for any reason (whether voluntarily

or involuntarily or with or without cause), I will not, directly or indirectly, either for myself or for the benefit of any other person or entity: (i) induce or attempt to induce any employee of Kodak to leave the employ of Kodak, (ii) in any way interfere with the relationships between Kodak and any employee of Kodak, (iii) employ or otherwise engage as an employee, independent contractor or otherwise, any person who has been an employee of Kodak during the six (6) months immediately preceding such employment (iv) solicit, entice, call upon or contact in any way, for the purpose or with the effect of diverting or taking away or attempting to divert or take away, any of Kodak's customers or suppliers and suppliers to do business with a Competing Business.

4. Return of Property

I agree that, upon termination of my employment for any reason (whether voluntary or involuntary or with or without cause), I will immediately return to Kodak, (i) all Kodak Confidential Information in any form (including without limitation printed, handwritten, and electronically-stored materials or information), together with all copies, thereof, within my possession, custody or control and; (ii) all other Kodak property in my possession, custody or control, including, but not limited to, office keys, identification badges or passes, personal devices (including, but not limited to, cellular phones, smartphones, tablets, laptops, or the like), Kodak credit cards, automobiles, computer equipment, hardware and software ("Kodak Property"). Under no circumstances will I deliver or give such Kodak Confidential Information or Kodak Property to any person or entity without Kodak management's advance written permission and, upon Kodak's request, I will verify that I have not done so.

5. At-Will Employment

I understand that, regardless of any statement made to me or contained in any handbook, policy statement, or other document, my employment will be "at-will". That is, I will be free to terminate my employment at any time, for any reason, and Kodak is free to do the same. No other agreement relating to this issue will be effective unless it is contained in a written agreement which: (1) mentions me by name; (2) references this Agreement by name and date; (3) specifically acknowledges that it is intended to amend this Agreement; and (4) is signed by a Kodak corporate officer and me.

6. Business Conduct

I understand that Kodak is an ethical company and that I am required to adhere to Kodak's policies and procedures regarding ethical business practices, including, but not limited to, Kodak's conflict of interest policy and policies concerning the protection of Kodak Confidential Information. I understand that my failure to do so constitutes a breach of this Agreement.

7. Miscellaneous.

7.1 I agree that Kodak has provided me with valuable consideration for accepting the terms and conditions set forth in this Agreement, including those set forth in section 3. Among other things, that consideration includes my employment and/or

continued employment and certain benefits to be received by me in connection with such employment, some of which may be conditioned upon a validly executed Employee's Agreement.

- 7.2 This Agreement replaces any and all previous agreements relating to the same or similar matters that I may have entered into with Kodak with respect to my present or any future period of employment by Kodak. Further, the terms of this Agreement shall inure to the benefit of the successors and assigns of Kodak and shall be binding upon my heirs, assigns, administrators and representatives. No oral agreement, statement or representation shall be effective to alter the terms of this Agreement.
- 7.3 I understand and agree that a breach of the provisions of this Agreement will cause Kodak irreparable injury that may not be compensable by receipt of money damages. I, therefore, expressly agree that Kodak shall be entitled, in addition to any other remedies legally available, to injunctive and/or other equitable relief, including, but not limited to, temporary, preliminary and/or permanent injunctive relief, to prevent or remedy a breach of this Agreement, or any part hereof, and to payment of reasonable attorneys' fees it incurs in enforcing this Agreement.
- 7.4 If any one or more of the provisions of this Agreement shall be found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If any one or more of the provisions of this Agreement is for any reason held unacceptably broad, it shall be construed or rewritten (blue-lined) so as to be enforceable to the extent of the greatest protection to Kodak under existing law.
- 7.5 All titles or headings in this agreement are for convenience only and shall not affect the meaning of any provision herein.
- 7.6 THIS AGREEMENT IS ENTERED INTO IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO PRINCIPALS OF CONFLICT OF LAWS. I UNDERSTAND AND AGREE THAT ANY ACTION OR PROCEEDING UNDER, IN CONNECTION WITH OR RELATING TO THIS AGREEMENT SHALL BE BROUGHT IN AND ADJUDICATED BY THE UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF NEW YORK IN ROCHESTER, NEW YORK, UNLESS THERE IS NO BASIS FOR FEDERAL JURISDICTION, IN WHICH CASE SUCH ACTION OR PROCEEDING SHALL BE BROUGHT IN AND ADJUDICATED BY THE STATE OF NEW YORK, SUPREME COURT, COUNTY OF MONROE.

[Signature Page Follows]

Dated February, 2021

/s/ James V. Continza

Signature of Employee

James V. Continza

Employee Name (Print or Type)

[Signature Page to Employee's Agreement]

SECURITY AGREEMENT

Dated February 26, 2021

From

The Grantors referred to herein as Grantors

to

Bank of America, N.A. as Agent

	Page
Section 1.	5
Section 2.	9
Section 3.	9
Section 4.	9
Section 5.	11
Section 6.	11
Section 7.	16
Section 8.	17
Section 9.	17
Section 10.	18
Section 11.	19
Section 12.	20
Section 13.	21
Section 14.	21
Section 15.	22
Section 16.	22
Section 17.	23
Section 18.	23
Section 19.	24
Section 20.	25
Section 21.	26
Section 22.	26
Section 23.	27
Section 24.	28
Section 25.	28
Section 26.	29
Section 27.	29
Section 28.	29
Section 29.	30

Schedules

- Schedule I - Investment Property
- Schedule II - Deposit Accounts and Securities Accounts
- Schedule III - Receivables and Agreement Collateral
- Schedule IV - Intellectual Property
- Schedule V - Legal Name, Trade Names, Location, Chief Executive Office, Type of Organization, Jurisdiction of Organization, Organizational Identification Number and Federal Employer Identification Number
- Schedule VI - Changes in Name, Location, Etc.
- Schedule VII - Letters of Credit
- Schedule VIII - Equipment Locations
- Schedule IX - Inventory Locations
- Schedule X - Commercial Tort Claims
- Schedule XI - Mergers and Acquisitions
- Schedule XII - Locations of Books and Records
- Schedule XIII - Filing Offices
- Schedule XIV - Other Actions

Exhibits

- Exhibit A - Form of Intellectual Property Security Agreement
- Exhibit B - Form of Intellectual Property Security Agreement Supplement
- Exhibit C - Form of Security Agreement Supplement

SECURITY AGREEMENT

SECURITY AGREEMENT dated February 26, 2021 (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, this "**Agreement**"), made by Eastman Kodak Company, a New Jersey corporation ("**Borrower**", and the other Persons listed on the signature pages hereof, or which at any time execute and deliver a Security Agreement Supplement in substantially the form attached hereto as Exhibit C (the Borrower and such Persons so listed being, collectively, the "**Grantors**"), to Bank of America, N.A., as administrative and collateral agent (in such capacity, together with any successor Agent appointed pursuant to Article VIII of the Credit Agreement (as hereinafter defined) and assigns, the "**Agent**") for the Secured Parties (as defined in the Credit Agreement).

PRELIMINARY STATEMENTS

(1) Concurrently with the execution and delivery of this Agreement, the Borrower and certain subsidiaries of the Borrower are entering into the Letter of Credit Facility Agreement, dated of even date herewith, by and among the Borrower, certain subsidiaries of the Borrower, the lenders party thereto from time to time (the "**Lenders**"), Agent and Bank of America, N.A., as issuing bank (in such capacity, the "**Issuing Bank**") (as it may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**").

(2) Borrower is a member of an affiliated group of companies that includes each other Grantor.

(3) Part I of Schedule I hereto lists all Equity Interests (other than Excluded Property) directly owned by such Grantor as of the date hereof (the "**Initial Pledged Equity**"). Each Grantor is the holder of the indebtedness owed to such Grantor as of the date hereof (the "**Initial Pledged Debt**") set forth opposite such Grantor's name on and as otherwise described in Part II of Schedule I hereto and issued by the obligors named therein.

(4) Each Grantor is the owner of the deposit accounts set forth opposite such Grantor's name on Schedule II hereto (together with all deposit accounts now owned or hereafter acquired by the Grantors, the "**Pledged Deposit Accounts**").

(5) Company is the owner of a LC Cash Collateral Account (as defined in the Credit Agreement) created in accordance with the Credit Agreement and subject to the security interest granted under this Agreement.

(6) It is a condition precedent to the issuance of Letters of Credit by the Issuing Bank under the Credit Agreement that the Grantors shall have granted the security interest contemplated by this Agreement.

(7) Each Grantor will derive substantial direct or indirect benefit from the transactions contemplated by this Agreement, the Credit Agreement and the other Loan Documents.

(8) Terms defined in the Credit Agreement and not otherwise defined in this Agreement are used in this Agreement as defined in the Credit Agreement. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". Further, unless

otherwise defined in this Agreement or in the Credit Agreement, terms defined in Article 8 or 9 of the UCC (as defined below) are used in this Agreement (whether or not capitalized) as such terms are defined in such Article 8 or 9. “**UCC**” means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, that, if perfection or the effect of perfection or non-perfection or the priority of the 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.

NOW, THEREFORE, in consideration of the premises and in order to induce the Agent, Lenders and Issuing Bank to issue Letters of Credit under the Credit Agreement, each Grantor hereby agrees with the Agent for the benefit of the Secured Parties as follows:

Section 1. **Grant of Security.** Each Grantor hereby pledges and grants to the Agent, for the benefit of the Secured Parties, a security interest in, and right of set off against, such Grantor’s right, title and interest in and to the following, in each case, as to each type of property described below, whether now owned or hereafter acquired by such Grantor, wherever located, and whether now or hereafter existing or arising (collectively, the “**Collateral**”):

(a) all equipment in all of its forms, including all machinery, tools, motor vehicles, vessels, aircraft and furniture (excepting all fixtures), and all parts thereof and all accessions thereto, including computer programs and supporting information that constitute equipment within the meaning of the UCC (any and all such property being the “**Equipment**”);

(b) all inventory in all of its forms, including (i) all raw materials, work in process, finished goods and materials used or consumed in the manufacture, production, preparation or shipping thereof, (ii) goods in which such Grantor has an interest in mass or a joint or other interest or right of any kind (including goods in which such Grantor has an interest or right as consignee) and (iii) goods that are returned to or repossessed or stopped in transit by such Grantor, and all accessions thereto and products thereof and documents therefor, including computer programs and supporting information that constitute inventory within the meaning of the UCC (any and all such property being the “**Inventory**”);

(c) (i) all accounts, instruments (including promissory notes), deposit accounts, chattel paper, general intangibles (including payment intangibles) and other obligations of any kind owing to the Grantors, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services and whether or not earned by performance (any and all such instruments, deposit accounts, chattel paper, general intangibles and other obligations to the extent not referred to in clause (d), (e) or (f) below, being the “**Receivables**”), and all supporting obligations, security agreements, Liens, leases, letters of credit and other contracts owing to the Grantors or supporting the obligations owing to the Grantors under the Receivables (collectively, the “**Related Contracts**”), and (ii) all commercial tort claims now or hereafter described on Schedule X hereto;

(d) the following (the “**Security Collateral**”):

(i) the Initial Pledged Equity and the certificates, if any, representing the Initial Pledged Equity, and all dividends, distributions, return of capital, cash, instruments and

other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Initial Pledged Equity and all warrants, rights or options issued thereon or with respect thereto;

(ii) the Initial Pledged Debt and the instruments, if any, evidencing the Initial Pledged Debt, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Initial Pledged Debt;

(iii) all additional equity interests (other than Excluded Property) from time to time acquired by such Grantor in any manner (such equity interests, together with the Initial Pledged Equity, being the "**Pledged Equity**"), and the certificates, if any, representing such additional equity interests, and all dividends, distributions, return of capital, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such equity interests and all warrants, rights or options issued thereon or with respect thereto;

(iv) all additional indebtedness from time to time owed to such Grantor (such indebtedness, together with the Initial Pledged Debt, being the "**Pledged Debt**") and the instruments, if any, evidencing such indebtedness, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such indebtedness;

(v) all security entitlements or commodity contracts carried in, or from time to time credited to, as applicable, a securities account or commodity account, all financial assets, and all dividends, distributions, return of capital, interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such security entitlements or financial assets and all warrants, rights or options issued thereon with respect thereto; and

(vi) all other investment property (including all (A) securities, whether certificated or uncertificated, (B) security entitlements, (C) securities accounts, (D) commodity contracts and (E) commodity accounts, but excluding any equity interest excluded from the Pledged Equity) in which such Grantor has now, or acquires from time to time hereafter, any right, title or interest in any manner, and the certificates or instruments, if any, representing or evidencing such investment property, and all dividends, distributions, return of capital, interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such investment property and all warrants, rights or options issued thereon or with respect thereto ("**Investment Property**");

(e) each Hedging Agreement to which such Grantor is now or may hereafter become a party, in each case as such agreements may be amended, amended and restated, supplemented or otherwise modified from time to time (collectively, the "**Assigned Agreements**"), including (i) all rights of such Grantor to receive moneys due and to become due under or pursuant to the Assigned Agreements, (ii) all rights of such Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Assigned Agreements, (iii) claims of such Grantor for damages arising out of or for breach of or default under the Assigned Agreements and (iv) the right of such Grantor to terminate the Assigned Agreements, to perform thereunder and to

compel performance and otherwise exercise all remedies thereunder (all such Collateral being the "**Agreement Collateral**");

(f) the following (collectively, the "**Account Collateral**");

(i) the Pledged Deposit Accounts and all cash, funds and financial assets from time to time credited thereto (including all cash equivalents), and all certificates and instruments, if any, from time to time representing or evidencing the Pledged Deposit Accounts;

(ii) the LC Cash Collateral Account and all cash, funds and financial assets from time to time credited thereto (including, without limitation, the LC Facility Cash Collateral (as defined in the Credit Agreement) and all cash equivalents), and all certificates and instruments, if any, from time to time representing or evidencing the LC Cash Collateral Account;

(iii) all promissory notes, certificates of deposit, checks and other instruments from time to time delivered to or otherwise possessed by the Agent for or on behalf of such Grantor in substitution for or in addition to any or all of the then existing Account Collateral; and

(iv) all interest, dividends, distributions, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the then existing Account Collateral; and

(g) the following (collectively, the "**Intellectual Property Collateral**");

(i) all patents, patent applications, utility models and statutory invention registrations, all inventions claimed or disclosed therein and all improvements thereto ("**Patents**");

(ii) all trademarks, service marks, uniform resource locators ("**URLs**"), domain names, trade dress, logos, designs, slogans, trade names, business names, corporate names and other source identifiers, whether registered or unregistered, together, in each case, with the goodwill symbolized thereby ("**Trademarks**");

(iii) all copyrights, including copyrights in computer software, internet web sites and the content thereof, whether registered or unregistered ("**Copyrights**"); all confidential and proprietary information, including know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information (collectively, "**Trade Secrets**"), and all other intellectual, industrial and intangible property of any type, including industrial designs and mask works;

(iv) except as set forth above, all registrations and applications for registration for any of the foregoing, including those registrations and applications for registration, together with all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations thereof;

(v) all agreements, permits, consents, orders and franchises relating to the license, development, use or disclosure of any of the foregoing to which such Grantor, now or hereafter, is a party or a beneficiary ("**IP Agreements**"); and

(vi) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages;

(h) all documents, all money and all letter-of-credit rights;

(i) all books and records and documents (including databases, customer lists, credit files, computer files, printouts, other computer output materials and records and other records) of the Grantors pertaining to any of the Grantors' Collateral;

(j) all other property not otherwise described above (except for any property specifically excluded from any clause in this section, and any property specifically excluded from any defined term used in any clause of this section); and

(k) all proceeds of and payments under business interruption insurance; and

(l) all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the Collateral (including proceeds, collateral and supporting obligations that constitute property of the types described in clauses (a) through (h) of this Section 1) and, to the extent not otherwise included, all (A) payments under insurance (whether or not the Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral, and (B) cash and cash equivalents, including all Eligible Cash and US Cash;

provided, that, notwithstanding any of the other provisions set forth in this Section 1 or in any Loan Document, no Excluded Property shall constitute Collateral under this Agreement. For purposes of this Agreement and the other Loan Documents, "**Excluded Property**" shall mean (1) any property to the extent that such grant of a security interest (x) is prohibited by any applicable Requirements of Law, (y) requires a consent not obtained of any Governmental Authority pursuant to such applicable Requirement of Law or (z) is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property or, in the case of any Security Collateral (other than any of the foregoing issued by a Grantor), any applicable shareholder or similar agreement, except to the extent that such Requirement of Law or the term in such contract, license, agreement, instrument or other document or shareholder or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law, (2) any lease, license or other agreement or any property that is subject to a purchase money Lien or capital lease or similar arrangement (in each case permitted by the Credit Agreement and for so long as subject to such purchase money Lien, capital lease or similar arrangement), in each case to the extent that a grant of a Lien therein would violate or invalidate such lease, license or agreement or such purchase money, capital lease or similar arrangement or create a right of termination in favor of any party thereto (other than a Loan

Party), except to the extent that such lease, license or other agreement or other document providing for such violation or invalidation or termination right is ineffective under applicable law (it being understood that Excluded Property shall not include proceeds and Receivables in respect of the foregoing), (3) any United States trademark or service mark application filed on the basis of a Grantor's "intent-to-use" such trademark or service mark pursuant to Section 1(b) the Lanham Act, 15 U.S.C. § 1051, in each case, to the extent the inclusion in the Collateral of any such application would void, impair or invalidate any such application or any resulting registration, unless and until an Amendment to Allege Use or a Statement of Use under Section 1(c) or 1(d) of said Act is filed with and accepted by the United States Patent and Trademark Office, (4) any property to the extent a security interest in such property would result in material adverse tax consequences as reasonably determined by the Borrower and the Agent, including any of the equity interests of any domestic Subsidiary of the Borrower that is a direct or indirect Subsidiary of a CFC, (5) any fee-owned real property and all leasehold interests in real property, (6) any Excluded Account, (7) any of the equity interests of any Foreign Subsidiary of the Borrower that is not a Material First-Tier Foreign Subsidiary, each of which, as of the date hereof, is indicated on Part III of Schedule I hereto, and (8) any of the equity interests of any Subsidiary of the Borrower that is a Material First-Tier Foreign Subsidiary in excess of 65% of all of the issued and outstanding shares of capital stock of such Material First-Tier Foreign Subsidiary entitled to vote (within the meaning of Treasury Regulation Section 1.956-2). Notwithstanding anything herein or in any other Loan Document, the Grantors shall not be required to perfect the Agent's security interest in (i) motor vehicles and other assets subject to certificates of title to the extent a Lien thereon cannot be perfected by the filing of a UCC financing statement, (ii) Letter-of-Credit Rights, (iii) disbursement accounts and (iv) any property as to which the Agent shall agree in writing that the cost of obtaining a security interest or perfection thereof would be excessive in relation to the value of the security to be afforded thereby. For purposes of this Agreement, "**Requirements of Law**" shall mean, as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

Section 2. Security for Obligations. This Agreement secures, in the case of each Grantor, the payment of all obligations of such Grantor and the Subsidiaries of the Company now or hereafter existing under the Loan Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, fees, premiums, penalties, indemnifications, contract causes of action, costs, expenses or otherwise (all such obligations being the "**Secured Obligations**") owing to the Secured Parties. Without limiting the generality of the foregoing, this Agreement secures, as to each Grantor, the payment of all amounts that constitute part of the Secured Obligations and would be owed by such Grantor or Subsidiary of the Company, as applicable, to any Secured Party under the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving any of the Loan Parties and other Subsidiaries of the Company.

Section 3. Grantors Remain Liable. Anything herein to the contrary notwithstanding, (a) each Grantor shall remain liable under the contracts and agreements included in such Grantor's Collateral to perform all of its duties and obligations thereunder to the extent set forth therein to the same extent as if this Agreement had not been executed, (b) the exercise by the Agent of any of the rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral and (c) no Secured Party shall have any

obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement or any other Loan Document, nor shall any Secured Party be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 4. Delivery and Control of Security Collateral. (a) Subject to the Intercreditor Agreements, all certificates or instruments representing or evidencing Pledged Equity or Pledged Debt shall be promptly delivered to and held by or on behalf of the Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Agent except to the extent that such transfer or assignment is prohibited by applicable law. With respect to any Pledged Equity existing on the Closing Date, the transfer or assignment of which is subject to (x) certain corporate actions by the holders of or issuers of Initial Pledged Equity issued by Foreign Subsidiaries which have not occurred as of the Closing Date despite the Grantors' use of commercially reasonable efforts to cause such corporate actions to occur prior to the Closing Date or (y) governmental approvals or consents which have not been obtained as of the Closing Date despite the Grantors' use of commercially reasonable efforts to cause such approvals or consents to be obtained prior to the Closing Date, the Grantors shall cause such corporate actions to occur or shall obtain such approvals or consents within 45 days after the Closing Date (or such later date as the Administrative Agent shall reasonably agree).

(b) With respect to any Security Collateral representing interests in which any Grantor has any right, title or interest and that constitutes an uncertificated security, such Grantor will use commercially reasonable efforts (or in the case of a wholly-owned Subsidiary, take all actions necessary) to cause (i) the issuers of such Security Collateral and (ii) any securities intermediary which is the holder of any such Security Collateral, to cause the Agent to have and retain, subject to the Intercreditor Agreements, Control over such Security Collateral. Without limiting the foregoing, such Grantor will, with respect to any such Security Collateral held with a securities intermediary, use commercially reasonable efforts to cause such securities intermediary to enter into a control agreement with the Agent, in form and substance reasonably satisfactory to the Agent, giving the Agent Control, subject to the Intercreditor Agreements.

(c) With respect to any securities or commodity account and any Security Collateral that constitutes a security entitlement (other than a security entitlement which is an uncertificated security, which for the avoidance of doubt shall be subject to the preceding Section 4(b)), within 60 days after the Closing Date (or such later date as the Administrative Agent shall reasonably agree), the relevant Grantor will cause the securities intermediary with respect to such security or commodity account or security entitlement to identify in its records the Agent as the entitlement holder thereof or enter into a control agreement with the Agent, in form and substance reasonably satisfactory to the Agent, giving the Agent Control, subject to the Intercreditor Agreements.

(d) Subject to the Intercreditor Agreements and upon the occurrence and during the continuance of an Event of Default, each Grantor shall cause the Security Collateral to be registered in the name of the Agent or such of its nominees as the Agent shall direct, subject only to the revocable rights specified in Section 12(a). In addition, the Agent shall have the right upon the occurrence and during the continuance of an Event of Default to convert Security Collateral consisting of financial assets credited to any securities account or the LC Cash Collateral Account

to Security Collateral consisting of financial assets held directly by the Agent, and to convert Security Collateral consisting of financial assets held directly by the Agent to Security Collateral consisting of financial assets credited to any securities or commodity account or the LC Cash Collateral Account.

(e) Upon the occurrence and during the continuance of an Event of Default, each Grantor will notify each issuer of Security Collateral granted by it hereunder that such Security Collateral is subject to the security interest granted hereunder.

Section 5. Delivery and Possession of LC Facility Cash Collateral. Any LC Facility Cash Collateral required to be deposited by Borrower pursuant to the terms of the Credit Agreement, this Agreement or any of the other Loan Documents shall be deposited in the LC Cash Collateral Account by federal funds wire transfer (or other means reasonably acceptable to Agent). The LC Facility Cash Collateral shall be held in and released from the LC Cash Collateral Account pursuant to and in accordance with the terms and conditions of the Credit Agreement, this Agreement, any other Loan Document and the relevant documentation establishing the LC Cash Collateral Account.

Section 6. Representations and Warranties. Each Grantor represents and warrants as follows:

(a) Such Grantor's exact legal name, chief executive office, type of organization, jurisdiction of organization, organizational identification number and Federal Employer Identification Number as of the date hereof is set forth in Schedule V hereto. Within the five years preceding the date hereof, such Grantor has not changed its legal name, chief executive office, type of organization, jurisdiction of organization, organizational identification number or Federal Employer Identification Number from those set forth in Schedule V hereto except as set forth in Schedule VI hereto. Each of the trade names owned and used by the any Grantor in the operation of its business (e.g. billing, advertising, etc.) are set forth in Schedule V hereto.

(b) Since the date of four (4) months prior to the date hereof, each Grantor has made or entered into only the mergers and acquisitions set forth on Schedule XI hereto.

(c) The books and records of each Grantor pertaining to accounts, contract rights, inventory, and other assets are located at the addresses indicated for each Grantor on Schedule XII hereto.

(d) Such Grantor is the legal and beneficial owner of the Collateral and has rights in, the power to transfer, or a valid right to use, the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of any Lien, claim, option or right of others, except for the security interest created under this Agreement or Liens permitted under the Credit Agreement, and has full power and authority to grant to the Agent the security interest in such Collateral granted hereunder pursuant to the terms hereof. No effective financing statement or other instrument similar in effect covering all or any part of such Collateral or listing such Grantor or any trade name of such Grantor as debtor is on file in any recording office, except such as may exist on the date of this Agreement, have been filed in favor of the Agent relating to the Loan Documents or are otherwise permitted under the Credit Agreement.

(e) When financing statements naming such Grantor as debtor and the Agent as secured party and providing a description of the Collateral with respect to which such Grantor has purported to grant a security interest hereunder have been filed in the appropriate offices against such Grantor in the locations listed on Schedule XIII, the Agent will have a fully perfected and, subject to the Intercreditor Agreements, first priority security interest (except as enforceability may be affected by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditor's rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing), subject only to Liens permitted under the Credit Agreement, in that Collateral of the Grantor in which a security interest may be perfected by filing of an initial financing statement in the appropriate office against such Grantor; provided that (i) the filing of Intellectual Property security agreements with the United States Patent and Trademark Office and the United States Copyright Office may be necessary to perfect the security interest of the Agent in respect of any registered U.S. Patents, U.S. Patent applications, registered or applied for U.S. Trademarks and registered or applied for U.S. Copyrights, (ii) additional filings may be necessary to perfect the Agent's security interest in any registered U.S. Patents, U.S. Patent applications, registered or applied for U.S. Trademarks and registered or applied for U.S. Copyrights acquired by such Grantor after the date hereof, and (iii) upon completion of the filings referred to in this Section 6(e) and the other actions specified on Schedule XIV, the security interests granted pursuant to this Agreement will constitute valid perfected security interests in all of the Collateral (other than Excluded Property) in favor of the Agent as collateral security for the Secured Obligations. Notwithstanding the foregoing, nothing in this Agreement shall require any Grantor to make any filings or take any other actions to record or perfect the Agent's Lien on and security interest in any Intellectual Property outside the United States (or to reimburse the Agent for the same).

(f) All of such Grantor's locations where Equipment and Inventory having a value in excess of \$1,000,000 is located as of the date hereof are specified in Schedule VIII and Schedule IX hereto, respectively (other than Collateral in transit in the ordinary course of business, in use or on display at any trade show, conference or similar event in the ordinary course of business, maintained with customers (or otherwise on the premises of customers) and consignees in the ordinary course of business or in the possession of employees in the ordinary course of business). Such Grantor has exclusive possession and control of its Inventory, other than Inventory stored at any leased premises or third party warehouse.

(g) None of the Receivables or Agreement Collateral is evidenced by a promissory note or other instrument in excess of \$3,750,000 that has not been delivered to the Agent. All such Receivables or Agreement Collateral valued in excess of \$3,750,000 is listed on Schedule III attached hereto.

(h) Subject to the Intercreditor Agreements, all Security Collateral consisting of certificated securities and instruments with an aggregate fair market value in excess of \$10,000,000 for all such Security Collateral of the Grantors have been delivered to the Agent.

(i) If such Grantor is an issuer of Security Collateral, such Grantor confirms that it has received notice of the security interest granted hereunder.

(j) The Pledged Equity pledged by such Grantor hereunder has been duly authorized and validly issued and is fully paid and non-assessable (to the extent such concepts are

applicable), provided that the foregoing representation and warranty, insofar as it relates to the Pledged Equity issued by a Person other than a Subsidiary of a Grantor, is made to the knowledge of the Grantors. Each interest in any limited liability company or limited partnership wholly-owned by such Grantor, pledged hereunder and represented by a certificate is a "security" within the meaning of Article 8 of the UCC and is governed by Article 8 of the UCC and each such interest shall at all times hereafter be represented by a certificate. Each interest in any limited liability company or limited partnership controlled by such Grantor, pledged hereunder and not represented by a certificate either (1) is not a "security" within the meaning of Article 8 of the UCC and is not governed by Article 8 of the UCC and such Grantor shall at no time elect to treat any such interest as a "security" within the meaning of Article 8 of the UCC or issue any certificate representing such interest or (2) is a "security" within the meaning of Article 8 of the UCC and is governed by Article 8 of the UCC and, with respect to any such Pledged Equity having a value in excess of \$1,000,000, such Grantor shall have entered into a control agreement with the issuer of such "security" and the Agent to establish Control with respect to such "security." The Pledged Debt pledged by such Grantor hereunder has been duly authorized, authenticated or issued and delivered, is the legal, valid and binding obligation of the issuers thereof and, if evidenced by any promissory notes, such promissory notes have been delivered to the Agent, and is not in default.

(k) The Initial Pledged Equity in Foreign Subsidiaries pledged by such Grantor constitutes, as of the date hereof, 65% of the issued and outstanding equity interests entitled to vote (within the meaning of Treasury Regulation Section 1.956-1) of the issuers thereof indicated on Part I of Schedule I hereto, each of which is a Material First-Tier Foreign Subsidiary. The Initial Pledged Debt constitutes all of the outstanding Debt for Borrowed Money owed to such Grantor by the issuers thereof.

(l) Such Grantor has no Investment Property with a market value in excess of \$1,000,000 as of the date hereof, other than the Investment Property listed on Part IV of Schedule I hereto.

(m) The Assigned Agreements to which such Grantor is a party have been duly authorized, executed and delivered by such Grantor and, to such Grantor's knowledge, any material Assigned Agreements are in full force and effect and are binding upon and enforceable against all parties thereto in accordance with their terms.

(n) Such Grantor has no deposit accounts or securities accounts as of the date hereof, other than the deposit accounts and securities accounts listed on Schedule II hereto (other than deposit accounts or securities accounts that have less than \$750,000 in the aggregate on deposit).

(o) Such Grantor is not a beneficiary or assignee under any letter of credit with a stated amount in excess of \$2,500,000 and issued by a United States financial institution as of the date hereof, other than the letters of credit described in Schedule VII hereto.

(p) This Agreement creates in favor of the Agent for the benefit of the Secured Parties a valid security interest in the Collateral granted by such Grantor under this Agreement, securing the payment of the Secured Obligations except to the extent that Control or possession by the Agent is required for the creation of the security interest; all filings and other actions necessary to perfect the security interest in the Collateral granted by such Grantor have been duly made or

taken and are in full force and effect other than (i) actions necessary to perfect the Agent's security interest with respect to Collateral evidenced by a certificate of title or Collateral consisting of vessels or aircraft and (ii) actions necessary to transfer and prior approval of or filings with any governmental entity required in connection with any interest in Pledged Equity.

(q) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for (i) the grant by such Grantor of the security interest granted hereunder or for the execution, delivery or performance of this Agreement by such Grantor, (ii) the perfection or maintenance of the security interest created hereunder (including, subject to the Intercreditor Agreements, the first priority nature of such security interest in Collateral), except for (A) the filing of financing and continuation statements under the UCC, (B) the recordation of the Intellectual Property Security Agreement with respect to certain registered Intellectual Property Collateral attached thereto, and the actions described in Section 4 with respect to the Security Collateral, (C) subject to certain corporate actions by the holders or issuers of Non-U.S. Initial Pledged Equity which have not occurred as of the Effective Date, necessary to transfer or assign, (D) the governmental filings required to be made or approvals obtained prior to the creation of a security interest in any Pledged Equity issued by a non-US Person and any filings or approvals required prior to realizing on any such Pledged Equity, and (E) the Control of certain assets as provided in Sections 9-104, 9-105, 9-106 and 9-107 of the UCC, or (iii) the exercise by the Agent of its voting or other rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement, except as set forth above and as may be required in connection with the disposition of any portion of the Security Collateral by laws affecting the offering and sale of securities generally.

(r) The Inventory that has been produced or distributed by such Grantor has been produced in compliance with all requirements of applicable law except where the failure to so comply would not have a Material Adverse Effect.

(s) As to itself and its Intellectual Property Collateral:

(i) The operation of such Grantor's business as currently conducted or as contemplated to be conducted and the use of the Intellectual Property Collateral in connection therewith do not conflict with, infringe, misappropriate, dilute, misuse or otherwise violate the intellectual property rights of any third party, except as are not expected to have a Material Adverse Effect.

(ii) Such Grantor is the exclusive owner of all right, title and interest in and to Patents, Trademarks and Copyrights contained in the Intellectual Property Collateral, except as set forth in Schedule IV Part I hereto with respect to co-ownership of certain Patents, and such Grantor is entitled to use all such Intellectual Property Collateral in accordance with applicable law, subject to the terms of the IP Agreements.

(iii) The Intellectual Property Collateral set forth on Schedule IV Part I hereto includes all of the registered patents, patent applications, domain names, trademark registrations and applications, copyright registrations and applications owned by such Grantor as of the date set forth therein.

(iv) The issued Patents and registered Trademarks contained in the Intellectual Property Collateral have not been adjudged invalid or unenforceable in whole or part, and to the knowledge of the Company, are valid and enforceable, except to the extent Grantor has ceased use of any such registered Trademarks, and except as would not be reasonably expected, individually or in the aggregate, to have a Material Adverse Effect.

(v) Such Grantor has made or performed all filings, recordings and other acts and has paid all required fees and taxes, as deemed necessary by Grantor in its reasonable business discretion, to maintain and protect its interest in each and every material item of Intellectual Property Collateral owned by such Grantor in full force and effect.

(vi) No claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property Collateral or the validity of effectiveness of any such Intellectual Property Collateral, nor does the Company know of any valid basis for any such claim, except, in either case, for such claims that in the aggregate are not reasonably expected to have a Material Adverse Effect. The conduct of the business of the Company and its Subsidiaries does not infringe on the rights of any Person except for such claims and infringements that, in the aggregate, are not reasonably expected to have a Material Adverse Effect. The consummation of the transactions contemplated by the Loan Documents will not result in the termination or impairment (other than impairment contemplated by the Loan Documents) of any of the Intellectual Property Collateral.

(vii) Except as set forth on Schedule IV Part II hereto, with respect to each IP Agreement that is not Excluded Property: (A) to the knowledge of the Company, such IP Agreement is valid and binding and in full force and effect; (B) such IP Agreement will not cease to be valid and binding and in full force and effect on terms identical to those currently in effect as a result of the rights and interest granted herein, nor will the grant of such rights and interest constitute a breach or default under such IP Agreement or otherwise give any party thereto a right to terminate such IP Agreement; (C) such Grantor has not received any notice of termination or cancellation under such IP Agreement within the six months immediately preceding the date of this Agreement; (D) within the six months immediately preceding the date of this Agreement, such Grantor has not received any notice of a breach or default under such IP Agreement, which breach or default has not been cured; and (E) neither such Grantor nor, to such Grantor's knowledge, any other party to such IP Agreement is in breach or default thereof in any material respect, and no event has occurred that, with notice or lapse of time or both, would constitute such a breach or default or permit termination or modification under such IP Agreement, in each case as would not reasonably be expected to have a Material Adverse Effect.

(viii) To the Company's knowledge, none of the material Trade Secrets of such Grantor has been used, divulged, disclosed or appropriated to the detriment of such Grantor for the benefit of any other Person other than such Grantor within the past two years.

(ix) This Agreement is effective to create a valid and continuing Lien and, upon filing of appropriate financing statements in the offices listed on Schedule XIII and appropriate releases (which releases have been filed or will be filed substantially simultaneously with the entering into of this Agreement) and Intellectual Property security agreements with the United States Copyright Office and the United States Patent and Trademark Office (to the extent a security interest may be perfected by filing, recording or registering a security agreement,

financing statement or analogous document in the United States Copyright Office or the United States Patent and Trademark Office, as applicable), fully perfected and, subject to the Intercreditor Agreements, first priority security interests in favor of the Agent on such Grantor's U.S. Patents, U.S. Trademarks and U.S. Copyrights and such perfected security interests are enforceable as such as against any and all creditor of and purchasers from such Grantor.

(t) The Collateral is not subject to any restrictions relative to the transfer thereof and Grantors have the right to pledge, transfer and deliver and grant a security interest in and right of setoff against the Collateral free and clear of any liens, encumbrances or restrictions. The Collateral is not subject to set off, counterclaim, defense, allowance or adjustment or to dispute, objection or complaint.

(u) The Collateral is duly and validly pledged to Agent and no consent or approval of any governmental or regulatory authority, nor any consent or approval of any other third party, was or is necessary to the validity and enforceability of this Agreement.

(v) Each Grantor waives: (i) all rights to require Agent to proceed against any other person, entity or collateral or to exercise any remedy, (ii) the defense of the statute of limitations in any action upon any of the Obligations, (iii) any right of subrogation or interest in the Obligations or the Collateral, (iv) any rights to notice of any kind or nature whatsoever, unless specifically required in this Agreement or non-waivable under any applicable law, and (v) to the extent permissible, its rights under Section 9-112 and 9-207 of the Uniform Commercial Code.

Section 7. Further Assurances.

(a) Each Grantor agrees that from time to time, in accordance with the terms of this Agreement at the expense of such Grantor and at the reasonable request of the Agent, such Grantor will promptly execute and deliver, or otherwise authenticate, all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that the Agent may reasonably request, in order to perfect and protect any pledge or security interest granted or purported to be granted by such Grantor hereunder or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral of such Grantor. Without limiting the generality of the foregoing, each Grantor will, at the reasonable request of the Agent, promptly with respect to the Collateral of such Grantor: (i) mark conspicuously each document included in Inventory, each chattel paper included in Receivables each Assigned Agreement and, at the request of the Agent, each of its records pertaining to such Collateral with a legend, in form and substance reasonably satisfactory to the Agent, indicating that such document, Assigned Agreement or Collateral is subject to the security interest granted hereby; if any such Collateral shall be evidenced by a promissory note or other instrument or chattel paper, deliver and pledge to the Agent hereunder such note or instrument or chattel paper duly indorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance reasonably satisfactory to the Agent; (iii) file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be reasonably necessary or desirable, or as the Agent may reasonably request, in order to perfect and preserve the security interest granted or purported to be granted by such Grantor hereunder; (iv) prepare, sign, and file for recordation in any intellectual property registry, appropriate evidence of the lien and security interest granted herein in any Intellectual Property in the name of such Grantor as debtor; and (v) deliver to the Agent evidence that all other actions that the Agent may deem reasonably necessary

or desirable in order to perfect and protect the security interest granted or purported to be granted by such Grantor under this Agreement has been taken.

(b) Each Grantor hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto in the applicable UCC filing office, including one or more financing statements indicating that such financing statements cover all assets or all personal property (or words of similar effect) of such Grantor in the United States, or any real property or fixtures, regardless of whether any particular asset described in such financing statements falls within the scope of the UCC. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law. Each Grantor ratifies its authorization for the Agent to have filed such financing statements, continuation statements or amendments filed prior to the date hereof.

(c) Each Grantor will furnish to the Agent from time to time statements and schedules further identifying and describing the Collateral of such Grantor and such other reports in connection with such Collateral as the Agent may reasonably request, all in reasonable detail.

Section 8. As to Equipment and Inventory. (a) Each Grantor will keep its Equipment having a value in excess of \$1,000,000 and Inventory having a value in excess of \$1,000,000 (other than Inventory sold in the ordinary course of business) at the locations therefor specified in Schedule VIII and Schedule IX, respectively, or, upon 30 days' prior written notice to the Agent (or such lesser time as may be agreed by the Agent), at such other places designated by such Grantor in such notice. Schedule VIII and Schedule IX respectively set forth whether each such location is owned, leased or operated by third parties, and, if leased or operated by third parties, their names and addresses.

(b) Each Grantor will pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, its Equipment and Inventory, except to the extent payment thereof is not required by Section 5.01(b) of the Credit Agreement. In producing its Inventory, each Grantor will comply with all requirements of applicable law, except where the failure to so comply will not have a Material Adverse Effect.

Section 9. Insurance. (a) Each Grantor will, and will cause each Restricted Subsidiary to, at its own expense, maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or such Restricted Subsidiary operates; provided, that, the Company and its Restricted Subsidiaries may self-insure to the extent consistent with prudent business practice. Each policy of each Grantor for liability insurance shall provide for all losses to be paid on behalf of the Agent and such Grantor as their interests may appear, and each policy for property damage insurance shall provide for all losses to be paid, in accordance with the Credit Agreement, the Intercreditor Agreements and the Lender loss payee provisions which were requested pursuant to clause (iv) below, directly to the Agent. Each such policy shall in addition (i) name such Grantor and the Agent as insured parties thereunder (without any representation or warranty by or obligation upon the Agent) as their interests may appear, (ii) provide that (A) there shall be no recourse against the Agent for payment of premiums or other amounts with respect thereto and (B) if agreed by the insurer (which agreement such Grantor shall use commercially reasonable efforts to obtain), at least 10 days' prior

written notice of cancellation or of lapse shall be given to the Agent by the insurer, and (iv) contain such other customary lender loss payee provisions as the Agent shall reasonably request. Each Grantor will, if so requested by the Agent, deliver to the Agent certificates of insurance evidencing such insurance and, as often as the Agent may reasonably request, a report of a reputable insurance broker or the insurer with respect to such insurance. Further, each Grantor will, at the request of the Agent, duly execute and deliver instruments of assignment of such insurance policies to comply with the requirements of Section 1(l) and cause the insurers to acknowledge notice of such assignment. Each Grantor will, if so requested by the Agent, deliver to the Agent certificates of insurance evidencing such insurance and, as often as the Agent may reasonably request, a report of a reputable insurance broker or the insurer with respect to such insurance. Further, each Grantor will, at the request of the Agent, duly execute and deliver instruments of assignment of such insurance policies to comply with the requirements of Section 1(k) and 1(l) and use its commercially reasonable efforts to cause the insurers to acknowledge notice of such assignment.

(b) In case of any loss involving damage to Equipment or Inventory when subsection (c) of this Section 9 is not applicable, the applicable Grantor, to the extent determined to be in the business interest of such Grantor, will make or cause to be made the necessary repairs to or replacements of such Equipment or Inventory, and any proceeds of insurance properly received by or released to such Grantor shall be used by such Grantor, except as otherwise required hereunder or by the Credit Agreement, to pay or as reimbursement for the costs of such repairs or replacements or, if such Grantor determines not to repair or replace such Equipment or Inventory, treat the loss or damage as a disposition under Section 5.02(e)(vii) of the ABL Credit Facility Agreement.

Section 10. Post-Closing Changes; Collections on Assigned Agreements and Receivables. (a) If any Grantor changes its name, type of organization, jurisdiction of organization or organizational identification number from those set forth in Schedule V of this Agreement it will give written notice to the Agent within 15 days of such change and will take all action reasonably required by the Agent for the purpose of perfecting or protecting the security interest granted by this Agreement. Each Grantor will hold and preserve its records relating to the Collateral, including the Assigned Agreements and Related Contracts, and will permit representatives of the Agent at any time during normal business hours to inspect and make abstracts from such records and other documents to the extent provided in Section 5.01(e) of the ABL Credit Facility Agreement. If any Grantor does not have an organizational identification number and later obtains one, it will promptly notify the Agent of such organizational identification number.

(b) Agent shall have the right at any time or times, in Agent's name or in the name of a nominee of Agent, to verify the validity, amount or any other matter relating to any Receivables or other Collateral, by mail, telephone, facsimile transmission or otherwise (provided any visits shall be done during normal business hours and at times to be mutually agreed). Except as otherwise provided in this subsection (b), each Grantor, at its own expense and in the ordinary course of business undertaken in a commercially reasonable manner and consistent with applicable law, will continue to collect, adjust, settle, compromise the amount or payment of, all amounts due or to become due such Grantor under the Assigned Agreements and Receivables. In connection with such collections, adjustments, settlements, compromises and other exercises of rights, such Grantor may take (and, at the Agent's direction upon the occurrence and during the continuance of an Event of Default, will take) such action as such Grantor (or, upon the occurrence and during the continuance of an Event of Default, the Agent) may deem necessary or advisable; provided, that,

the Agent shall have the right at any time, upon the occurrence and during the continuance of an Event of Default and upon written notice to such Grantor of its intention to do so, to notify the Obligors under any Assigned Agreements and Receivables of the assignment of such Assigned Agreements to the Agent and to direct such Obligors to make payment of all amounts due or to become due to such Grantor thereunder directly to the Agent and, upon such notification and at the expense of such Grantor, to enforce collection of any such Assigned Agreements and Receivables, to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done, and to otherwise exercise all rights with respect to such Assigned Agreements and Receivables, including those set forth in Section 9-607 of the UCC. After receipt by any Grantor of the notice from the Agent referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including instruments) received by such Grantor in respect of the Assigned Agreements and Receivables of such Grantor shall be received in trust for the benefit of the Secured Parties, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Agent in the same form as so received (with any necessary indorsement) to be deposited in the Agent's Account and applied as provided in Section 19(b) of this Agreement, and (ii) such Grantor will not adjust, settle or compromise the amount or payment of any Receivable or amount due on any Assigned Agreement, release wholly or partly any Obligor thereof or allow any credit or discount thereon other than credits or discounts given in the ordinary course of business.

(c) No Grantor will authorize the filing of any financing statement naming it as debtor covering all or any portion of the Collateral owned by it, except for financing statements (i) naming the Agent on behalf of the Secured Parties as the secured party, and (ii) in respect to other Liens permitted by the Credit Agreement. Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement naming the Agent as secured party without the prior written consent of the Agent, subject to such Grantor's rights under the UCC.

Section 11. As to Intellectual Property Collateral. (a) With respect to each item of its Intellectual Property Collateral material to the business of the Company and its Restricted Subsidiaries, each Grantor agrees to take, at its expense, commercially reasonable steps as determined in Grantor's reasonable discretion, including in the U.S. Patent and Trademark Office, the U.S. Copyright Office and any other Governmental Authority, to (i) maintain (in accordance with the exercise of such Grantor's reasonable business discretion) the validity and enforceability of such Intellectual Property Collateral and maintain such Intellectual Property Collateral in full force and effect, and (ii) pursue the registration and maintenance (in accordance with the exercise of such Grantor's reasonable business discretion) of each patent, trademark, or copyright registration or application, now or hereafter included in such Intellectual Property Collateral of such Grantor, including the payment of required fees and taxes, the filing of responses to office actions issued by the U.S. Patent and Trademark Office, the U.S. Copyright Office or other Governmental Authorities, the filing of applications for renewal or extension, the filing of affidavits under Sections 8 and 15 of the U.S. Trademark Act, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings, in each case except where the failure to so file, register or maintain is not reasonably likely to have a Material Adverse Effect. No Grantor shall, without the written consent of the Agent, which shall not be unreasonably withheld or delayed, discontinue use of any material Trademark or otherwise abandon any such material Intellectual Property Collateral unless such Grantor shall have determined that such use or the pursuit or maintenance of such Intellectual Property Collateral is

no longer material to the conduct of such Grantor's business.

(b) Until the termination of the Credit Agreement, each Grantor agrees to provide to the Agent, concurrently with any delivery of Financial Statements pursuant to Section 5.01(h)(ii) of the Credit Agreement, an updated Schedule of its registered U.S. Patents, U.S. Patent applications, registered or applied for U.S. Trademarks and registered or applied for U.S. Copyrights.

(c) In the event that any Grantor becomes aware that any item of Intellectual Property Collateral is being infringed or misappropriated by a third party, such Grantor shall take such commercially reasonable actions determined in its reasonable discretion, at its expense, to protect or enforce such Intellectual Property Collateral, including suing for infringement or misappropriation and for an injunction against such infringement or misappropriation.

(d) Each Grantor shall take all reasonable steps which it deems appropriate under the circumstances to preserve and protect each item of its material Trademarks included in the Intellectual Property Collateral, including maintaining substantially the quality of any and all products or services used or provided in connection with any such Trademarks, consistent with the general quality of the products and services as of the date hereof, and taking steps reasonably necessary to ensure that all licensed users of any such Trademarks use such consistent standards of quality.

(e) With respect to its Intellectual Property Collateral, each Grantor agrees to execute or otherwise authenticate an agreement, in substantially the form set forth in Exhibit A hereto or otherwise in form and substance satisfactory to the Agent (an "**Intellectual Property Security Agreement**"), for recording the security interest granted hereunder to the Agent in such Intellectual Property Collateral with the U.S. Patent and Trademark Office, the U.S. Copyright Office, and any other Governmental Authorities necessary to perfect the security interest hereunder in such Intellectual Property Collateral.

(f) Each entity which executes a Security Agreement Supplement as Grantor shall execute and deliver to the Agent with such written notice, or otherwise authenticate, an agreement substantially in the form of Exhibit B hereto or otherwise in form and substance satisfactory to the Agent (an "**IP Security Agreement Supplement**") covering such Intellectual Property, which IP Security Agreement Supplement shall be recorded with the U.S. Patent and Trademark Office, the U.S. Copyright Office and any other Governmental Authorities necessary to perfect the security interest hereunder in such Intellectual Property.

Section 12. Voting Rights; Dividends; Etc. So long as no Event of Default shall have occurred and be continuing:

(i) Each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Security Collateral of such Grantor or any part thereof for any purpose.

(ii) Each Grantor shall be entitled to receive and retain any and all dividends, interest and other distributions paid in respect of the Security Collateral of such Grantor if and to the extent that the payment thereof is not otherwise prohibited by the terms of the Loan Documents; provided, that, any and all dividends, interest and other distributions paid or payable in

the form of instruments or certificates in respect of, or in exchange for, any Security Collateral, shall be promptly delivered to the Agent to hold as Security Collateral (to the extent it is not Excluded Property) and shall, if received by such Grantor, be received in trust for the benefit of the Secured Parties, be segregated from the other property or funds of such Grantor and be promptly delivered to the Agent as Security Collateral in the same form as so received (with any necessary indorsement).

(iii) The Agent will execute and deliver (or cause to be executed and delivered) to each Grantor all such proxies and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and other rights that it is entitled to exercise pursuant to paragraph (i) above and to receive the dividends or interest payments that it is authorized to receive and retain pursuant to paragraph (ii) above.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) All rights of each Grantor (A) to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 12(a)(i) shall, upon notice to such Grantor by the Agent, cease and (B) to receive the dividends, interest and other distributions that it would otherwise be authorized to receive and retain pursuant to Section 12(a)(ii) shall automatically cease, and all such rights shall, subject to the Intercreditor Agreements, thereupon become vested in the Agent for the benefit of the Secured Parties, which shall thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights and to receive and hold as Security Collateral such dividends, interest and other distributions.

(ii) All dividends, interest and other distributions that are received by any Grantor contrary to the provisions of paragraph (i) of this Section 12(b) shall be received in trust for the benefit of the Secured Parties, shall be segregated from other funds of such Grantor and shall be promptly paid over to the Agent as Security Collateral in the same form as so received (with any necessary indorsement).

Section 13. As to the Assigned Agreements.

(a) Each Grantor will at its expense:

(i) perform and observe in all material respects all terms and provisions of the Assigned Agreements to be performed or observed by it to the extent consistent with its past practice or reasonable business judgment, maintain the Assigned Agreements to which it is a party in full force and effect, enforce the Assigned Agreements to which it is a party in accordance with the terms thereof and take all such action to such end as may be requested from time to time by the Agent; and

(ii) furnish to the Agent promptly upon receipt thereof copies of all notices of defaults relating to agreements involving monetary liability of or to any Person in an amount in excess of \$5,000,000 received by such Grantor under or pursuant to the Assigned Agreements to which it is a party, and from time to time (A) furnish to the Agent such information and reports regarding the Assigned Agreements and such other Collateral of such Grantor as the Agent may reasonably request and (B) upon request of the Agent, make to each other party to any

Assigned Agreement to which it is a party such demands and requests for information and reports or for action as such Grantor is entitled to make thereunder.

(b) Each Grantor hereby consents on its behalf and on behalf of its Subsidiaries to the assignment and pledge to the Agent for benefit of the Secured Parties of each Assigned Agreement to which it is a party by any other Grantor hereunder.

(c) Each Grantor agrees, upon the reasonable request of Agent, to instruct each other party to each Assigned Agreement to which it is a party, that all payments due or to become due under or in connection with such Assigned Agreement will be made directly to a Pledged Deposit Account.

(d) All moneys received or collected pursuant to subsection (c) above shall be (i) released to the applicable Grantor on the terms set forth in the Credit Agreement so long as no Event of Default shall have occurred and be continuing or (ii) if any Event of Default shall have occurred and be continuing, applied as provided in Section 19(b).

Section 14. As to Letter-of-Credit Rights and Commercial Tort Claims. (a) Except as otherwise permitted by the Credit Agreement and this Agreement, each Grantor, by granting a security interest in its Receivables consisting of letter-of-credit rights to the Agent, hereby assigns to the Agent such rights (including its contingent rights) to the proceeds of all Related Contracts consisting of letters of credit of which it is or hereafter becomes a beneficiary or assignee. Upon request of the Agent, each Grantor will promptly use commercially reasonable efforts to cause the issuer of each letter-of-credit with a stated amount in excess of \$2,500,000 and each nominated person (as defined in Section 5-102 of the UCC) (if any) with respect thereto to consent to such assignment of the proceeds thereof pursuant to a consent in form and substance reasonably satisfactory to the Agent and deliver written evidence of such consent to the Agent.

(b) Upon the occurrence and during the continuance of an Event of Default, each Grantor will, promptly upon request by the Agent, (i) notify (and such Grantor hereby authorizes the Agent to notify) the issuer and each nominated person with respect to each of the Related Contracts consisting of letters of credit that the proceeds thereof have been assigned to the Agent hereunder and any payments due or to become due in respect thereof are to be made directly to the Agent or its designee and (ii) arrange for the Agent to become the transferee beneficiary of letter of credit.

(c) In the event that any Grantor hereafter acquires or has any commercial tort claim that has been filed with any court in excess of \$5,000,000 in the aggregate, it shall, promptly after such claim has been filed with such court, deliver a supplement to Schedule X hereto, identifying such new commercial tort claim.

Section 15. Transfers and Other Liens; Additional Shares. (a) Each Grantor agrees that it will not (i) sell, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral, other than sales, assignments and other dispositions of Collateral, and options relating to Collateral, permitted under the terms of the Credit Agreement or (ii) create or suffer to exist any Lien upon or with respect to any of the Collateral of such Grantor except for the pledge, assignment and security interest created under this Agreement and Liens permitted under the Credit Agreement.

(b) Subject to the terms of the Credit Agreement and this Agreement, each Grantor agrees that it will (i) cause each issuer of the Pledged Equity pledged by such Grantor not to issue any equity interests or other securities in addition to or in substitution for the Pledged Equity issued by such issuer except to such Grantor or its Affiliates, and (ii) pledge hereunder, promptly upon its acquisition (directly or indirectly) thereof, any and all additional equity interests or other securities as required by Section 5.01(i) of the Credit Agreement from time to time acquired by such Grantor in any manner.

Section 16. Agent Appointed Attorney in Fact. Each Grantor hereby irrevocably appoints the Agent such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time, in the Agent's discretion, to take any action and to execute any instrument that the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including:

- (a) to obtain, an upon the occurrence and during the continuance of an Event of Default, adjust insurance required to be paid to the Agent pursuant to Section 9,
- (b) upon the occurrence and during the continuation of any Event of Default, to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral,
- (c) upon the occurrence and during the continuance of any Event of Default, to receive, indorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) or (b) above,
- (d) upon the occurrence and during the continuation of any Event of Default to file any claims or take any action or institute any proceedings that the Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce compliance with the terms and conditions of any Assigned Agreement or the rights of the Agent with respect to any of the Collateral;
- (e) upon the occurrence and during the continuation of any Event of Default, to use any Intellectual Property or IP Agreements (solely pursuant to the terms thereof) that are not Excluded Property of such Grantor, including any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, or advertising matter, in preparing for sale, advertising for sale, or selling Inventory or other Collateral;
- (f) to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Agreement, including actions to pay or discharge taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by Agent in its sole discretion, any such payments made by Agent to become obligations of such Grantor to Agent, due and payable immediately without demand;
- (g) (i) upon the occurrence and during the continuation of any Event of Default, generally to sell, transfer, lease, license, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Agent were the absolute owner thereof for all purposes, and (ii) to do, at Agent's option and such Grantor's expense, at any time or from time to time, all acts and things that Agent deems reasonably necessary to protect, preserve or

realize upon the Collateral and Agent's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do;

(h) upon the occurrence and during the continuation of any Event of Default, to repair, alter, or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any Person obligated to the Borrower or such other Grantor in respect of any Account of the Borrower or such other Grantor; and

(i) upon the occurrence and during the continuance of any Event of Default, to take exclusive possession of all locations where the Borrower or other Grantor conducts its business or has rights of possession, with prompt notice to the Borrower or any Grantor and to use such locations to store, process, manufacture, sell, use, and liquidate or otherwise dispose of items that are Collateral, without obligation to pay rent or other compensation for the possession or use of any location.

Section 17. Agent May Perform. If any Grantor fails to perform any agreement contained herein, the Agent may, but without any obligation to do so, upon notice to the Company of at least five Business Days in advance and if the Company fails to cure within such period, itself perform, or cause performance of, such agreement, and the expenses of the Agent incurred in connection therewith shall be payable by such Grantor under Section 21.

Section 18. The Agent's Duties. (a) The powers conferred on the Agent hereunder are solely to protect the Secured Parties' interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Agent shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not any Secured Party has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which it accords its own property.

(b) Anything contained herein to the contrary notwithstanding, the Agent may from time to time, when the Agent deems it to be necessary, appoint one or more of its Affiliates (or, with the consent of the Company, any other Persons) subagents (each a "**Subagent**") for the Agent hereunder with respect to all or any part of the Collateral. In the event that the Agent so appoints any Subagent with respect to any Collateral, (i) the assignment and pledge of such Collateral and the security interest granted in such Collateral by each Grantor hereunder shall be deemed for purposes of this Agreement to have been made to such Subagent, in addition to the Agent, for the benefit of the Secured Parties, as security for the Secured Obligations of such Grantor; (ii) such Subagent shall automatically be vested, in addition to the Agent, with all rights, powers, privileges, interests and remedies of the Agent hereunder with respect to such Collateral; and (iii) the term "Agent," when used herein in relation to any rights, powers, privileges, interests and remedies of the Agent with respect to such Collateral, shall include such Subagent; *provided, however*, that no such Subagent shall be authorized to take any action with respect to any such Collateral unless and except to the extent expressly authorized in writing by the Agent.

Section 19. Remedies. If any Event of Default shall have occurred and be continuing and such Event of Default has resulted in the acceleration of the Secured Obligations, which acceleration has not been rescinded or otherwise terminated:

(a) The Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC (whether or not the UCC applies to the affected Collateral) and also may: (i) require each Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Agent forthwith, assemble all or part of the Collateral as directed by the Agent and make it available to the Agent at a place and time to be designated by the Agent that is reasonably convenient to both parties; (ii) subject to applicable law, without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable; (iii) occupy, consistent with Section 5.01(e) of the Credit Agreement, on a non-exclusive basis any premises owned or leased by any of the Grantors where the Collateral or any part thereof is assembled or located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to such Grantor in respect of such occupation; and (iv) exercise any and all rights and remedies of any of the Grantors under or in connection with the Collateral, or otherwise in respect of the Collateral, including (A) any and all rights of such Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, the Assigned Agreements, the Receivables and the other Collateral, (B) withdraw, or cause or direct the withdrawal, of all funds with respect to the Account Collateral, and (C) exercise all other rights and remedies with respect to the Assigned Agreements, the Receivables and the other Collateral, including those set forth in Section 9-607 of the UCC. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such Grantor of the time and place of any public sale, or of the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that (A) the internet shall constitute a "place" for purposes of Section 9-610(b) of the UCC and (B) to the extent notification of sale shall be required by law, notification by mail of the URL where a sale will occur and the time when a sale will commence at least ten (10) days prior to the sale shall constitute a reasonable notification for purposes of Section 9-611(b) of the UCC.

(b) Any cash held by or on behalf of the Agent and all cash proceeds received by or on behalf of the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Agent, be held by the Agent as collateral for, and/or then or at any time thereafter shall be applied in whole or in part by the Agent for the benefit of the Secured Parties against, all or any part of the Secured Obligations, in accordance with Section 6.04 of the Credit Agreement.

(c) All payments received by any Grantor under or in connection with any Assigned Agreement or otherwise in respect of the Collateral shall be received in trust for the benefit of the Agent, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Agent in the same form as so received (with any necessary indorsement).

(d) Subject to the provisions of Section 9.06 of the Credit Agreement, the Agent may, without notice to any Grantor except as required by law and at any time or from time to time, charge, set off and otherwise apply all or any part of the Secured Obligations against any funds held with respect to the Account Collateral or in any other deposit account.

(e) In the event of any sale or other disposition of any of the Intellectual Property Collateral of any Grantor, the goodwill symbolized by any Trademarks subject to such sale or other disposition shall be included therein, and such Grantor shall supply to the Agent or its designee, documents and things relating to any Intellectual Property Collateral subject to such sale or other disposition, and such Grantor's customer lists and other records and documents relating to such Intellectual Property Collateral and to the manufacture, distribution, advertising and sale of products and services of such Grantor.

(f) In each case under this Agreement in which the Agent takes any action with respect to the Collateral, including proceeds, the Agent shall provide to the Company such records and information regarding the possession, control, sale and any receipt of amounts with respect to such Collateral as may be reasonably requested by the Company as a basis for the preparation of the company's financial statements in accordance with GAAP.

In addition to all of the rights and remedies set forth in this Agreement, the Agent shall have the right at any time to apply funds in the LC Cash Collateral Account in accordance with Section 2.03 of the Credit Agreement.

Section 20. Grant of Intellectual Property License. For the purpose of enabling Agent, upon the occurrence and during the continuance of an Event of Default, to exercise rights and remedies under Section 19 hereof at such time as Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Grantor), subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of such Trademarks, to use, assign, license or sublicense any of the Intellectual Property, including any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, and advertising matter, now owned or hereafter acquired, developed or created by such Grantor, wherever the same may be located. Such license shall include access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof, solely to the extent such Grantor has all rights necessary to provide such access.

Section 21. Indemnity and Expenses. (a) Each Grantor agrees to indemnify, defend and save and hold harmless each Secured Party and each of their Affiliates and their respective officers, directors, employees, trustees, agents and advisors (each, an "**Indemnified Party**") from and against, and shall pay on demand, any and all claims, damages, losses, liabilities and expenses (including reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or resulting from this Agreement (including enforcement of this Agreement), except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(b) Each Grantor will upon demand pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that the Agent may incur in connection with (i) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral of such Grantor; (ii) the exercise or enforcement of any of the rights of the Agent or the other Secured Parties hereunder or (iii) the failure by such Grantor to perform or observe any of the provisions hereof.

Section 22. Amendments; Waivers; Additional Grantors; Etc. (a) No amendment or waiver of any provision of this Agreement, and no consent to any departure by any Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent and, with respect to any amendment, the Company on behalf of the Grantors, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Agent or any other Secured Party to exercise, and no delay in exercising any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

(b) Upon the execution and delivery by any Person of a security agreement supplement in substantially the form of Exhibit C hereto (each a "**Security Agreement Supplement**"), such Person shall be referred to as an "**Additional Grantor**" and shall be and become a Grantor hereunder, and each reference in this Agreement and the other Loan Documents to "Grantor" shall also mean and be a reference to such Additional Grantor, each reference in this Agreement and the other Loan Documents to the "Collateral" shall also mean and be a reference to the Collateral granted by such Additional Grantor and each reference in this Agreement to a Schedule shall also mean and be a reference to the schedules attached to such Security Agreement Supplement.

Section 23. Confidentiality; Notices; References. (a) The confidentiality provisions of Section 9.09 of the Credit Agreement shall apply to all information received by the Agent or any Lender under this Agreement.

- (b) All notices and other communications provided for hereunder shall be delivered as provided in Section 9.02 of the Credit Agreement.
- (c) The definitions of certain terms used in this Agreement are set forth in the following locations:

Account Collateral	Section 1(f)
Additional Grantor	Section 22(b)
Agreement	Preamble
Agreement Collateral	Section 1(e)
Assigned Agreements	Section 1(e)
Borrower	Preamble
Collateral	Section 1
Copyrights	Section 1 (g)(iii)
Credit Agreement	Recitals (1)
Equipment	Section 1(a)
Excluded Property	Section 1
Grantor, Grantors	Preamble
Indemnified Party	Section 21(a)
Initial Pledged Equity	Recitals (4)
Initial Pledged Debt	Recitals (5)
Intellectual Property Collateral	Section 1(g)
Intellectual Property Security Agreement	Section 11(e)
Inventory	Section 1(b)
Intercreditor Agreements	Section 29
Investment Property	Section 1(d)(vi)
IP Agreements	Section 1(g)(v)
IP Security Agreement Supplement	Section 11
Lenders	Recitals (1)
Patents	Section 1(g)(i)
Pledged Debt	Section 1(d)(iv)
Pledged Deposit Accounts	Recitals (5)
Pledged Equity	Section 1(d)(iii)
Receivables	Section 1(c)
Related Contracts	Section 1(c)
Secured Obligations	Section 2
Security Agreement Supplement	Section 22(b)
Security Collateral	Section 1(d)
Subagent	Section 18(b)
Trademarks	Section 1(g)(ii)
Trade Secrets	Section 1(g)(iii)
UCC	Recitals (10)
URLs	Section 1(g)(ii)

Section 24. Continuing Security Interest; Assignments Under the Credit Agreement. This Agreement shall create a continuing security interest in the Collateral and shall (a) except as otherwise provided in Section 9.16 of the Credit Agreement, remain in full force and effect until the latest of (i) the payment in full in cash of the Secured Obligations, (ii) the Termination Date and (iii) the termination, expiration, Cash Collateralization or backstopping of all Letters of Credit, (b) be binding upon each Grantor, its successors and assigns and (c) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Secured Parties and their respective successors, permitted transferees and permitted assigns. Without limiting the generality of the foregoing clause (c), to the extent permitted in Section 9.08 of the Credit Agreement, any Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Credit Agreement (including all or any portion of its Commitments, the Letter of Credit Obligations owing to it and the Note or Notes, if any, held by it) to any permitted transferee, and such permitted transferee shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise.

Section 25. Release; Termination. (a) (i) Upon (A) any Disposition of any item of Collateral of any Grantor as permitted by the Loan Documents, and (B) any Subsidiary that is not an Excluded Subsidiary becoming an Excluded Subsidiary in a manner permitted by the Loan Documents, and (ii) upon any Foreign Subsidiary ceasing to be a Material First-Tier Foreign Subsidiary in a manner permitted by the Loan Documents, and, in each case (other than with respect to Dispositions of Collateral not comprising TMM Assets), receipt by the Agent of a written certification by Borrower that such Disposition or other event, as applicable, is permitted under the terms of the Loan Documents (which written certification the Agent shall be entitled to rely conclusively without further inquiry), then in the case of the foregoing clause (i), the security interests granted under this Agreement by such Grantor in such Collateral or in the assets of such Subsidiary, as applicable, shall immediately terminate and automatically be released, and in the case of the foregoing clause (ii), the security interests granted under this Agreement in the equity interests of such Foreign Subsidiary shall immediately terminate and automatically be released, and Agent will, in each case and subject to the Intercreditor Agreements, promptly deliver at the Grantor's request to such Grantor all certificates representing any Pledged Equity released and all notes and other instruments representing any Pledged Debt, Receivables or other Collateral so released, and Agent will, at such Grantor's expense, promptly execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted hereby; provided, that, no such documents shall be required unless such Grantor shall have delivered to the Agent, at least five Business Days prior to the date such documents are required by Grantor, or such lesser period of time agreed by the Agent, a written request for release describing the item of Collateral and the consideration to be received in the sale, transfer or other disposition and any expenses in connection therewith, together with a form of release for execution by the Agent (which form shall be reasonably acceptable to the Agent) and a certificate of such Grantor to the effect that the transaction will be in compliance with the Loan Documents.

(b) The pledge and security interest granted hereby will be terminated as set forth in Section 9.16(b) of the Credit Agreement and upon such termination all rights to the Collateral shall revert to the applicable Grantor and the Agent will promptly deliver to the applicable Grantors all certificates representing any Pledged Equity or Pledged Debt, Receivables or other Collateral.

Section 26. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of

a signature page to this Agreement by telecopier or .pdf shall be effective as delivery of an original executed counterpart of this Agreement.

Section 27. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 28. Jurisdiction; Waiver of Jury Trial. (a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. Each Grantor hereby further irrevocably consents to the service of process in any action or proceeding in such courts by the mailing thereof by any parties hereto by registered or certified mail, postage prepaid, to the Borrower at its address specified pursuant to Section 9.02 of the Credit Agreement. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each of the parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of the Agent or any Secured Party in the negotiation, administration, performance or enforcement thereof.

Section 29. Intercreditor Agreements. Notwithstanding anything herein to the contrary, the Lien granted to the Agent, for the benefit of the Secured Parties, pursuant to this Security Agreement and the exercise of any right or remedy by the Agent and the other Secured Parties hereunder are subject to the provisions of each of the Intercreditor Agreements. In the event of any conflict or inconsistency between the provisions of any of the Intercreditor Agreements and this Security Agreement, the provisions of the Intercreditor Agreements shall control. Notwithstanding anything herein to the contrary, any provision hereof that requires any Grantor to (a) deliver any Collateral to the Agent or (b) cause the Agent to have Control over such Collateral, may be satisfied prior to the Maturity Date by (i) the delivery of such Collateral by such Grantor to the Agent for the benefit of itself and the Lenders and (ii) providing that the Agent be provided with Control with respect to such Collateral of such Grantor for the benefit of the itself and the other Credit Parties.

[Remainder of Page Intentionally Left Blank]

By: /s/ David E. Bullwinkle
Name: David E. Bullwinkle
Title: Chief Financial Officer and Senior
Vice President

Address for Notices:

Eastman Kodak Company
343 State Street
Rochester, NY 14650

**EASTMAN KODAK INTERNATIONAL
CAPITAL COMPANY, INC.
FAR EAST DEVELOPMENT LTD.
KODAK (NEAR EAST), INC.
KODAK AMERICAS, LTD.
KODAK PHILIPPINES, LTD.**

By: /s/ Roger W. Byrd
Name: Roger W. Byrd
Title: Secretary

Address for Notices:

c/o Eastman Kodak Company
343 State Street
Rochester, NY 14650

BANK OF AMERICA, N.A., as Agent

By: /s/ Matthew T. O'Keefe
Name: Matthew T. O'Keefe
Title: Senior Vice President

Address for Notices:

Bank of America, N.A.
100 Federal Street
MA5-100-09-12
Boston, MA 02110

FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**IP Security Agreement**") dated , 201_ is made by the Persons listed on the signature pages hereof (collectively, the "**Grantors**") in favor of Bank of America, N.A., as Agent (the "**Agent**") for the Secured Parties (as defined in the Credit Agreement referred to below).

WHEREAS, Eastman Kodak Company, a New Jersey corporation, has entered into the Letter of Credit Facility Agreement, dated as of February 26, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), with Bank of America, N.A., as Agent, Bank of America, N.A., as issuing bank, and the Lenders party thereto. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement.

WHEREAS, as a condition precedent to the issuance of Letters of Credit by the Lenders under the Credit Agreement, each Grantor has executed and delivered the Security Agreement dated as of February 26, 2021, made by the Grantors to the Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**").

WHEREAS, under the terms of the Security Agreement, the Grantors have granted to the Agent, for the benefit of the Secured Parties, a security interest in, among other property, certain intellectual property of the Grantors, and have agreed as a condition thereof to execute this IP Security Agreement for recording with the United States Copyright Office, the United States Patent and Trademark Office and other governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

SECTION 1. Grant of Security. Each Grantor hereby grants to the Agent for the benefit of the Secured Parties a security interest in all of such Grantor's right, title and interest in and to the following (the "**Collateral**"):

(i) the patents and patent applications set forth in Schedule A hereto (the "**Patents**");

(ii) the trademark and service mark registrations and applications set forth in Schedule B hereto (provided that no security interest shall be granted in 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 such intent-to-use trademark applications under applicable federal law), together with the goodwill symbolized thereby (the "**Trademarks**");

(iii) all copyrights, whether registered or unregistered, now owned or hereafter acquired by such Grantor, including the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto (the "**Copyrights**");

(iv) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(v) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) any and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the Collateral of or arising from any of the foregoing.

SECTION 2. Security for Obligations. The grant of a security interest in, the Collateral by each Grantor under this IP Security Agreement secures the payment of all obligations of such Grantor now or hereafter existing under or in respect of the Loan Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise. Without limiting the generality of the foregoing, this IP Security Agreement secures, as to each Grantor, the payment of all amounts that constitute part of the Secured Obligations and that would be owed by such Grantor to any Secured Party under the Loan Documents but for the fact that such Secured Obligations are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving a Loan Party.

SECTION 3. Recordation. Each Grantor authorizes and requests that the Register of Copyrights, the Commissioner for Patents or Trademarks and any other applicable government officer record this IP Security Agreement.

SECTION 4. Execution in Counterparts. This IP Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 5. Grants, Rights and Remedies. This IP Security Agreement has been entered into in conjunction with the provisions of the Security Agreement. Each Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Agent with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

SECTION 6. Governing Law. This IP Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, each Grantor has caused this IP Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

EASTMAN KODAK COMPANY

By: _____
Name:
Title:

Address for Notices:

[NAME OF GRANTOR]

By: _____
Name:
Title:

Address for Notices:

[NAME OF GRANTOR]

By: _____
Name:
Title:

FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT (this "**IP Security Agreement Supplement**") dated _____, 201_, is made by the Person listed on the signature page hereof (the "**Grantor**") in favor of Bank of America, N.A., as Agent (the "**Agent**") for the Secured Parties (as defined in the Credit Agreement referred to below).

WHEREAS, Eastman Kodak Company, a New Jersey corporation, has entered into the Letter of Credit Facility Agreement, dated as of February 26, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), with Bank of America, N.A., as Agent, Bank of America, N.A., as issuing bank, and the Lenders party thereto. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement.

WHEREAS, pursuant to the Credit Agreement, the Grantor and certain other Persons have executed and delivered the Security Agreement dated February 26, 2021 made by the Grantor and such other Persons to the Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement") and that certain Intellectual Property Security Agreement dated May 26, 2016 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**IP Security Agreement**").

WHEREAS, under the terms of the Security Agreement, the Grantor has granted to the Agent, for the benefit of the Secured Parties, a security interest in the Collateral (as defined in Section 1 below) of the Grantor and has agreed as a condition thereof to execute this IP Security Agreement Supplement for recording with the United States Copyright Office, the United States Patent and Trademark Office and other governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

SECTION 1. Grant of Security. Each Grantor hereby grants to the Agent, for the benefit of the Secured Parties, a security interest in all of such Grantor's right, title and interest in and to the following (the "**Collateral**");

(i) the patents and patent applications set forth in Schedule A hereto (the "**Patents**");

(ii) the trademark and service mark registrations and applications set forth in Schedule B hereto (provided that no security interest shall be granted in 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 such intent-to-use trademark applications under applicable federal law), together with the goodwill symbolized thereby (the "**Trademarks**");

(iii) the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto (the "**Copyrights**");

(iv) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(v) all any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) any and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the foregoing or arising from any of the foregoing.

SECTION 2. Security for Obligations. The grant of a security interest in the Additional Collateral by the Grantor under this IP Security Agreement Supplement secures the payment of all obligations of the Grantor now or hereafter existing under or in respect of the Loan Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.

SECTION 3. Recordation. The Grantor authorizes and requests that the Register of Copyrights, the Commissioner for Patents or Trademarks and any other applicable government officer to record this IP Security Agreement Supplement.

SECTION 4. Grants, Rights and Remedies. This IP Security Agreement Supplement has been entered into in conjunction with the provisions of the Security Agreement. The Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Agent with respect to the Additional Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

SECTION 5. Governing Law. This IP Security Agreement Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the Grantor has caused this IP Security Agreement Supplement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

Address for Notices:

FORM OF SECURITY AGREEMENT SUPPLEMENT

[Date of Security Agreement Supplement]

Bank of America, N.A., as the Agent for
the Secured Parties referred to in the
Credit Agreement

100 Federal Street
MA5-100-09-12
Boston, MA 02110
Attn: Matthew T. O'Keefe

Eastman Kodak Company

Ladies and Gentlemen:

Reference is made to (i) the Letter of Credit Facility Agreement dated as of February 26, 2021 (as amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Eastman Kodak Company, a New Jersey corporation, as the Borrower, the Lenders party thereto, Bank of America, N.A., as Agent (together with any successor Agent appointed pursuant to Article VIII of the Credit Agreement, the "Agent"), and as administrative agent for the Lenders, and (ii) the Security Agreement dated February 26, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**") made by the Grantors from time to time party thereto in favor of the Agent for the Secured Parties. Terms defined in the Credit Agreement or the Security Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement or the Security Agreement.

SECTION 1. Grant of Security. The undersigned hereby grants to the Agent, for the benefit of the Secured Parties, a security interest in all of its right, title and interest in and to its Collateral consisting of the following, in each case, whether now owned or hereafter acquired by the undersigned, wherever located and whether now or hereafter existing or arising (collectively, the undersigned's "**Collateral**"): all Equipment, Inventory, Security Collateral (including the indebtedness set forth on Schedule A hereto and the securities and securities/deposit accounts set forth on Schedule B hereto), Receivables, Related Contracts, Agreement Collateral, Account Collateral (including the deposit accounts set forth on Schedule C hereto), Intellectual Property Collateral, all books and records (including customer lists, credit files, computer files, printouts and other computer output materials and records) of the undersigned pertaining to any of the undersigned's Collateral, and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the undersigned's Collateral (including proceeds, collateral and supporting obligations that constitute property of the types described in this Section 1) and, to the extent not otherwise included, all (A) payments under insurance (whether or not the Agent is the loss payee thereof), or

any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral, and (B) cash.

SECTION 2. Security for Obligations. The grant of a security interest in, the Collateral by the undersigned under this Security Agreement Supplement and the Security Agreement secures the payment of all Secured Obligations of the undersigned now or hereafter existing under or in respect of the Loan Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise. Without limiting the generality of the foregoing, this Security Agreement Supplement and the Security Agreement secures the payment of all amounts that constitute part of the Secured Obligations and that would be owed by the undersigned to any Secured Party under the Loan Documents but for the fact that such Secured Obligations are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving a Loan Party.

SECTION 3. Representations and Warranties. (a) The undersigned's exact legal name, chief executive office, type of organization, jurisdiction of organization and organizational identification number is set forth in Schedule D hereto. Within the twelve months preceding the date hereof, the undersigned has not changed its name, chief executive office, type of organization, jurisdiction of organization or organizational identification number from those set forth in Schedule E hereto except as set forth in Schedule F hereto.

- (b) All Equipment having a value in excess of \$1,000,000 and all Inventory having a value in excess of \$1,000,000 as of the date hereof of the undersigned is located at the places specified therefor in Schedule H hereto.
- (c) The undersigned is not a beneficiary or assignee under any letter of credit, other than the letters of credit described in Schedule I hereto.
- (d) The undersigned hereby makes each other representation and warranty set forth in Section 6 of the Security Agreement with respect to itself and the Collateral granted by it.

SECTION 4. Obligations Under the Security Agreement. The undersigned hereby agrees, as of the date first above written, to be bound as a Grantor by all of the terms and provisions of the Security Agreement to the same extent as each of the other Grantors. The undersigned further agrees, as of the date first above written, that each reference in the Security Agreement to an "Additional Grantor" or a "Grantor" shall also mean and be a reference to the undersigned, that each reference to the "Collateral" or any part thereof shall also mean and be a reference to the undersigned's Collateral or part thereof, as the case may be, and that each reference in the Security Agreement to a Schedule shall also mean and be a reference to the schedules attached hereto.

SECTION 5.

Governing Law. This Security Agreement Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.¹

Very truly yours,

[NAME OF ADDITIONAL GRANTOR]

By: _____

Name:

Title:

Address for notices:

¹ If the Additional Grantor is not concurrently executing a guaranty or other Loan Document containing provisions relating to submission to jurisdiction and jury trial waiver, include them here.

GUARANTEE AND COLLATERAL AGREEMENT
Dated February 26, 2021

From

The Grantors referred to herein

as Grantors

to

Alter Domus (US) LLC

as Administrative Agent

TABLE OF CONTENTS

		Page
Section 1.	<u>Guarantee</u>	2
Section 2.	<u>Grant of Security</u>	5
Section 3.	<u>Security for Obligations</u>	10
Section 4.	<u>Grantors Remain Liable</u>	10
Section 5.	<u>Delivery and Control of Certain Account and Security Collateral</u>	10
Section 6.	<u>[Reserved]</u>	12
Section 7.	<u>Representations and Warranties</u>	12
Section 8.	<u>Further Assurances</u>	17
Section 9.	<u>As to Equipment and Inventory</u>	18
Section 10.	<u>Insurance</u>	18
Section 11.	<u>Post-Closing Changes; Collections on Assigned Agreements and Receivables</u>	18
Section 12.	<u>As to Intellectual Property Collateral</u>	20
Section 13.	<u>Voting Rights; Dividends; Etc.</u>	21
Section 14.	<u>As to the Assigned Agreements</u>	22
Section 15.	<u>As to Letter-of-Credit Rights and Commercial Tort Claims</u>	22
Section 16.	<u>Transfers and Other Liens; Additional Shares</u>	23
Section 17.	<u>Administrative Agent Appointed Attorney in Fact</u>	23
Section 18.	<u>Administrative Agent May Perform</u>	25
Section 19.	<u>The Administrative Agent's Duties</u>	25
Section 20.	<u>Remedies</u>	25
Section 21.	<u>Grant of Intellectual Property License</u>	27

Section 22.	<u>Indemnity and Expenses</u>	27
Section 23.	<u>Amendments; Waivers; Additional Grantors; Etc.</u>	28
Section 24.	<u>Confidentiality; Notices; References</u>	28
Section 25.	<u>Continuing Security Interest; Assignments Under the Credit Agreement</u>	28
Section 26.	<u>Release; Termination</u>	29
Section 27.	<u>Execution in Counterparts</u>	30
Section 28.	<u>Governing Law</u>	30
Section 29.	<u>Jurisdiction; Waiver of Jury Trial</u>	30
Section 30.	<u>Intercreditor Agreement</u>	30

Schedules

Schedule I	-	Investment Property
Schedule II	-	Deposit Accounts and Securities Accounts
Schedule III	-	Receivables and Agreement Collateral
Schedule IV	-	Intellectual Property
Schedule V	-	Legal Name, Trade Names, Location, Chief Executive Office, Type of Organization, Jurisdiction of Organization, Organizational Identification Number and Federal Employer Identification Number
Schedule VI	-	Changes in Name, Location, Etc.
Schedule VII	-	Letters of Credit Rights
Schedule VIII	-	Equipment Locations
Schedule IX	-	Inventory Locations
Schedule X	-	Commercial Tort Claims
Schedule XI	-	Mergers and Acquisitions
Schedule XII	-	Locations of Books and Records
Schedule XIII	-	Filing Offices
Schedule XIV	-	Other Actions

Exhibits

Exhibit A	-	Form of Intellectual Property Security Agreement
Exhibit B	-	Form of Intellectual Property Security Agreement Supplement
Exhibit C	-	Form of Security Agreement Supplement

GUARANTEE AND COLLATERAL AGREEMENT

GUARANTEE AND COLLATERAL AGREEMENT dated February 26, 2021 (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, this "**Agreement**"), made by Eastman Kodak Company, a New Jersey corporation ("**Borrower**" or "**Company**"), and the other Persons listed on the signature pages hereof, or which at any time execute and deliver a Security Agreement Supplement in substantially the form attached hereto as Exhibit C (the Borrower and such Persons so listed or joined being, collectively, the "**Grantors**"), to Alter Domus (US) LLC, as administrative agent (in such capacity, together with any successor Administrative Agent appointed pursuant to Article VIII of the Credit Agreement (as hereinafter defined) and assigns, the "**Administrative Agent**") for the Secured Parties (as defined in the Credit Agreement).

PRELIMINARY STATEMENTS.

(1) Borrower and the other Grantors have entered into a senior secured first lien term loan credit agreement with Administrative Agent and certain other parties as set forth in the Credit Agreement, dated of even date herewith, by and among the Borrower, the lenders party thereto from time to time (the "**Lenders**") and Administrative Agent (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**");

(2) Borrower is a member of an affiliated group of companies that includes each other Grantor;

(3) Part I of Schedule I hereto lists all Equity Interests (other than Excluded Property) directly owned by such Grantor as of the date hereof (the "**Initial Pledged Equity**"). Each Grantor is the holder of the indebtedness owed to such Grantor as of the date hereof (the "**Initial Pledged Debt**") set forth opposite such Grantor's name on and as otherwise described in Part II of Schedule I hereto and issued by the obligors named therein.

(4) Each Grantor is the owner of the deposit accounts set forth opposite such Grantor's name on Schedule II hereto (together with all deposit accounts now owned or hereafter acquired by the Grantors, the "**Pledged Deposit Accounts**").

(5) Company is the owner of an LC Cash Collateral Account (as defined in the Supplemental Letter of Credit Facility Agreement, the "**LC Cash Collateral Account**") created in accordance with the Supplemental Letter of Credit Facility Agreement and subject to the security interest granted under this Agreement.

(6) It is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement that the Grantors shall have provided the guarantee and granted the security interests contemplated by this Agreement.

(7) Each Grantor will derive substantial direct or indirect benefit from the transactions contemplated by this Agreement, the Credit Agreement and the other Loan Documents.

(8) Terms defined in the Credit Agreement and not otherwise defined in this Agreement are used in this Agreement as defined in the Credit Agreement. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. Further, unless otherwise defined in this Agreement or in the Credit Agreement, terms defined in Article 8 or 9 of the UCC (as defined below) are used in this Agreement (whether or not capitalized) as such terms are defined in such Article 8 or 9. “UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, that, if perfection or the effect of perfection or non-perfection or the priority of the 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.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement, each Grantor hereby agrees with the Administrative Agent for the benefit of the Secured Parties as follows:

Section 1. Guarantee.

(a) Guarantee.

(i) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Secured Parties and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations. “*Guarantors*” shall mean each Grantor other than the Borrower. “*Borrower Obligations*” shall mean the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant to Section 9.03 of the Credit Agreement) or otherwise.

(ii) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Loan

Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 1(b)).

(iii) Each Guarantor agrees that the Borrower Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 1 or affecting the rights and remedies of the Administrative Agent or any Lender hereunder.

(iv) The guarantee contained in this Section 1 shall remain in full force and effect until all the Obligations (other than any contingent indemnification obligations not then due and payable) shall have been satisfied by payment in full and the Commitments shall be terminated. "**Obligations**" shall mean (i) in the case of the Borrower, the Borrower Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations. "**Guarantor Obligations**" shall mean with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including, without limitation, this Section 1) or any other Loan Document, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by such Guarantor pursuant to Section 9.03 of the Credit Agreement or Section 22 hereof).

(v) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to the maximum liability of such Guarantor hereunder until the Obligations are paid in full (other than any contingent indemnification obligations not then due and payable) and the Commitments are terminated.

(b) Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 1(c). The provisions of this Section 1(b) shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the Lenders, and each Guarantor shall remain liable to the Administrative Agent and the Lenders for the full amount guaranteed by such Guarantor hereunder.

(c) No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Administrative Agent or

any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Borrower Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Borrower Obligations (other than contingent indemnification obligations not then due and payable) are paid in full and the Commitments shall have terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Borrower Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

(d) Amendments, etc. with respect to the Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, waived, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders or such requisite Lenders as required pursuant to Section 9.02 of the Credit Agreement, as the case may be) may reasonably deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 1 or any property subject thereto.

(e) Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 1 or acceptance of the guarantee contained in this Section 1; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee

contained in this Section 1. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 1 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations, or of such Guarantor under the guarantee contained in this Section 1, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

(f) Reinstatement. The guarantee contained in this Section 1 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

Section 2. Grant of Security. Each Grantor hereby grants to the Administrative Agent, for the benefit of the Secured Parties, a security interest in such Grantor's right, title and interest in and to each type of property described below, whether now owned or hereafter acquired by such Grantor, wherever located, and whether now or hereafter existing or arising, excluding in each case any Excluded Property (collectively, the "**Collateral**"):

(a) all Equipment in all of its forms, including all machinery, tools, motor vehicles, vessels, aircraft and furniture (excepting all Fixtures), and all parts thereof and all

accessions thereto, including computer programs and supporting information that constitute equipment within the meaning of the UCC (any and all such property being the “**Equipment**”);

(b) all Inventory in all of its forms, including (i) all raw materials, work in process, finished goods and materials used or consumed in the manufacture, production, preparation or shipping thereof, (ii) goods in which such Grantor has an interest in mass or a joint or other interest or right of any kind (including goods in which such Grantor has an interest or right as consignee) and (iii) goods that are returned to or repossessed or stopped in transit by such Grantor, and all accessions thereto and products thereof and documents therefor, including computer programs and supporting information that constitute inventory within the meaning of the UCC (any and all such property being the “**Inventory**”);

(c) (i) all Accounts, Instruments (including promissory notes), deposit accounts, Chattel Paper, General Intangibles (including Payment Intangibles) and other obligations of any kind owing to the Grantors, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services and whether or not earned by performance (any and all such instruments, deposit accounts, chattel paper, general intangibles and other obligations to the extent not referred to in clause (d), (e) or (f) below, being the “**Receivables**”), and all Supporting Obligations, security agreements, Liens, leases, letters of credit and other Contracts owing to the Grantors or supporting the obligations owing to the Grantors under the Receivables (collectively, the “**Related Contracts**”), and (ii) all Commercial Tort Claims now or hereafter described on Schedule X hereto;

(d) the following (the “**Security Collateral**”):

(i) the Initial Pledged Equity and the certificates, if any, representing the Initial Pledged Equity, and all dividends, distributions, return of capital, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Initial Pledged Equity and all warrants, rights or options issued thereon or with respect thereto;

(ii) the Initial Pledged Debt and the instruments, if any, evidencing the Initial Pledged Debt, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Initial Pledged Debt;

(iii) all additional equity interests (other than Excluded Property) from time to time acquired by such Grantor in any manner (such equity interests, together with the Initial Pledged Equity, being the “**Pledged Equity**”), and the certificates, if any, representing such additional equity interests, and all dividends, distributions, return of capital, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such equity interests and all warrants, rights or options issued thereon or with respect thereto;

(iv) all additional indebtedness from time to time owed to such Grantor (such indebtedness, together with the Initial Pledged Debt, being the “**Pledged Debt**”) and the instruments, if any, evidencing such indebtedness, and all interest, cash, instruments and other

property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such indebtedness;

(v) all security entitlements or commodity contracts carried in, or from time to time credited to, as applicable, a securities account or commodity account, all financial assets, and all dividends, distributions, return of capital, interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such security entitlements or financial assets and all warrants, rights or options issued thereon with respect thereto; and

(vi) all other investment property (including all (A) securities, whether certificated or uncertificated, (B) security entitlements, (C) securities accounts, (D) commodity contracts and (E) commodity accounts, but excluding any equity interest excluded from the Pledged Equity) in which such Grantor has now, or acquires from time to time hereafter, any right, title or interest in any manner, and the certificates or instruments, if any, representing or evidencing such investment property, and all dividends, distributions, return of capital, interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such investment property and all warrants, rights or options issued thereon or with respect thereto ("**Investment Property**");

(e) each Hedging Agreement to which such Grantor is now or may hereafter become a party, in each case as such agreements may be amended, amended and restated, supplemented or otherwise modified from time to time (collectively, the "**Assigned Agreements**"), including (i) all rights of such Grantor to receive moneys due and to become due under or pursuant to the Assigned Agreements, (ii) all rights of such Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Assigned Agreements, (iii) claims of such Grantor for damages arising out of or for breach of or default under the Assigned Agreements and (iv) the right of such Grantor to terminate the Assigned Agreements, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder (all such Collateral being the "**Agreement Collateral**");

(f) the following (collectively, the "**Account Collateral**");

(i) the Pledged Deposit Accounts or the LC Cash Collateral Account, and all funds and financial assets from time to time credited thereto (including all cash equivalents), and all certificates and instruments, if any, from time to time representing or evidencing the Pledged Deposit Accounts or the LC Cash Collateral Account;

(ii) all promissory notes, certificates of deposit, checks and other instruments from time to time delivered to or otherwise possessed by the Administrative Agent for or on behalf of such Grantor in substitution for or in addition to any or all of the then existing Account Collateral; and

(iii) all interest, dividends, distributions, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the then existing Account Collateral; and

- (g) the following (such rights, title and interests in and to the intellectual property as described in clauses (i) through (iv) below, collectively, the “**Intellectual Property Collateral**”):
- (i) all issued patents and patent applications (“**Patents**”), all utility models and statutory invention registrations, all inventions claimed or disclosed therein and all improvements thereto;
 - (ii) all trademarks, service marks, trade dress, logos, designs, slogans, trade names, business names, corporate names and other source identifiers, whether registered or unregistered, together, in each case, with the goodwill symbolized thereby (“**Trademarks**”) and uniform resource locators (“**URLs**”) and domain names;
 - (iii) all copyrights, including copyrights in computer software, internet web sites and the content thereof, whether registered or unregistered (“**Copyrights**”); all confidential and proprietary information, including know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, including technical data, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information (collectively, “**Trade Secrets**”), and all other intellectual property and industrial property of any type, including industrial designs and mask works;
 - (iv) except as set forth above, all registrations and applications for registration for any of the foregoing, including those registrations and applications for registration, together with all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations thereof;
 - (v) all agreements, permits, consents and orders relating to the license, development, use or disclosure of any of the foregoing to which such Grantor, now or hereafter, is a party or a beneficiary (“**IP Agreements**”); and
 - (vi) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages;
- (h) all Documents, all Money and all Letter-of-Credit Rights;
 - (i) all books and records and documents (including databases, customer lists, credit files, computer files, printouts, other computer output materials and records and other records) of the Grantors pertaining to any of the Grantors’ Collateral;
 - (j) all other property not otherwise described above (except for any property specifically excluded from any clause in this section, and any property specifically excluded from any defined term used in any clause of this section);
 - (k) all proceeds of and payments under business interruption insurance;

(l) all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and Supporting Obligations relating to, any and all of the Collateral (including proceeds, collateral and supporting obligations that constitute property of the types described in clauses (a) through (h) of this Section 2) and,

(m) to the extent not otherwise included, all (A) payments under insurance (whether or not the Administrative Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral, and (B) cash and cash equivalents.

Notwithstanding any of the other provisions set forth in this Section 2 or in any Loan Document, no Excluded Property shall constitute Collateral under this Agreement (and no defined term for items that constitute Collateral shall include any Excluded Property). For purposes of this Agreement and the other Loan Documents, "**Excluded Property**" shall mean (1) any property to the extent that such grant of a security interest (x) is prohibited by any applicable Requirements of Law, (y) requires a consent not obtained of any Governmental Authority pursuant to such applicable Requirement of Law or (z) is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property or, in the case of any Security Collateral (other than any of the foregoing issued by a Grantor), any applicable shareholder or similar agreement, except to the extent that such Requirement of Law or the term in such contract, license, agreement, instrument or other document or shareholder or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law, (2) any lease, license or other agreement or any property that is subject to a purchase money Lien or capital lease or similar arrangement (in each case permitted by the Credit Agreement and for so long as subject to such purchase money Lien, capital lease or similar arrangement), in each case to the extent that a grant of a Lien therein would violate or invalidate such lease, license or agreement or such purchase money, capital lease or similar arrangement or create a right of termination in favor of any party thereto (other than a Loan Party), except to the extent that such lease, license or other agreement or other document providing for such violation or invalidation or termination right is ineffective under applicable law (it being understood that Excluded Property shall not include proceeds and Receivables in respect of the foregoing), (3) any United States trademark or service mark application filed on the basis of a Grantor's "intent-to-use" such trademark or service mark pursuant to Section 1(b) the Lanham Act, 15 U.S.C. § 1051, in each case, to the extent the inclusion in the Collateral of any such application would void, impair or invalidate any such application or any resulting registration, unless and until an Amendment to Allege Use or a Statement of Use under Section 1(c) or 1(d) of said Act is filed with and accepted by the United States Patent and Trademark Office, (4) any property to the extent a security interest in such property would result in material adverse tax consequences as reasonably determined by the Borrower and the Administrative Agent, (5) all leasehold or fee interests in real property, (6) any Excluded Account, (7) any of the equity interests of any Foreign Subsidiary of the Borrower that is not a Material First-Tier Foreign Subsidiary, each of which, as of the date hereof, is indicated on Part III of Schedule I hereto, (8) any of the equity interests of any Subsidiary of the Borrower that is a Material First-Tier Foreign Subsidiary in excess of 65% of all of the issued and outstanding shares of capital stock of such Material First-Tier Foreign Subsidiary entitled to vote (within the meaning of Treasury Regulation Section 1.956-2) and (9) any property as to which

the Administrative Agent shall agree in writing that the cost of obtaining a security interest would be excessive in relation to the value of the security to be afforded thereby. Notwithstanding anything herein or in any other Loan Document, the Grantors shall not be required to perfect the Administrative Agent's security interest in (i) motor vehicles and other assets subject to certificates of title to the extent a Lien thereon cannot be perfected by the filing of a UCC financing statement, (ii) Letter-of-Credit Rights (other than any Letter-of-Credit Rights constituting a Supporting Obligation or Receivables in which the Administrative Agent has a valid and perfected security interest), (iii) Disbursement Accounts and (iv) any property as to which the Administrative Agent shall agree in writing that the cost of perfecting a security interest therein would be excessive in relation to the value of the security to be afforded thereby. For purposes of this Agreement, "**Requirements of Law**" shall mean, as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

Section 3. **Security for Obligations.** This Agreement secures, in the case of each Grantor, the payment of all Obligations of such Grantor or Subsidiary of the Company owing to the Secured Parties. Without limiting the generality of the foregoing, this Agreement secures, as to each Grantor, the payment of all amounts that constitute part of the Obligations and would be owed by such Grantor or Subsidiary of the Company, as applicable, to any Secured Party but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving any of the Loan Parties and other Subsidiaries of the Company.

Section 4. **Grantors Remain Liable.** Anything herein to the contrary notwithstanding, (a) each Grantor shall remain liable under the contracts and agreements included in such Grantor's Collateral to perform all of its duties and obligations thereunder to the extent set forth therein to the same extent as if this Agreement had not been executed, (b) the exercise by the Administrative Agent of any of the rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral and (c) no Secured Party shall have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement or any other Loan Document, nor shall any Secured Party be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 5. **Delivery and Control of Certain Account and Security Collateral.**

(a) Subject to the Intercreditor Agreement, all certificates or instruments representing or evidencing Pledged Equity or Pledged Debt shall be promptly delivered to and held by or on behalf of the Administrative Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Administrative Agent except to the extent that such transfer or assignment is prohibited by applicable law. With respect to any Initial Pledged Equity, the transfer or assignment of which is subject to (x) certain corporate actions by the holders of or issuers of Initial Pledged Equity issued by Foreign Subsidiaries which have not occurred as of the Closing Date despite the Grantors' use of

commercially reasonable efforts to cause such corporate actions to occur prior to the Closing Date or (y) governmental approvals or consents which have not been obtained as of the Closing Date despite the Grantors' use of commercially reasonable efforts to cause such approvals or consents to be obtained prior to the Closing Date, the Grantors shall cause such corporate actions to occur or shall obtain such approvals or consents within 45 days after the Closing Date (or such later date as the Administrative Agent shall reasonably agree).

(b) With respect to any Security Collateral representing interests in which any Grantor has any right, title or interest and that constitutes an uncertificated security, such Grantor will use commercially reasonable efforts (or in the case of a wholly-owned Subsidiary, take all actions necessary) to (and following the occurrence of an Event of Default, if requested by the Administrative Agent, such Grantor shall) cause (i) the issuers of such Security Collateral and (ii) any securities intermediary which is the holder of any such Security Collateral, to cause the Administrative Agent to have and retain, subject to the Intercreditor Agreement, Control over such Security Collateral. Without limiting the foregoing, such Grantor will, with respect to any such Security Collateral held with a securities intermediary, use commercially reasonable efforts to (and following the occurrence of an Event of Default, if requested by the Administrative Agent, such Grantor shall) cause such securities intermediary to enter into a control agreement with the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, giving the Administrative Agent Control, subject to the Intercreditor Agreement.

(c) With respect to any securities or commodity account and any Security Collateral that constitutes a security entitlement (other than a security entitlement which is an uncertificated security, which shall be subject to the preceding Section 5(b)), within 60 days after the Closing Date (or such later date as the Administrative Agent shall reasonably agree), the relevant Grantor will cause the securities intermediary with respect to such security or commodity account or security entitlement to identify in its records the Administrative Agent as the entitlement holder thereof or enter into a control agreement with the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, giving the Administrative Agent Control, subject to the Intercreditor Agreement.

(d) Subject to the Intercreditor Agreement and upon the occurrence and during the continuance of an Event of Default, each Grantor shall cause the Security Collateral to be registered in the name of the Administrative Agent or such of its nominees as the Administrative Agent shall direct, subject only to the revocable rights specified in Section 13(a). In addition, the Administrative Agent shall have the right upon the occurrence and during the continuance of an Event of Default to convert Security Collateral consisting of financial assets credited to any securities account or the LC Cash Collateral Account to Security Collateral consisting of financial assets held directly by the Administrative Agent, and to convert Security Collateral consisting of financial assets held directly by the Administrative Agent to Security Collateral consisting of financial assets credited to any securities or commodity account or the LC Cash Collateral Account.

(e) Upon the occurrence and during the continuance of an Event of Default, each Grantor will notify each issuer of Security Collateral granted by it hereunder that such Security Collateral is subject to the security interest granted hereunder.

Section 6. [Reserved].

Section 7. Representations and Warranties. Each Grantor represents and warrants as follows:

(a) Such Grantor's exact legal name, chief executive office, type of organization, jurisdiction of organization, organizational identification number and Federal Employer Identification Number as of the date hereof is set forth in Schedule V hereto. Within the five years preceding the date hereof, such Grantor has not changed its legal name, chief executive office, type of organization, jurisdiction of organization, organizational identification number or Federal Employer Identification Number from those set forth in Schedule V hereto except as set forth in Schedule VI hereto. Each of the trade names owned and used by any Grantor in the operation of its business (e.g. billing, advertising, etc.) are set forth in Schedule V hereto.

(b) No Grantor has made or entered into any mergers or acquisitions during the six (6) months period prior to the Closing Date other than as set forth on Schedule XI hereto.

(c) The books and records of each Grantor pertaining to accounts, contract rights, inventory, and other assets are located at the addresses indicated for each Grantor on Schedule XII hereto.

(d) Such Grantor is the legal and beneficial owner of the Collateral and has rights in, the power to transfer, or a valid right to use, the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of any Lien, claim, option or right of others, except for the security interest created under this Agreement or Liens permitted under the Credit Agreement, and has full power and authority to grant to the Administrative Agent the security interest in such Collateral granted hereunder pursuant to the terms hereof. No effective financing statement or other instrument similar in effect covering all or any part of such Collateral or listing such Grantor or any trade name of such Grantor as debtor is on file in any recording office, except such as may exist on the date of this Agreement, have been filed in favor of the Administrative Agent relating to the Loan Documents or are otherwise permitted under the Credit Agreement.

(e) When financing statements naming such Grantor as debtor and the Administrative Agent as secured party and providing a description of the Collateral with respect to which such Grantor has purported to grant a security interest hereunder have been filed in the appropriate offices against such Grantor in the locations listed on Schedule XIII, the Administrative Agent will have a fully perfected and, subject to the Intercreditor Agreement, first priority security interest (except as enforceability may be affected by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditor's rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing), subject only to Liens permitted under the Credit Agreement, in that Collateral of the Grantor in which a security interest may be perfected by filing of an initial financing statement in the appropriate office against such Grantor; provided that (i) the filing of Intellectual Property security agreements with the United States Patent and Trademark Office and the United States Copyright

Office may be necessary to perfect the security interest of the Administrative Agent in respect of any registered U.S. Patents, U.S. Patent applications, registered or applied for U.S. Trademarks and registered or applied for U.S. Copyrights, (ii) additional filings may be necessary to perfect the Administrative Agent's security interest in any registered U.S. Patents, U.S. Patent applications, registered or applied for U.S. Trademarks and registered or applied for U.S. Copyrights acquired by such Grantor after the date hereof, and (iii) upon completion of the filings referred to in this Section 7(e) and the other actions specified on Schedule XIV, the security interests granted pursuant to this Agreement will constitute valid perfected security interests in all of the Collateral (other than Excluded Property) in favor of the Administrative Agent as collateral security for the Obligations to the extent such security interests may be perfected by such filings or actions. Notwithstanding the foregoing, nothing in this Agreement shall require any Grantor to make any filings or take any other actions to record or perfect the Administrative Agent's Lien on and security interest in any Intellectual Property outside the United States (or to reimburse the Administrative Agent for the same).

(f) All of such Grantor's locations where Equipment and Inventory having a value in excess of \$1,000,000 is located as of the date hereof are specified in Schedule VIII and Schedule IX hereto, respectively (other than Collateral in transit in the ordinary course of business, in use or on display at any trade show, conference or similar event in the ordinary course of business, maintained with customers (or otherwise on the premises of customers) and consignees in the ordinary course of business or in the possession of employees in the ordinary course of business). Such Grantor has exclusive possession and control of its Inventory, other than Inventory stored at any leased premises or third party warehouse.

(g) None of the Receivables or Agreement Collateral is evidenced by a promissory note or other instrument in excess of \$3,750,000 that has not been delivered to the Administrative Agent. All such Receivables or Agreement Collateral valued in excess of \$3,750,000 is listed on Schedule III attached hereto.

(h) Subject to the Intercreditor Agreement, all Security Collateral of the Grantors consisting of (i) certificated Pledged Equity or Pledged Debt and (ii) other certificated securities and instruments with an aggregate fair market value in excess of \$10,000,000, in each case of (i) and (ii), have been delivered to the Administrative Agent.

(i) If such Grantor is an issuer of Security Collateral, such Grantor confirms that it has received notice of the security interest granted hereunder.

(j) The Pledged Equity pledged by such Grantor hereunder has been duly authorized and validly issued and is fully paid and non-assessable (to the extent such concepts are applicable), provided that the foregoing representation and warranty, insofar as it relates to the Pledged Equity issued by a Person other than a Subsidiary of a Grantor, is made to the knowledge of the Grantors. Each interest in any limited liability company or limited partnership wholly-owned by such Grantor, pledged hereunder and represented by a certificate is a "security" within the meaning of Article 8 of the UCC and is governed by Article 8 of the UCC and each such interest shall at all times hereafter be represented by a certificate. Each interest in any limited liability company or limited partnership controlled by such Grantor, pledged hereunder and not represented by a certificate either (1) is not a "security" within the meaning of

Article 8 of the UCC and is not governed by Article 8 of the UCC and such Grantor shall at no time elect to treat any such interest as a "security" within the meaning of Article 8 of the UCC or issue any certificate representing such interest or (2) is a "security" within the meaning of Article 8 of the UCC and is governed by Article 8 of the UCC and such Grantor shall have entered into a control agreement with the issuer of such "security" and the Administrative Agent to establish Control with respect to such "security." The Pledged Debt pledged by such Grantor hereunder has been duly authorized, authenticated or issued and delivered, is the legal, valid and binding obligation of the issuers thereof and, if evidenced by any promissory notes, such promissory notes have been delivered to the Administrative Agent, and is not in default.

(k) The Initial Pledged Equity in Foreign Subsidiaries pledged by such Grantor constitutes, as of the date hereof, 65% of the issued and outstanding equity interests entitled to vote (within the meaning of Treasury Regulation Section 1.956-1) of the issuers thereof indicated on Part I of Schedule I hereto, each of which is a Material First-Tier Foreign Subsidiary. The Initial Pledged Debt constitutes all of the outstanding Indebtedness for borrowed money owed to such Grantor by the issuers thereof (other than intercompany Indebtedness in respect of the UK Pension Settlement Agreement).

(l) Such Grantor has no Investment Property with a market value in excess of \$1,000,000 as of the date hereof, other than the Investment Property listed on Part IV of Schedule I hereto.

(m) The Assigned Agreements to which such Grantor is a party have been duly authorized, executed and delivered by such Grantor and, to such Grantor's knowledge, any material Assigned Agreements are in full force and effect and are binding upon and enforceable against all parties thereto in accordance with their terms.

(n) Such Grantor has no deposit accounts or securities accounts as of the date hereof, other than the deposit accounts and securities accounts listed on Schedule II hereto (other than deposit accounts or securities accounts that have less than \$750,000 in the aggregate on deposit).

(o) Such Grantor is not a beneficiary or assignee under any letter of credit with a stated amount in excess of \$2,500,000 and issued by a United States financial institution as of the date hereof, other than the letters of credit described in Schedule VII hereto.

(p) This Agreement creates in favor of the Administrative Agent for the benefit of the Secured Parties a valid security interest in the Collateral granted by such Grantor under this Agreement, securing the payment of the Obligations to the extent such matter is governed by the laws of the United States or any jurisdiction therein.

(q) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for (i) the grant by such Grantor of the security interest granted hereunder or for the execution, delivery or performance of this Agreement by such Grantor, (ii) the perfection or maintenance of the security interest created hereunder (including, subject to the Intercreditor Agreement, the first priority nature of such security interest in Collateral), except for (A) the filing of financing and continuation

statements under the UCC, (B) the recordation of the Intellectual Property Security Agreement with respect to certain registered Intellectual Property Collateral attached thereto, and the actions described in Section 5 with respect to the Security Collateral, (C) subject to certain corporate actions by the holders or issuers of Initial Pledged Equity issued by Foreign Subsidiaries which have not occurred as of the Closing Date pursuant to Section 5(a) to the extent such actions are necessary to transfer or assign such Initial Pledged Equity, (D) the governmental filings required to be made or approvals obtained prior to the creation of a security interest in any Pledged Equity issued by a non-US Person and any filings or approvals required prior to realizing on any such Pledged Equity, and (E) the Control of certain assets as provided in Sections 9-104, 9-105, 9-106 and 9-107 of the UCC, or (iii) the exercise by the Administrative Agent of its voting or other rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement, except as set forth above and as may be required in connection with the disposition of any portion of the Security Collateral by laws affecting the offering and sale of securities generally.

(r) The Inventory that has been produced or distributed by such Grantor has been produced in compliance with all requirements of applicable law except where the failure to so comply would not have a Material Adverse Effect.

(s) As to itself and its Intellectual Property Collateral:

(i) The operation of such Grantor's business and the use of the Intellectual Property Collateral in connection therewith do not conflict with, infringe, misappropriate, dilute, misuse or otherwise violate the intellectual property rights of any third party, except as are not expected to have a Material Adverse Effect.

(ii) Such Grantor is the exclusive owner of all right, title and interest in and to Patents, Trademarks, Copyrights, and other unregistered Intellectual Property constituting material Intellectual Property Collateral, except as set forth in Schedule IV hereto with respect to co-ownership of certain Patents, and such Grantor is entitled to use all such Intellectual Property Collateral in accordance with applicable law, subject to the terms of the IP Agreements.

(iii) To the Company's knowledge based on its reasonable review, the Intellectual Property Collateral set forth on Schedule IV hereto includes all of the registered/issued patents, patent applications, domain names, trademark registrations and applications, copyright registrations and applications owned by such Grantor as of the date set forth therein ("**Registered IP**"), provided that Schedule IV contains all of the material Registered IP owned by such Grantor as of the date set forth therein.

(iv) The issued Patents and registered Trademarks contained in the Intellectual Property Collateral have not been adjudged invalid or unenforceable in whole or part, and to the knowledge of the Company, are valid and enforceable, except to the extent Grantor has ceased use of any such registered Trademarks, and except as would not be reasonably expected, individually or in the aggregate, to have a Material Adverse Effect.

(v) Such Grantor has made or performed all filings, recordings and other acts and has paid all required fees and taxes, as deemed necessary by Grantor in its

reasonable business discretion, to maintain and protect its interest in each and every material item of Intellectual Property Collateral owned by such Grantor in full force and effect.

(vi) No claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property Collateral or the validity of effectiveness of any such Intellectual Property Collateral, nor does the Company know of any valid basis for any such claim, except, in either case, for such claims that in the aggregate are not reasonably expected to have a Material Adverse Effect. The consummation of the transactions contemplated by the Loan Documents will not result in the termination or impairment (other than impairment contemplated by the Loan Documents) of any of the Intellectual Property Collateral.

(vii) With respect to each IP Agreement that is not Excluded Property: (A) to the knowledge of the Company, such IP Agreement is valid and binding and in full force and effect; (B) such IP Agreement will not cease to be valid and binding and in full force and effect on terms identical to those currently in effect as a result of the rights and interest granted herein, nor will the grant of such rights and interest constitute a breach or default under such IP Agreement or otherwise give any party thereto a right to terminate such IP Agreement; (C) such Grantor has not received any notice of termination or cancellation under such IP Agreement within the six months immediately preceding the date of this Agreement; (D) within the six months immediately preceding the date of this Agreement, such Grantor has not received any notice of a breach or default under such IP Agreement, which breach or default has not been cured; and (E) neither such Grantor nor, to such Grantor's knowledge, any other party to such IP Agreement is in breach or default thereof in any material respect, and no event has occurred that, with notice or lapse of time or both, would constitute such a breach or default or permit termination or modification under such IP Agreement, in each case except as would not reasonably be expected to have a Material Adverse Effect.

(viii) To the Company's knowledge, none of the material Trade Secrets of such Grantor has been used, divulged, disclosed or appropriated to the detriment of such Grantor for the benefit of any other Person other than such Grantor within the past two years.

(ix) This Agreement is effective to create a valid and continuing Lien and, upon filing of appropriate financing statements in the offices listed on Schedule XIII and appropriate releases (which releases have been filed or will be filed substantially simultaneously with the entering into of this Agreement) and Intellectual Property security agreements with the United States Copyright Office and the United States Patent and Trademark Office, fully perfected (to the extent a security interest may be perfected by filing, recording or registering a security agreement, financing statement or analogous document in the United States Copyright Office or the United States Patent and Trademark Office, as applicable) and, subject to the Intercreditor Agreement, first priority security interests in favor of the Administrative Agent on such Grantor's U.S. Patents, U.S. Trademarks and U.S. Copyrights and such perfected security interests are enforceable as such as against any and all creditor of and purchasers from such Grantor.

(a) Each Grantor agrees that from time to time, in accordance with the terms of this Agreement at the expense of such Grantor and at the reasonable request of the Administrative Agent, such Grantor will promptly execute and deliver, or otherwise authenticate, all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that the Administrative Agent may reasonably request, in order to perfect and protect any pledge or security interest granted or purported to be granted by such Grantor hereunder or to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral of such Grantor. Without limiting the generality of the foregoing, each Grantor will, at the reasonable request of the Administrative Agent, promptly with respect to the Collateral of such Grantor: (i) upon the occurrence and during the continuance of an Event of Default, and, with respect to any ABL Priority Collateral, solely following payment in full of the ABL Priority Obligations (as such terms are defined in the Intercreditor Agreement), mark conspicuously each document included in Inventory, each chattel paper included in Receivables, each Assigned Agreement and, at the request of the Administrative Agent, each of its records pertaining to such Collateral with a legend, in form and substance reasonably satisfactory to the Administrative Agent, indicating that such document, Assigned Agreement or Collateral is subject to the security interest granted hereby; (ii) if any such Collateral with a face amount exceeding \$3,750,000 shall be evidenced by a promissory note or other instrument or chattel paper, deliver and pledge to the Administrative Agent hereunder such note or instrument or chattel paper duly indorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance reasonably satisfactory to the Administrative Agent; (iii) file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be reasonably necessary or desirable, or as the Administrative Agent may reasonably request, in order to perfect and preserve the security interest granted or purported to be granted by such Grantor hereunder; (iv) prepare, sign, and file for recordation in any intellectual property registry, appropriate evidence of the lien and security interest granted herein in any Intellectual Property in the name of such Grantor as debtor; and (v) deliver to the Administrative Agent evidence that all other actions that the Administrative Agent may deem reasonably necessary or desirable in order to perfect and protect the security interest granted or purported to be granted by such Grantor under this Agreement has been taken.

(b) Each Grantor hereby authorizes the Administrative Agent to file one or more financing or continuation statements, and amendments thereto in the applicable UCC filing office, including one or more financing statements indicating that such financing statements cover all assets or all personal property (or words of similar effect) of such Grantor in the United States, or any real property or fixtures, regardless of whether any particular asset described in such financing statements falls within the scope of the UCC. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law. Each Grantor ratifies its authorization for the Administrative Agent to have filed such financing statements, continuation statements or amendments filed prior to the date hereof.

(c) Each Grantor will furnish to the Administrative Agent from time to time statements and schedules further identifying and describing the Collateral of such Grantor and such other reports in connection with such Collateral as the Administrative Agent may reasonably request, all in reasonable detail.

Section 9. As to Equipment and Inventory.

(a) Each Grantor will keep its Equipment having a value in excess of \$3,750,000 and Inventory having a value in excess of \$3,750,000 (other than Inventory sold in the ordinary course of business) at the locations therefor specified in Schedule VIII and Schedule IX, respectively, or, to the extent prior written notice is required to the ABL Agent, upon concurrent notice to the Administrative Agent, at such other places designated by such Grantor in such notice. Schedule VIII and Schedule IX respectively set forth whether each such location is owned, leased or operated by third parties, and, if leased or operated by third parties, their names and addresses.

(b) Each Grantor will pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, its Equipment and Inventory, except to the extent payment thereof is not required by Section 5.05 of the Credit Agreement. In producing its Inventory, each Grantor will comply with all requirements of applicable law, except where the failure to so comply will not have a Material Adverse Effect.

Section 10. Insurance. Each Grantor will, and will cause each Subsidiary to, at its own expense, maintain, insurance as required pursuant to Section 5.07 of the Credit Agreement. Notwithstanding anything to the contrary herein or in any other Loan Document, each policy of each Grantor for liability insurance shall provide for all losses to be paid on behalf of the Administrative Agent and such Grantor as their interests may appear, and each policy for property damage insurance shall provide for all losses to be paid, in accordance with the Credit Agreement, the Intercreditor Agreement and the Lender loss payee provisions which were requested pursuant to clause (iv) below, directly to the Administrative Agent. Each such policy (i) shall name such Grantor and the Administrative Agent as insured parties thereunder (without any representation or warranty by or obligation upon the Administrative Agent) as their interests may appear, (ii) shall not have any recourse against the Administrative Agent for payment of premiums or other amounts with respect thereto and (iii) shall require at least 30 days' prior written notice of cancellation or of lapse to be given to the Administrative Agent by the insurer (or at least 10 days' prior written notice in the event such cancellation is as a result of non-payment). Each Grantor will, at the request of the Administrative Agent, duly execute and deliver instruments of assignment of such insurance policies to comply with the requirements of Section 2(l) and cause the insurers to acknowledge notice of such assignment. Each Grantor will deliver to the Administrative Agent certificates of insurance evidencing such insurance and, as often as the Administrative Agent may reasonably request, a report of a reputable insurance broker or the insurer with respect to such insurance. Further, each Grantor will duly execute and deliver instruments of assignment of such insurance policies to comply with the requirements of Section 2(k), 2(l) and 2(m) and use its commercially reasonable efforts to cause the insurers to acknowledge notice of such assignment.

Section 11. Post-Closing Changes; Collections on Assigned Agreements and Receivables.

(a) Each Grantor will hold and preserve its records relating to the Collateral, including the Assigned Agreements and Related Contracts, and will permit representatives of the

Administrative Agent at any time during normal business hours to inspect and make abstracts from such records and other documents to the extent provided in Section 5.08 of the Credit Agreement. If any Grantor does not have an organizational identification number and later obtains one, it will promptly notify the Administrative Agent of such organizational identification number.

(b) Administrative Agent shall have the right at any time or times, in Administrative Agent's name or in the name of a nominee of Administrative Agent, to verify the validity, amount or any other matter relating to any Receivables or other Collateral, by mail, telephone, facsimile transmission or otherwise; *provided* that (i) any visits shall be done during normal business hours and at times to be mutually agreed and (ii) with respect to any ABL Priority Collateral, the Administrative Agent shall only exercise such right following the Payment in Full of the ABL Priority Obligations (as such terms are defined in the Intercreditor Agreement). Except as otherwise provided in this subsection (b), each Grantor, at its own expense and in the ordinary course of business undertaken in a commercially reasonable manner and consistent with applicable law, will continue to collect, adjust, settle, compromise the amount or payment of, all amounts due or to become due such Grantor under the Assigned Agreements and Receivables. In connection with such collections, adjustments, settlements, compromises and other exercises of rights, such Grantor may take (and, at the Administrative Agent's direction upon the occurrence and during the continuance of an Event of Default, will take) such action as such Grantor (or, upon the occurrence and during the continuance of an Event of Default, the Administrative Agent) may deem necessary or advisable; provided, that, the Administrative Agent shall have the right at any time, upon the occurrence and during the continuance of an Event of Default and upon written notice to such Grantor of its intention to do so, to notify the Obligors under any Assigned Agreements and Receivables of the assignment of such Assigned Agreements to the Administrative Agent and to direct such Obligors to make payment of all amounts due or to become due to such Grantor thereunder directly to the Administrative Agent and, upon such notification and at the expense of such Grantor, to enforce collection of any such Assigned Agreements and Receivables, to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done, and to otherwise exercise all rights with respect to such Assigned Agreements and Receivables, including those set forth in Section 9-607 of the UCC. After receipt by any Grantor of the notice from the Administrative Agent referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including instruments) received by such Grantor in respect of the Assigned Agreements and Receivables of such Grantor shall be received in trust for the benefit of the Secured Parties, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Administrative Agent in the same form as so received (with any necessary indorsement) to be applied as provided in Section 20(b) of this Agreement or to prepay Loans under the Credit Agreement, and (ii) such Grantor will not adjust, settle or compromise the amount or payment of any Receivable or amount due on any Assigned Agreement, release wholly or partly any Obligor thereof or allow any credit or discount thereon other than credits or discounts given in the ordinary course of business.

(c) No Grantor will authorize the filing of any financing statement naming it as debtor covering all or any portion of the Collateral owned by it, except for financing statements (i) naming the Administrative Agent on behalf of the Secured Parties as the secured party, and (ii) in respect to other Liens permitted by the Credit Agreement. Each Grantor

acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement naming the Administrative Agent as secured party without the prior written consent of the Administrative Agent, subject to such Grantor's rights under the UCC.

Section 12. As to Intellectual Property Collateral.

(a) With respect to each item of its Intellectual Property Collateral material to the business of the Company and its Restricted Subsidiaries, each Grantor agrees to take, at its expense, commercially reasonable steps as determined in Grantor's reasonable discretion, including in the U.S. Patent and Trademark Office, the U.S. Copyright Office and any other Governmental Authority, to (i) maintain (in accordance with the exercise of such Grantor's reasonable business discretion) the validity and enforceability of such Intellectual Property Collateral and maintain such Intellectual Property Collateral in full force and effect, and (ii) pursue the registration and maintenance (in accordance with the exercise of such Grantor's reasonable business discretion) of each patent, trademark, or copyright registration or application, now or hereafter included in such Intellectual Property Collateral of such Grantor, including the payment of required fees and taxes, the filing of responses to office actions issued by the U.S. Patent and Trademark Office, the U.S. Copyright Office or other Governmental Authorities, the filing of applications for renewal or extension, the filing of affidavits under Sections 8 and 15 of the U.S. Trademark Act, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings, in each case except where the failure to so file, register or maintain is not reasonably likely to have a Material Adverse Effect. No Grantor shall, without the written consent of the Administrative Agent, which shall not be unreasonably withheld or delayed, discontinue use of any material Trademark or otherwise abandon any such material Intellectual Property Collateral unless such Grantor shall have determined that such use or the pursuit or maintenance of such Intellectual Property Collateral is no longer material to the conduct of such Grantor's business.

(b) Until the termination of the Credit Agreement, each Grantor agrees to provide to the Administrative Agent, concurrently with any delivery of Financial Statements pursuant to Section 5.01(a) or (b) of the Credit Agreement, an updated Schedule of its registered U.S. Patents, U.S. Patent applications, registered or applied for U.S. Trademarks and registered or applied for U.S. Copyrights.

(c) In the event that any Grantor becomes aware that any item of Intellectual Property Collateral is being infringed or misappropriated by a third party, such Grantor shall take such commercially reasonable actions determined in its reasonable discretion, at its expense, to protect or enforce such Intellectual Property Collateral, including suing for infringement or misappropriation and for an injunction against such infringement or misappropriation.

(d) Each Grantor shall take all reasonable steps which it deems appropriate under the circumstances to preserve and protect each item of its material Trademarks included in the Intellectual Property Collateral, including maintaining substantially the quality of any and all products or services used or provided in connection with any such Trademarks, consistent with the general quality of the products and services as of the date hereof, and taking steps reasonably

necessary to ensure that all licensed users of any such Trademarks use such consistent standards of quality.

(e) With respect to its Intellectual Property Collateral, each Grantor agrees to execute or otherwise authenticate an agreement, in substantially the form set forth in Exhibit A hereto or otherwise in form and substance satisfactory to the Administrative Agent (an "**Intellectual Property Security Agreement**"), for recording the security interest granted hereunder to the Administrative Agent in such Intellectual Property Collateral with the U.S. Patent and Trademark Office, the U.S. Copyright Office, and any other U.S. Governmental Authorities necessary to perfect the security interest hereunder in such Intellectual Property Collateral.

(f) Each entity which executes a Security Agreement Supplement as Grantor shall execute and deliver to the Administrative Agent with such written notice, or otherwise authenticate, an agreement substantially in the form of Exhibit B hereto or otherwise in form and substance satisfactory to the Administrative Agent (an "**IP Security Agreement Supplement**") covering such Intellectual Property, which IP Security Agreement Supplement shall be recorded with the U.S. Patent and Trademark Office, the U.S. Copyright Office and any other U.S. Governmental Authorities necessary to perfect the security interest hereunder in such Intellectual Property Collateral.

Section 13. Voting Rights; Dividends; Etc.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) Each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Security Collateral of such Grantor or any part thereof for any purpose.

(ii) Each Grantor shall be entitled to receive and retain any and all dividends, interest and other distributions paid in respect of the Security Collateral of such Grantor if and to the extent that the payment thereof is not otherwise prohibited by the terms of the Loan Documents; provided, that, any and all dividends, interest and other distributions paid or payable in the form of instruments or certificates in respect of, or in exchange for, any Security Collateral, shall be promptly delivered to the Administrative Agent to hold as Security Collateral (to the extent it is not Excluded Property) and shall, if received by such Grantor, be received in trust for the benefit of the Secured Parties, be segregated from the other property or funds of such Grantor and be promptly delivered to the Administrative Agent as Security Collateral in the same form as so received (with any necessary indorsement).

(iii) The Administrative Agent will execute and deliver (or cause to be executed and delivered) to each Grantor all such proxies and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and other rights that it is entitled to exercise pursuant to paragraph (i) above and to receive the dividends or interest payments that it is authorized to receive and retain pursuant to paragraph (ii) above.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) All rights of each Grantor (A) to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 13(a)(i) shall, upon notice to such Grantor by the Administrative Agent, cease and (B) to receive the dividends, interest and other distributions that it would otherwise be authorized to receive and retain pursuant to Section 13(a)(ii) shall automatically cease, and all such rights shall, subject to the Intercreditor Agreement, thereupon become vested in the Administrative Agent for the benefit of the Secured Parties, which shall thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights and to receive and hold as Security Collateral such dividends, interest and other distributions.

(ii) All dividends, interest and other distributions that are received by any Grantor contrary to the provisions of paragraph (i) of this Section 13(b) shall be received in trust for the benefit of the Secured Parties, shall be segregated from other funds of such Grantor and shall be promptly paid over to the Administrative Agent as Security Collateral in the same form as so received (with any necessary indorsement).

Section 14. As to the Assigned Agreements.

(a) Each Grantor will, at its expense, perform and observe in all material respects all terms and provisions of the Assigned Agreements to be performed or observed by it to the extent consistent with its past practice or reasonable business judgment.

(b) Each Grantor hereby consents on its behalf and on behalf of its Subsidiaries to the assignment and pledge to the Administrative Agent for benefit of the Secured Parties of each Assigned Agreement to which it is a party by any other Grantor hereunder.

(c) Each Grantor agrees, upon the reasonable request of Administrative Agent, to instruct each other party to each Assigned Agreement to which it is a party, that all payments due or to become due under or in connection with such Assigned Agreement will be made directly to a Pledged Deposit Account.

(d) All moneys received or collected pursuant to subsection (c) above shall be (i) released to the applicable Grantor on the terms set forth in the Credit Agreement so long as no Event of Default shall have occurred and be continuing or (ii) if any Event of Default shall have occurred and be continuing, applied as provided in Section 20(b).

Section 15. As to Letter-of-Credit Rights and Commercial Tort Claims.

(a) Except as otherwise permitted by the Credit Agreement and this Agreement, each Grantor, by granting a security interest in its Receivables consisting of Letter-of-Credit Rights to the Administrative Agent, hereby assigns to the Administrative Agent such rights (including its contingent rights) to the proceeds of all Related Contracts consisting of letters of credit of which it is or hereafter becomes a beneficiary or assignee. Upon request of the Administrative Agent, each Grantor will promptly use commercially reasonable efforts to cause the issuer of each letter-of-credit with a stated amount in excess of \$1,000,000 and each nominated person (as defined in Section 5-102 of the UCC) (if any) with respect thereto to consent to such assignment of the proceeds thereof pursuant to a consent in form and substance

reasonably satisfactory to the Administrative Agent and deliver written evidence of such consent to the Administrative Agent.

(b) Upon the occurrence and during the continuance of an Event of Default, each Grantor will, promptly upon request by the Administrative Agent, (i) notify (and such Grantor hereby authorizes the Administrative Agent to notify) the issuer and each nominated person with respect to each of the Related Contracts consisting of letters of credit that the proceeds thereof have been assigned to the Administrative Agent hereunder and any payments due or to become due in respect thereof are to be made directly to the Administrative Agent or its designee and (ii) arrange for the Administrative Agent to become the transferee beneficiary of letter of credit.

(c) In the event that any Grantor hereafter acquires or has any Commercial Tort Claim that has been filed with any court in excess of \$2,500,000 in the aggregate, it shall, promptly after such claim has been filed with such court, deliver a supplement to Schedule X hereto, identifying such new Commercial Tort Claim.

Section 16. Transfers and Other Liens; Additional Shares.

(a) Each Grantor agrees that it will not (i) sell, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral, other than sales, assignments and other dispositions of Collateral, and options relating to Collateral, permitted under the terms of the Credit Agreement or (ii) create or suffer to exist any Lien upon or with respect to any of the Collateral of such Grantor except for the pledge, assignment and security interest created under this Agreement and Liens permitted under Section 6.02 of the Credit Agreement.

(b) Subject to the terms of the Credit Agreement and this Agreement, each Grantor agrees that it will pledge hereunder, promptly upon its acquisition (directly or indirectly) thereof, any and all additional equity interests or other securities as required by Section 5.10 of the Credit Agreement from time to time acquired by such Grantor in any manner.

Section 17. Administrative Agent Appointed Attorney in Fact. Each Grantor hereby irrevocably appoints the Administrative Agent such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time, in the Administrative Agent's discretion, to take any action and to execute any instrument that the Administrative Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including:

(a) to obtain, an upon the occurrence and during the continuance of an Event of Default, adjust insurance required to be paid to the Administrative Agent pursuant to Section 10,

(b) upon the occurrence and during the continuation of any Event of Default, to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral,

(c) upon the occurrence and during the continuance of an Event of Default, to receive, indorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) or (b) above,

(d) upon the occurrence and during the continuation of any Event of Default to file any claims or take any action or institute any proceedings that the Administrative Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce compliance with the terms and conditions of any Assigned Agreement or the rights of the Administrative Agent with respect to any of the Collateral;

(e) upon the occurrence and during the continuation of any Event of Default, to use any Intellectual Property Collateral or IP Agreements (solely pursuant to the terms thereof) of such Grantor that are not Excluded Property, including any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, or advertising materials included therein, in preparing for sale, advertising for sale, or selling Inventory or other Collateral;

(f) to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Agreement, including actions to pay or discharge taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by Administrative Agent in its sole discretion, any such payments made by Administrative Agent to become obligations of such Grantor to Administrative Agent, due and payable immediately without demand;

(g) (i) upon the occurrence and during the continuation of any Event of Default, generally to sell, transfer, lease, license, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Administrative Agent were the absolute owner thereof for all purposes, and (ii) to do, at Administrative Agent's option and such Grantor's expense, at any time or from time to time, all acts and things that Administrative Agent deems reasonably necessary to protect, preserve or realize upon the Collateral and Administrative Agent's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do;

(h) upon the occurrence and during the continuation of any Event of Default, to repair, alter, or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any Person obligated to the Borrower or such other Grantor in respect of any Account of the Borrower or such other Grantor; and

(i) upon the occurrence and during the continuance of any Event of Default, to take exclusive possession of all locations where the Borrower or other Grantor conducts its business or has rights of possession, with prompt notice to the Borrower or any Grantor and to use such locations to store, process, manufacture, sell, use, and liquidate or otherwise dispose of items that are Collateral, without obligation to pay rent or other compensation for the possession or use of any location.

Section 18. Administrative Agent May Perform. If any Grantor fails to perform any agreement contained herein, the Administrative Agent may, but without any obligation to do so, upon notice to the Company of at least five Business Days in advance and if the Company fails to cure within such period, itself perform, or cause performance of, such agreement, and the expenses of the Administrative Agent incurred in connection therewith shall be payable by such Grantor under Section 22.

Section 19. The Administrative Agent's Duties.

(a) The powers conferred on the Administrative Agent hereunder are solely to protect the Secured Parties' interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Administrative Agent shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not any Secured Party has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which it accords its own property.

(b) Anything contained herein to the contrary notwithstanding, the Administrative Agent may from time to time, when the Administrative Agent deems it to be necessary, appoint one or more of its Affiliates (or, with the consent of the Company, any other Persons) subagents (each a "**Subagent**") for the Administrative Agent hereunder with respect to all or any part of the Collateral. In the event that the Administrative Agent so appoints any Subagent with respect to any Collateral, (i) the assignment and pledge of such Collateral and the security interest granted in such Collateral by each Grantor hereunder shall be deemed for purposes of this Agreement to have been made to such Subagent, in addition to the Administrative Agent, for the benefit of the Secured Parties, as security for the Obligations of such Grantor, (ii) such Subagent shall automatically be vested, in addition to the Administrative Agent, with all rights, powers, privileges, interests and remedies of the Administrative Agent hereunder with respect to such Collateral, and (iii) the term "Administrative Agent," when used herein in relation to any rights, powers, privileges, interests and remedies of the Administrative Agent with respect to such Collateral, shall include such Subagent; *provided, however*, that no such Subagent shall be authorized to take any action with respect to any such Collateral unless and except to the extent expressly authorized in writing by the Administrative Agent.

Section 20. Remedies. If any Event of Default shall have occurred and be continuing and such Event of Default has resulted in the acceleration of the Obligations, which acceleration has not been rescinded or otherwise terminated:

(a) The Administrative Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC (whether or not the UCC applies to the affected Collateral) and also may: (i) require each Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Administrative Agent forthwith,

assemble all or part of the Collateral as directed by the Administrative Agent and make it available to the Administrative Agent at a place and time to be designated by the Administrative Agent that is reasonably convenient to both parties; (ii) subject to applicable law, without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable; (iii) occupy, consistent with Section 5.08 of the Credit Agreement, on a non-exclusive basis any premises owned or leased by any of the Grantors where the Collateral or any part thereof is assembled or located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to such Grantor in respect of such occupation; and (iv) exercise any and all rights and remedies of any of the Grantors under or in connection with the Collateral, or otherwise in respect of the Collateral, including (A) any and all rights of such Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, the Assigned Agreements, the Receivables and the other Collateral, (B) withdraw, or cause or direct the withdrawal, of all funds with respect to the Account Collateral, and (C) exercise all other rights and remedies with respect to the Assigned Agreements, the Receivables and the other Collateral, including those set forth in Section 9-607 of the UCC. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such Grantor of the time and place of any public sale, or of the time after which any private sale is to be made shall constitute reasonable notification. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that (A) the internet shall constitute a "place" for purposes of Section 9-610(b) of the UCC and (B) to the extent notification of sale shall be required by law, notification by mail of the URL where a sale will occur and the time when a sale will commence at least ten (10) days prior to the sale shall constitute a reasonable notification for purposes of Section 9-611(b) of the UCC.

(b) Any cash held by or on behalf of the Administrative Agent and all cash proceeds received by or on behalf of the Administrative Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral and any proceeds of the guarantee set forth in Section 1 may, in the discretion of the Administrative Agent, be held by the Administrative Agent as collateral for, and/or then or at any time thereafter shall be applied in whole or in part by the Administrative Agent for the benefit of the Secured Parties against, all or any part of the Obligations, in accordance with Section 7.03 of the Credit Agreement.

(c) All payments received by any Grantor under or in connection with any Assigned Agreement or otherwise in respect of the Collateral shall be received in trust for the benefit of the Administrative Agent, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Administrative Agent in the same form as so received (with any necessary indorsement).

(d) Subject to the provisions of Section 9.08 of the Credit Agreement, the Administrative Agent may, without notice to any Grantor except as required by law and at any time or from time to time, charge, set off and otherwise apply all or any part of the Obligations against any funds held with respect to the Account Collateral or in any other deposit account.

(e) In the event of any sale or other disposition of any of the Intellectual Property Collateral of any Grantor, the goodwill symbolized by any Trademarks subject to such sale or other disposition shall be included therein, and such Grantor shall supply to the Administrative Agent or its designee, documents and things relating to any Intellectual Property Collateral subject to such sale or other disposition, and such Grantor's customer lists and other records and documents relating to such Intellectual Property Collateral and to the manufacture, distribution, advertising and sale of products and services of such Grantor.

(f) In each case under this Agreement in which the Administrative Agent takes any action with respect to the Collateral, including proceeds, the Administrative Agent shall provide to the Company such records and information regarding the possession, control, sale and any receipt of amounts with respect to such Collateral as may be reasonably requested by the Company as a basis for the preparation of the company's financial statements in accordance with GAAP.

Section 21. Grant of Intellectual Property License. For the purpose of enabling Administrative Agent, upon the occurrence and during the continuance of an Event of Default, to exercise rights and remedies under Section 20 hereof at such time as Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to Administrative Agent, to the extent licensable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Grantor), subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of such Trademarks, to use, assign, license or sublicense any of the Intellectual Property Collateral, including any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, and advertising materials, in each case, that are owned or hereafter acquired, developed or created by such Grantor, wherever the same may be located. Such license shall include access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof, solely to the extent such Grantor has all rights necessary to provide such access.

Section 22. Indemnity and Expenses.

(a) Without limiting or affecting each Secured Party's rights set forth in Section 9.03 of the Credit Agreement but subject to the limitations set forth therein, each Grantor agrees to indemnify, defend and save and hold harmless each Secured Party and each of their Affiliates and their respective officers, directors, employees, trustees, agents and advisors (each, an "**Indemnified Party**") from and against, and shall pay on demand, any and all claims, damages, losses, liabilities and expenses (including reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or resulting from this Agreement (including enforcement of this Agreement), except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(b) Without limiting or affecting each Secured Party's rights set forth in Section 9.03 of the Credit Agreement but subject to the limitations set forth therein, each Grantor will upon demand pay to the Administrative Agent the amount of any and all reasonable

expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that the Administrative Agent may incur in connection with (i) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral of such Grantor, (ii) the exercise or enforcement of any of the rights of the Administrative Agent or the other Secured Parties hereunder or (iii) the failure by such Grantor to perform or observe any of the provisions hereof.

(c) The undertakings in this Section 22 shall survive termination of this Agreement, the payment of all Obligations and the resignation of the Administrative Agent.

Section 23. Amendments; Waivers; Additional Grantors; Etc.

(a) No amendment or waiver of any provision of this Agreement, and no consent to any departure by any Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent and, with respect to any amendment, the Company on behalf of the Grantors, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Administrative Agent or any other Secured Party to exercise, and no delay in exercising any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

(b) Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 5.10 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon the execution and delivery by such Person of a security agreement supplement in substantially the form of Exhibit C hereto (each a "**Security Agreement Supplement**"). Such Person shall be referred to as an "**Additional Grantor**" and each reference in this Agreement and the other Loan Documents to "Grantor" or "Guarantor" shall also mean and be a reference to such Additional Grantor, each reference in this Agreement and the other Loan Documents to the "Collateral" shall also mean and be a reference to the Collateral granted by such Additional Grantor and each reference in this Agreement to a Schedule shall also mean and be a reference to the schedules attached to such Security Agreement Supplement.

Section 24. Confidentiality; Notices; References.

(a) The confidentiality provisions of Section 9.12 of the Credit Agreement shall apply to all information received by the Administrative Agent or any Lender under this Agreement.

(b) All notices and other communications provided for hereunder shall be delivered as provided in Section 9.01 of the Credit Agreement.

Section 25. Continuing Security Interest; Assignments Under the Credit Agreement. This Agreement shall create a continuing guaranty and continuing security interest in the Collateral and shall (a) continue in effect (notwithstanding the fact that from time to time there may be no Obligations outstanding) until (i) the Credit Agreement has terminated pursuant to its express terms and (ii) all of the Obligations (other than any contingent indemnification

obligations not then due and payable) have been paid in full and no commitments of the Administrative Agent or the Lenders which would give rise to any Obligations are outstanding, (b) be binding upon each Grantor, its successors and assigns and (c) inure, together with the rights and remedies of the Administrative Agent hereunder, to the benefit of the Secured Parties and their respective successors, permitted transferees and permitted assigns. Without limiting the generality of the foregoing clause (c), to the extent permitted in Section 9.04 of the Credit Agreement, any Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Credit Agreement (including all or any portion of its Commitments and the Loans owing to it and the promissory note or promissory notes, if any, held by it) to any permitted transferee, and such permitted transferee shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise.

Section 26. Release; Termination. (i) Upon (A) any Disposition of any item of Collateral of any Grantor as permitted by the Loan Documents, (B) any item of Collateral becoming Excluded Property (except to the extent resulting from any transaction that is not permitted under the Loan Documents), (C) any Subsidiary that is not an Excluded Subsidiary becoming an Excluded Subsidiary pursuant to a transaction permitted by the Loan Documents, (D) any Foreign Subsidiary ceasing to be a Material First-Tier Foreign Subsidiary pursuant to a transaction permitted by the Loan Documents or (E) the consent of the Required Lenders to such release and termination as provided in Section 9.02 of the Credit Agreement, the security interests granted under this Agreement by such Grantor in such Collateral or in the assets of such Subsidiary (and in the case of clause (C), the guarantee provided by such Subsidiary hereunder), as applicable, shall immediately terminate and automatically be released. The Administrative Agent will, in the case of each of the foregoing clauses (i) and (ii) above, subject to the Intercreditor Agreement, promptly deliver at the Grantor's request to such Grantor all certificates representing any Pledged Equity released and all notes and other instruments representing any Pledged Debt, Receivables or other Collateral so released, and Administrative Agent will, at such Grantor's expense, promptly execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted hereby; provided, that, the release of any Grantor from its obligations under this Agreement or any other Loan Document if such Grantor becomes an Excluded Subsidiary shall only be permitted if, at the time such Grantor becomes an Excluded Subsidiary, (1) no Default or Event of Default shall have occurred and be continuing, (2) after giving pro forma effect to such release and the consummation of the applicable transaction, the Borrower is deemed to have made a new Investment in such Person (as if such Person were then newly acquired) and such Investment is permitted at such time, and (3) such Grantor shall have delivered to the Administrative Agent a certificate of such Grantor to the effect that the contemplated transaction will be in compliance with the Loan Documents and the foregoing clauses (1) and (2); provided further that no such release shall occur if such Grantor continues to be a guarantor in respect of the ABL Facility or any other Material Indebtedness.

At such time as the Obligations shall have been paid in full and the Commitments have been terminated, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any party, and all rights to Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such

termination, the Administrative Agent shall promptly deliver to such Grantor any Collateral held by the Administrative Agent hereunder, and promptly execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination. At the request and sole expense of the Borrower, a Guarantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement.

Section 27. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier or .pdf shall be effective as delivery of an original executed counterpart of this Agreement.

Section 28. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 29. Jurisdiction; Waiver of Jury Trial.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City in the borough of Manhattan, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. Each Grantor hereby further irrevocably consents to the service of process in any action or proceeding in such courts by the mailing thereof by any parties hereto by registered or certified mail, postage prepaid, to the Borrower at its address specified pursuant to Section 9.01 of the Credit Agreement. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any such New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each of the parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of the Administrative Agent or any Secured Party in the negotiation, administration, performance or enforcement thereof.

Section 30. Intercreditor Agreement. Notwithstanding anything herein to the contrary, the Lien granted to the Administrative Agent, for the benefit of the Secured Parties, pursuant to this Security Agreement and the exercise of any right or remedy by the Administrative Agent

and the other Secured Parties hereunder are subject to the provisions of the Intercreditor Agreement, dated as of even date herewith, among the Administrative Agent, as Term Loan Agent, Bank of America, N.A, as ABL Agent, the Company and the Guarantors (the **“Intercreditor Agreement”**). In the event of any conflict or inconsistency between the provisions of the Intercreditor Agreement and this Agreement, the provisions of the Intercreditor Agreement shall control to the extent of such conflict or inconsistency.

[Remainder of Page Intentionally Left Blank]

GRANTORS:

By: /s/ David E. Bullwinkle
Name: David E. Bullwinkle
Title: Chief Financial Officer and Senior
Vice President

Address for Notices:

Eastman Kodak Company
343 State Street
Rochester, NY 14650

**EASTMAN KODAK INTERNATIONAL
CAPITAL COMPANY, INC.
FAR EAST DEVELOPMENT LTD.
KODAK (NEAR EAST), INC.
KODAK AMERICAS, LTD.
KODAK PHILIPPINES, LTD.**

By: /s/ Roger W. Byrd
Name: Roger W. Byrd
Title: Secretary

Address for Notices:

c/o Eastman Kodak Company
343 State Street
Rochester, NY 14650

[Signature Page to Guaranty and Collateral Agreement (Kodak Term Loan)]

ADMINISTRATIVE AGENT:

ALTER DOMUS (US) LLC

By: /s/ Matthew Trybula
Name: Matthew Trybula
Title: Associate Counsel

Address for Notices:

Alter Domus (US) LLC
225 W. Washington St., 9th Floor
Chicago, IL 60606
Attention: Legal Department and Bill Ryan
Phone: 312-564-5100
Fax: 312-376-0751
Email: legal@alterdomus.com
bill.ryan@alterdomus.com

with copies to (which shall not constitute notice):

Holland & Knight LLP
150 North Riverside Plaza, Suite 2700
Chicago, IL 60606
Attention: Joshua M. Spencer
Fax: 312-578-6666
Email: Joshua.spencer@hklaw.com

and

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036
Attn: Frederick Lee; Ryan Kim
Fax: 212-872-1002
Email: fleer@akingump.com
kimr@akingump.com

[Signature Page to Guaranty and Collateral Agreement (Kodak Term Loan)]

FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**IP Security Agreement**") dated February 26, 2021, is made by the Persons listed on the signature pages hereof (collectively, the "**Grantors**") in favor of Alter Domus (US) LLC, as Administrative Agent (the "**Administrative Agent**") for the Secured Parties (as defined in the Credit Agreement referred to below).

WHEREAS, Eastman Kodak Company, a New Jersey corporation, has entered into a Credit Agreement dated as of February 26, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), with Alter Domus (US) LLC, as Administrative Agent, and the Lenders party thereto. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement.

WHEREAS, as a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement, each Grantor has executed and delivered that certain Guarantee and Collateral Agreement dated February 26, 2021, made by the Grantors to the Administrative Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**").

WHEREAS, under the terms of the Security Agreement, the Grantors have granted to the Administrative Agent, for the benefit of the Secured Parties, a security interest in, among other property, certain intellectual property of the Grantors, and have agreed as a condition thereof to execute this IP Security Agreement for recording with the United States Copyright Office, the United States Patent and Trademark Office and other governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

SECTION 1. Grant of Security. Each Grantor hereby grants to the Administrative Agent for the benefit of the Secured Parties a security interest in all of such Grantor's right, title and interest in and to the following (the "**Collateral**"):

- (i) the patents and patent applications and all exclusive patent licenses set forth in Schedule A hereto (the "**Patents**");
- (ii) the trademark and service mark registrations and applications and all exclusive trademark licenses set forth in Schedule B hereto (provided that no security interest shall be granted in 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 such intent-to-use trademark applications under applicable federal law), together with the goodwill symbolized thereby (the “**Trademarks**”);

(iii) all copyrights, whether registered or unregistered, now owned or hereafter acquired by such Grantor, including the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto (the “**Copyrights**”);

(iv) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(v) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) any and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the Collateral of or arising from any of the foregoing.

SECTION 2. Security for Obligations. The grant of a security interest in, the Collateral by each Grantor under this IP Security Agreement secures the payment of all obligations of such Grantor now or hereafter existing under or in respect of the Loan Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise. Without limiting the generality of the foregoing, this IP Security Agreement secures, as to each Grantor, the payment of all amounts that constitute part of the Obligations and that would be owed by such Grantor to any Secured Party under the Loan Documents but for the fact that such Obligations are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving a Loan Party.

SECTION 3. Recordation. Each Grantor authorizes and requests that the Register of Copyrights and the Commissioner for Patents or Trademarks record this IP Security Agreement.

SECTION 4. Execution in Counterparts. This IP Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 5. Grants, Rights and Remedies. This IP Security Agreement has been entered into in conjunction with the provisions of the Security Agreement. Each Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Administrative Agent with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

SECTION 6. Governing Law. This IP Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, each Grantor has caused this IP Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

EASTMAN KODAK COMPANY

By _____

Name: _____

Title: _____

Address for Notices: _____

[NAME OF GRANTOR]

By _____

Name: _____

Title: _____

Address for Notices: _____

[NAME OF GRANTOR]

By _____

Name: _____

Title: _____

Address for Notices: _____

FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT (this "*IP Security Agreement Supplement*") dated _____, 200_, is made by the Person listed on the signature page hereof (the "Grantor") in favor of Alter Domus (US) LLC, as Administrative Agent (the "Administrative Agent") for the Secured Parties (as defined in the Credit Agreement referred to below).

WHEREAS, Eastman Kodak Company, a New Jersey corporation, has entered into a Credit Agreement dated as of February 26, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), with Alter Domus (US) LLC, as Administrative Agent, and the Lenders party thereto. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement.

WHEREAS, pursuant to the Credit Agreement, the Grantor and certain other Persons have executed and delivered that certain Guarantee and Collateral Agreement dated February 26, 2021 made by the Grantor and such other Persons to the Administrative Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement") and that certain Intellectual Property Security Agreement dated February 26, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "*IP Security Agreement*").

WHEREAS, under the terms of the Security Agreement, the Grantor has granted to the Administrative Agent, for the benefit of the Secured Parties, a security interest in the Collateral (as defined in Section 1 below) of the Grantor and has agreed as a condition thereof to execute this IP Security Agreement Supplement for recording with the United States Copyright Office, the United States Patent and Trademark Office and other governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

SECTION 1. Grant of Security. Each Grantor hereby grants to the Administrative Agent, for the benefit of the Secured Parties, a security interest in all of such Grantor's right, title and interest in and to the following (the "*Collateral*"):

(i) the patents and patent applications and all exclusive patent licenses set forth in Schedule A hereto (the "*Patents*");

(ii) the trademark and service mark registrations and applications and all exclusive trademark licenses set forth in Schedule B hereto (provided that no security interest shall be granted in 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 such intent-to-use trademark applications under applicable federal law), together with the goodwill symbolized thereby (the "**Trademarks**");

(iii) all copyrights, whether registered or unregistered, now owned or hereafter acquired by such Grantor, including the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto (the "**Copyrights**");

(iv) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(v) all any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) any and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the foregoing or arising from any of the foregoing.

SECTION 2. Security for Obligations. The grant of a security interest in the Additional Collateral by the Grantor under this IP Security Agreement Supplement secures the payment of all obligations of the Grantor now or hereafter existing under or in respect of the Loan Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.

SECTION 3. Recordation. The Grantor authorizes and requests that the Register of Copyrights, and the Commissioner for Patents or Trademarks record this IP Security Agreement Supplement.

SECTION 4. Grants, Rights and Remedies. This IP Security Agreement Supplement has been entered into in conjunction with the provisions of the Security Agreement. The Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Administrative Agent with respect to the Additional Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

SECTION 5. Governing Law. This IP Security Agreement Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

[Signature page follows.]

IN WITNESS WHEREOF, the Grantor has caused this IP Security Agreement Supplement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

By _____
Name:
Title:

Address for Notices:

FORM OF SECURITY AGREEMENT SUPPLEMENT

[Date of Security Agreement Supplement]

Alter Domus (US) LLC, as the Administrative Agent for
the Secured Parties referred to in the
Credit Agreement referred to below

Alter Domus (US) LLC
[Insert Address]
Attn: [_____]

Eastman Kodak Company

Ladies and Gentlemen:

Reference is made to (i) the Credit Agreement dated as of February 26, 2021 (as amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Eastman Kodak Company, a New Jersey corporation, as the Borrower, the Lenders party thereto, Alter Domus (US) LLC, as Administrative Agent (together with any successor Administrative Agent appointed pursuant to Article VIII of the Credit Agreement, the "**Administrative Agent**"), and (ii) the Guarantee and Collateral Agreement February 26, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**") made by the Grantors from time to time party thereto in favor of the Administrative Agent for the Secured Parties. Terms defined in the Credit Agreement or the Security Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement or the Security Agreement, as applicable.

SECTION 1. Grant of Security. The undersigned hereby grants to the Administrative Agent, for the benefit of the Secured Parties, a security interest in all of its right, title and interest in and to its Collateral consisting of the following, in each case, whether now owned or hereafter acquired by the undersigned, wherever located and whether now or hereafter existing or arising (collectively, the undersigned's "**Collateral**"): all Equipment, Inventory, Security Collateral (including the indebtedness set forth on Schedule A hereto and the securities, and securities/deposit accounts set forth on Schedule B hereto), Receivables, Related Contracts, all commercial tort claims described on Schedule J hereto and hereafter described on Schedule X to the Security Agreement, Agreement Collateral, Account Collateral (including the deposit accounts set forth on Schedule C hereto), Intellectual Property Collateral, all documents, all money and all letter-of-credit rights, all books and records and documents (including databases, customer lists, credit files, computer files, printouts and other computer output materials and records and other records) of the undersigned pertaining to any of the undersigned's Collateral, all other property not otherwise described above (except for any property specifically excluded from any clause in this section, and any property specifically excluded from any defined term

4814-8795-8744 v8

4814-8795-8744 v11

used in any clause of this section), all proceeds of and payments under business interruption insurance and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the undersigned's Collateral (including proceeds, collateral and supporting obligations that constitute property of the types described in this Section 1) and, to the extent not otherwise included, all (A) payments under insurance (whether or not the Administrative Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral, and (B) cash and cash equivalents, including all Eligible Cash (as defined in the ABL Agreement), Qualified Cash (as defined in the ABL Agreement) and US Cash (as defined in the ABL Agreement); provided, that, notwithstanding any of the other provisions set forth in this Section 1 or in any Loan Document, no Excluded Property shall constitute Collateral.

SECTION 2. Security for Obligations. The grant of a security interest in, the Collateral by the undersigned under this Security Agreement Supplement and the Security Agreement secures the payment of all Obligations of the undersigned now or hereafter existing under or in respect of the Loan Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise. Without limiting the generality of the foregoing, this Security Agreement Supplement and the Security Agreement secures the payment of all amounts that constitute part of the Obligations and that would be owed by the undersigned to any Secured Party under the Loan Documents but for the fact that such Obligations are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving a Loan Party.

SECTION 3. Representations and Warranties.

(a) The undersigned's exact legal name, chief executive office, type of organization, jurisdiction of organization, organizational identification number and Federal Employer Identification Number is set forth in Schedule D hereto. Within the five years preceding the date hereof, the undersigned has not changed its name, chief executive office, type of organization, jurisdiction of organization, organizational identification number or Federal Employer Identification Number from those set forth in Schedule D hereto except as set forth in Schedule E hereto. Each of the trade names owned and used by the undersigned in the operation of its business (e.g. billing, advertising, etc.) are set forth in Schedule D hereto.

(b) All Equipment having a value in excess of \$1,000,000 and all Inventory having a value in excess of \$1,000,000 as of the date hereof of the undersigned is located at the places specified therefor in Schedule H hereto.

(c) The undersigned is not a beneficiary or assignee under any letter of credit, other than the letters of credit described in Schedule I hereto.

(d) The undersigned hereby makes each other representation and warranty set forth in Section 7 of the Security Agreement with respect to itself and the Collateral granted by it (and, for the avoidance of doubt, delivers the corresponding schedules, if any, relating to such representations and warranties).

SECTION 4. Obligations Under the Security Agreement. The undersigned hereby agrees, as of the date first above written, to be bound as a Grantor and Guarantor by all of the terms and provisions of the Security Agreement to the same extent as each of the other Grantors and Guarantors. The undersigned further agrees, as of the date first above written, that each reference in the Security Agreement to an "Additional Grantor" or a "Grantor" or a "Guarantor" shall also mean and be a reference to the undersigned, that each reference to the "Collateral" or any part thereof shall also mean and be a reference to the undersigned's Collateral or part thereof, as the case may be, and that each reference in the Security Agreement to a Schedule shall also mean and be a reference to the schedules attached hereto.

SECTION 5. Governing Law. This Security Agreement Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 6. Jurisdiction; Waiver of Jury Trial. The undersigned agrees to be bound by the provisions of Section 29 of the Security Agreement.

Very truly yours,

[NAME OF ADDITIONAL GRANTOR]

By

Title:

Address for notices:

INTERCREDITOR AGREEMENT

Dated as of

February 26, 2021

Among

BANK OF AMERICA, N.A.,
as Representative with respect to the ABL Credit Agreement,

BANK OF AMERICA, N.A.,
as Representative with respect to the LC Credit Agreement,

ALTER DOMUS (US) LLC,
as Representative with respect to the Term Loan Agreement,

EASTMAN KODAK COMPANY

and

THE OTHER GRANTORS PARTY HERETO

Table of Contents

	Page
SECTION 1.	
<i>Definitions; Other Interpretive Provisions.</i>	2
1.1	2
1.2	15
1.3	15
SECTION 2.	
<i>Lien Priorities.</i>	15
2.1	15
2.2	15
2.3	16
2.4	17
SECTION 3.	
<i>Enforcement Rights.</i>	18
3.1	18
3.2	19
3.3	20
3.4	20
3.5	21
3.6	21
SECTION 4.	
<i>Application of Proceeds of Common Collateral; Dispositions and Releases of Common Collateral; Inspection and Insurance.</i>	21
4.1	21
4.2	23
4.3	24
4.4	24
SECTION 5.	
<i>Insolvency Proceedings.</i>	27
5.1	27
5.2	22
5.3	29
5.4	30
5.5	31
5.6	31
5.7	32
5.8	32
5.9	33
5.10	33
5.11	33

SECTION 6.	<i>Matters Relating to Loan Documents.</i>	33
	6.1 General.	34
	6.2 Restrictions on Refinancings.	34
	6.3 Restrictions on Amendments, Supplements and Modifications.	35
SECTION 7.	<i>Cooperation with Respect to ABL Priority Collateral.</i>	35
	7.1 Consent to License to Use Intellectual Property	36
	7.2 Access to Information.	36
	7.3 Access to Property to Process and Sell Inventory.	37
	7.4 First Priority Representative Assurances	39
	7.5 Grantor Consent	39
SECTION 8.	<i>Reliance; Waivers; etc.</i>	40
	8.1 Reliance	40
	8.2 No Warranties or Liability	40
	8.3 No Waivers	40
SECTION 9.	<i>Obligations Unconditional.</i>	40
SECTION 10.	<i>Additional ABL/LC Secured Obligations and Term Loan Secured Obligations.</i>	41
SECTION 11.	<i>Miscellaneous.</i>	42
	11.1 Conflicts	42
	11.2 Continuing Nature of Provisions	42
	11.3 Amendments; Waivers.	42
	11.4 Information Concerning Financial Condition of the Borrower and the other Grantors	42
	11.5 ABL/LC Intercreditor Agreement	43
	11.6 Applicable Law	43
	11.7 Jurisdiction; Consent to Service of Process; Process Agent.	43
	11.8 Notices	43
	11.9 Successors and Assigns	44
	11.10 Headings	44
	11.11 Severability	44
	11.12 Counterparts; Integration; Effectiveness	44
	11.13 Waiver of Jury Trial	44
	11.14 Additional Grantors	44

INTERCREDITOR AGREEMENT

INTERCREDITOR AGREEMENT (this "Agreement"), dated as of February 26, 2021, among BANK OF AMERICA, N.A. ("BofA"), as Representative with respect to the ABL Credit Agreement, BANK OF AMERICA, N.A., as Representative with respect to the LC Credit Agreement, and ALTER DOMUS (US) LLC ("Alter Domus"), as Representative with respect to the Term Loan Agreement, Eastman Kodak Company (the "Borrower"), and each of the other Grantors party hereto.

WHEREAS, the Borrower, the lenders party thereto and BofA, as administrative agent (in such capacity, the "ABL Agent") are parties to that certain Second Amended and Restated Credit Agreement, dated as of May 26, 2016 (as amended and restated as of May 24, 2019 and on or about the date hereof, and as the same may be further amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof, the "ABL Credit Agreement"), pursuant to which such lenders (the "ABL Lenders") have agreed to make loans and extend other financial accommodations to the Borrower; and

WHEREAS, the Borrower, the lenders party thereto (the "LC Lenders") and BofA, as administrative agent (in such capacity, the "LC Agent") are parties to that certain Letter of Credit Agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof, the "LC Credit Agreement"), pursuant to which the issuing bank thereunder has agreed to provide letters of credit to the Borrower and the lenders have agreed to participate therein; and

WHEREAS, the Borrower, the lenders party thereto and Alter Domus, as administrative agent with respect to the Term Loans (in such capacity, the "Term Loan Agent") are parties to that certain Credit Agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof, the "Term Loan Agreement"), pursuant to which such lenders have agreed to make loans and extend other financial accommodations to the Borrower; and

WHEREAS, the Grantors and the ABL Agent are parties to that certain Security Agreement dated as of May 26, 2016 (as amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof, the "ABL Security Agreement"), pursuant to which such Grantors have granted Liens on their assets securing the ABL Secured Obligations; and

WHEREAS, the Grantors and the LC Agent are parties to that certain Security Agreement dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof, the "LC Security Agreement"), pursuant to which such Grantors have granted Liens on their assets securing the LC Secured Obligations; and

WHEREAS, the Grantors and the Term Loan Agent are parties to that certain Guarantee and Collateral Agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof, the "Term Loan Security Agreement"), pursuant to which such Grantors have granted Liens on their assets securing the Term Loan Secured Obligations; and

WHEREAS, it is the desire of the parties hereto to set forth their respective rights and priorities with respect to the Common Collateral;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which is expressly recognized by all of the parties hereto, the parties agree as follows:

SECTION 1. *Definitions; Other Interpretive Provisions.*

1.1 **Definitions.** The following terms, as used herein, have the following meanings:

“ABL Agent” has the meaning set forth in the recitals of this Agreement; provided that the term “ABL Agent” shall also mean the Representative for the holders of any indebtedness outstanding under any Replacement ABL Credit Agreement then extant (and, if more than one ABL Agent exists at any time, “ABL Agent” shall be deemed to be a collective reference to each ABL Agent).

“ABL Credit Agreement” has the meaning set forth in the recitals of this Agreement; provided that the term “ABL Credit Agreement” shall also include any Replacement ABL Credit Agreement, as such Replacement ABL Credit Agreement may be amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof.

“ABL/LC Agents” means, collectively, the ABL Agent and the LC Agent.

“ABL/LC Controlling Agent” means the ABL Agent, unless and until ABL Agent shall send a written notice to LC Agent and Term Loan Agent stating that LC Agent shall be the ABL/LC Controlling Agent and the date of the effectiveness thereof, and on and after the effective date specified in such written notice, LC Agent.

“ABL/LC Credit Agreements” means the ABL Credit Agreement and the LC Credit Agreement.

“ABL/LC Loan Documents” means the ABL Loan Documents and the LC Loan Documents.

“ABL/LC Priority Collateral” means the ABL Priority Collateral and the LC Priority Collateral.

“ABL/LC Secured Obligations” means ABL Secured Obligations and LC Secured Obligations.

“ABL/LC Secured Parties” means ABL Secured Parties and LC Secured Parties.

“ABL Lenders” has the meaning set forth in the recitals of this Agreement.

“ABL Loan Documents” means (a) the “Loan Documents” as defined in the ABL Credit Agreement or (b) the “Loan Documents” (or any comparable term) as defined in any Replacement ABL Credit Agreement, as the case may be.

“ABL Priority Collateral” means any and all present and future right, title and interest of the Grantors in and to the following, whether now owned or hereafter acquired, existing or arising, and wherever located to the extent constituting Common Collateral:

- (a) cash and cash equivalents (including instruments that are intended to approximate the foregoing, but excluding the LC Priority Collateral),
- (b) accounts and payment intangibles other than accounts and payment intangibles which constitute identifiable proceeds of Term Loan Priority Collateral,
- (c) machinery and equipment, and related assets (including chattel paper),

- (d) inventory and related assets (including chattel paper), and non-exclusive licenses on the owned intellectual property relating to such inventory,
- (e) payments under business interruption insurance policies,
- (f) intercompany advances made by any Grantor to any other Grantor or to any Subsidiary of the Borrower,
- (g) all deposit accounts and securities accounts (other than deposit accounts and securities accounts maintained exclusively for identifiable proceeds of Term Loan Priority Collateral and other than deposit accounts or securities accounts constituting LC Priority Collateral), provided, that, to the extent that identifiable proceeds of Term Loan Priority Collateral are deposited in any such deposit accounts or securities accounts, such identifiable proceeds shall constitute Term Loan Priority Collateral,
- (h) all books, records and documents to the extent relating to the foregoing and to the other ABL Priority Collateral (including databases, customer lists and other records, whether tangible or electronic, which contain any information relating to any of the foregoing), and lockbox and deposit accounts into which any such proceeds are paid or transferred,
- (i) to the extent evidencing, governing, securing or otherwise reasonably related to any of the foregoing and the other ABL Priority Collateral, all documents, documents of title, general intangibles (other than intellectual property except to the extent expressly provided in clause (d) above), guarantees, instruments, investment property, commercial tort claims, letters of credit, supporting obligations and letter of credit rights, and
- (j) all substitutions, replacements, accessions, products and proceeds (including insurance proceeds) of any of the foregoing in whatever form received, including claims against third parties.

“ABL Priority Collateral Enforcement Actions” has the meaning specified in Section 7.3(a).

“ABL Priority Collateral Processing and Sale Period” has the meaning specified in Section 7.3(a).

“ABL Priority DIP Financing” has the meaning specified in Section 5.2(a).

“ABL Purchase” has the meaning specified in Section 4.4(a).

“ABL Purchase Event” has the meaning specified in Section 4.4(a).

“ABL Purchase Notice” has the meaning specified in Section 4.4(a).

“ABL Purchase Price” has the meaning specified in Section 4.4(b).

“ABL Purchasing Parties” has the meaning specified in Section 4.4(a).

“ABL Secured Obligations” means all “Secured Obligations” (or comparable term) as defined in the ABL Credit Agreement (including, for the avoidance of doubt, in any Replacement ABL Credit Agreement).

“ABL Secured Parties” means holders from time to time of the ABL Secured Obligations.

“ABL Security Agreement” has the meaning set forth in the recitals of this Agreement; provided that if a Replacement ABL Credit Agreement is in effect, “ABL Security Agreement” shall be deemed to

be a reference to each agreement pursuant to which Liens have been granted to secure obligations under the Replacement ABL Credit Agreement, in each case, as such agreement may be amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof.

“Additional Debt” has the meaning specified in Section 11.3(b).

“Adequate Protection Liens” means any Liens granted in any Insolvency Proceeding to any Secured Party as adequate protection of the Secured Obligations held by such Secured Party.

“Agent” means, as the context may require, any of the ABL Agent, the LC Agent and the Term Loan Agent.

“Alter Domus” has the meaning set forth in the preamble of this Agreement.

“Bank Product Obligations” has the meaning specified in the ABL Credit Agreement as in effect on the date hereof.

“Bank Products Obligations Agreements” has the meaning specified in the ABL Credit Agreement as in effect on the date hereof.

“Bankruptcy Code” means the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended from time to time.

“BofA” has the meaning set forth in the preamble of this Agreement.

“Borrower” has the meaning set forth in the preamble of this Agreement.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to remain closed.

“Class” refers to the determination (a) in relation to any particular Type of Common Collateral, (i) with respect to any Secured Obligations, whether such Secured Obligations are First Priority Obligations or Second Priority Obligations and (ii) with respect to any Secured Party, whether such Secured Party is a First Priority Secured Party or a Second Priority Secured Party and (b) in relation to any Secured Obligations, whether such Secured Obligations are ABL/LC Secured Obligations or Term Loan Secured Obligations.

“Common Collateral” means all assets of the Grantors on which Liens have been granted (or purported to be granted) pursuant to the Loan Documents to secure more than one Class of Secured Obligations, whether or not any such Liens are avoided, invalidated, lapsed or unperfected.

“Comparable Second Priority Security Document” means, in relation to any Common Collateral subject to any First Priority Security Document, that Second Priority Security Document that creates a security interest in the same Common Collateral, granted by the same Grantor, as applicable.

“Defaulting ABL Secured Party” has the meaning specified in Section 4.4(g).

“DIP Financing” means an ABL Priority DIP Financing or a Term Loan Priority DIP Financing.

“Enforcement Action” means, with respect to any Class of Secured Obligations, the exercise of any rights and remedies with respect to any Common Collateral securing such obligations or the commencement or prosecution of enforcement of any of the rights and remedies under the Loan

Documents governing such Class, or applicable law, including, without limitation, the exercise of any rights of set-off, recoupment or credit bidding, and the exercise of any rights or remedies of a secured creditor under the Uniform Commercial Code, the Bankruptcy Code (including credit bidding rights) or other similar creditors' rights, bankruptcy, insolvency, reorganization or similar laws of any applicable jurisdiction. For the avoidance of doubt, none of the following shall be deemed to constitute an "Enforcement Action": (a) the filing in bankruptcy court of a proof of claim or a motion seeking adequate protection to the extent permitted herein; (b) the collection or application of, or the delivery of any activation notice (or revocation of such activation notice) with respect to, funds from time to time on deposit in any deposit account or securities account representing ABL Priority Collateral, (c) the consent by a Secured Party to a sale or other disposition by any Grantor of any of its assets or properties, (d) the reduction of advance rates or sub-limits by the ABL Agent and the ABL Lenders, (e) the imposition of reserves or change in eligibility standards or criteria by the ABL Agent, or (f) the imposition of the default rate of interest in respect of any or all of the ABL/LC Secured Obligations or the Term Loan Secured Obligations.

"Enforcement Expenses" means all out-of-pocket costs, expenses or fees (including fees incurred by an ABL/LC Agent or Term Loan Agent, as applicable, or any attorneys, appraisers, collection agents or other agents or consultants retained by such Agent) that any such Agent or any other Secured Party (to the extent such costs, expenses or fees are reimbursable under the terms of the ABL/LC Credit Agreement or the Term Loan Agreement, as applicable) may suffer or incur after the occurrence of an "Event of Default" under the ABL/LC Credit Agreement or Term Loan Agreement, as applicable, on account or in connection with the enforcement of this Agreement, including (a) the repossession, storage, repair, appraisal, insuring, completion of the manufacture of, preparing for sale, advertising for sale, selling, collecting or otherwise preserving or realizing upon any Common Collateral, (b) the settlement or satisfaction of any prior Lien or other encumbrance upon any Common Collateral or (c) the enforcement of any of the ABL/LC Loan Documents or the Term Loan Documents, as the case may be. Enforcement Expenses shall not be excluded from First Priority Obligations regardless of whether such amounts are added to the principal balance of the loans pursuant to the Loan Documents governing the First Priority Obligations.

"First Priority Documents" means, with respect to any Type of Common Collateral, the Loan Documents governing the related First Priority Obligations.

"First Priority Lien" means any Lien on any Type of Common Collateral securing any First Priority Obligation.

"First Priority Obligations" means, subject to Section 1.3, (i) with respect to the ABL/LC Priority Collateral, the ABL/LC Secured Obligations and (ii) with respect to the Term Loan Priority Collateral, the Term Loan Secured Obligations. To the extent any payment with respect to any First Priority Obligation (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a voidable transfer, fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Second Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred. Enforcement Expenses shall not be excluded from First Priority Obligations regardless of whether such amounts are added to the principal balance of the loans pursuant to the Loan Documents governing the applicable First Priority Obligations.

"First Priority Obligations Payment Date" means (a) with respect to the ABL/LC Priority Collateral, the date of written notice by each of the ABL Agent and LC Agent to Term Loan Agent of the

Payment in Full of ABL/LC Secured Obligations and (b) with respect to the Term Loan Priority Collateral, the date of written notice by Term Loan Agent to each of the ABL Agent and the LC Agent of the Payment in Full of Term Loan Secured Obligations. For the avoidance of doubt, a Refinancing of First Priority Obligations with respect to any Type of Common Collateral that is permitted hereby shall not give rise to the First Priority Obligations Payment Date with respect to such Common Collateral unless the terms thereof expressly so provide with reference to this Agreement.

“First Priority Representative” means (a) with respect to the ABL/LC Priority Collateral, the ABL/LC Controlling Agent and (b) with respect to the Term Loan Priority Collateral, the Term Loan Agent.

“First Priority Secured Parties” means, with respect to each Type of Common Collateral, the First Priority Representative and the holders of the First Priority Obligations.

“First Priority Security Documents” means each agreement or document granting or purporting to grant a Lien on any Common Collateral to secure First Priority Obligations.

“Grantor Joinder Agreement” means a supplement to this Agreement substantially in the form of Annex III, appropriately completed.

“Grantors” means the Borrower and each Subsidiary of the Borrower that has at any time granted a Lien on any assets that constitute Common Collateral to secure any of the Secured Obligations.

“Insolvency Proceeding” means (a) any voluntary or involuntary case or proceeding in respect of bankruptcy, insolvency, winding up, receivership, liquidation, reorganization, dissolution or assignment for the benefit of creditors, in each of the foregoing events whether under the Bankruptcy Code or any similar federal, state or foreign bankruptcy, insolvency, reorganization, receivership or similar law, (b) any proceeding seeking the appointment of any trustee, receiver, liquidator, custodian or other insolvency official with similar powers with respect to such Person or any or all of its assets or properties, (c) any liquidation, dissolution, reorganization or winding up whether voluntary or involuntary and whether or not involving insolvency or bankruptcy or (d) any other marshalling of assets and liabilities of any Person.

“Intellectual Property Collateral” has the meaning specified in the Term Loan Security Agreement as in effect on the date hereof.

“LC Agent” has the meaning set forth in the recitals of this Agreement; provided that the term “LC Agent” shall also mean the Representative for the holders of any indebtedness outstanding under any Replacement LC Credit Agreement then extant (and, if more than one LC Agent exists at any time, “LC Agent” shall be deemed to be a collective reference to each LC Agent).

“LC Credit Agreement” has the meaning set forth in the recitals of this Agreement; provided that the term “LC Credit Agreement” shall also include any Replacement LC Credit Agreement, as such Replacement LC Credit Agreement may be amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof.

“LC Lenders” has the meaning set forth in the recitals of this Agreement.

“LC Loan Documents” means (a) the “Loan Documents” as defined in the LC Credit Agreement or (b) the “Loan Documents” (or any comparable term) as defined in any Replacement LC Credit Agreement, as the case may be.

“LC Priority Collateral” means (a) the “Cash Collateral Account” as defined in the LC Credit Agreement, (b) all of the sums from time to time in the Cash Collateral Account (and all cash, checks and other negotiable instruments, funds and other evidences of payment held therein or credited thereto), (c) any securities, instruments, financial assets, investment property, and any other property credited to the Cash Collateral Account, or issued in replacement of or in substitution or exchange for any of the foregoing, (d) any and all proceeds and products of any thereof and any interest, dividend or income accrued or earned thereon, any additions, substitutions or renewals thereof, and any other amounts held in the Cash Collateral Account, whether now or hereafter existing or arising, and (e) any books and records relating thereto, and any proceeds of the foregoing (including any cash interest, income, or dividends with respect to the foregoing).

“LC Secured Obligations” means all “Secured Obligations” (or comparable term) as defined in the LC Credit Agreement (including, for the avoidance of doubt, in any Replacement LC Credit Agreement).

“LC Secured Parties” means holders from time to time of the LC Secured Obligations.

“LC Security Agreement” has the meaning set forth in the recitals of this Agreement; provided that if a Replacement LC Credit Agreement is in effect, “LC Security Agreement” shall be deemed to be a reference to each agreement pursuant to which Liens have been granted to secure obligations under the Replacement LC Credit Agreement, in each case, as such agreement may be amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof.

“Lien” means any lien, security interest, hypothecation, hypothec or other charge or encumbrance of any kind on the property of a Person, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property; provided the term “Lien” shall not include any license of intellectual property.

“Loan Document” means any of the ABL Loan Documents, the LC Loan Documents or the Term Loan Documents.

“Maximum Obligations Amount” means

(a) with respect to the principal amount of Term Loan Secured Obligations (i) \$275,000,000 (which amount shall be increased by the amount of all interest, fees, costs, expenses, indemnities and other amounts accrued or charged with respect to any of the Term Loan Secured Obligations as and when the same accrues or becomes due and payable, irrespective of whether the same is added to the principal amount of the Term Loan Secured Obligations and including the same as would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable, in whole or in part, in any such Insolvency Proceeding plus (ii) the principal amount of any Term Loan Priority DIP Financing, provided, that, (A) the sum of (1) the aggregate principal amount of such Term Loan Priority DIP Financing and (2) the aggregate principal amount of Term Loan Secured Obligations outstanding pursuant to clause (a)(i) above on the date of the commencement of any Insolvency Proceeding does not exceed \$500,000,000 and (B) notwithstanding anything in this clause (a) to the contrary, for purposes of determining whether the maximum principal amounts in this clause (a) have been exceeded, the principal amount of Term Loan Secured Obligations arising as a result of payment of interest in kind or Enforcement Expenses shall be disregarded, and any such principal amounts arising as a result of payment of interest in kind or Enforcement Expenses shall be deemed to be included in the Maximum Obligations Amount; and

(b) with respect to the principal amount of ABL/LC Secured Obligations, together with the undrawn face amount of and unreimbursed drawings with respect to letters of credit constituting ABL/LC Secured Obligations, (i) \$165,000,000 (which amount shall be increased by the amount of all interest, fees, costs, expenses, indemnities and other amounts accrued or charged with respect to any of the ABL/LC Secured Obligations as and when the same accrues or becomes due and payable, irrespective of whether the same is added to the principal amount of the ABL/LC Secured Obligations and including the same as would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable, in whole or in part, in any such Insolvency Proceeding) plus (ii) the aggregate amount of Bank Product Obligations (or a comparable term in any Replacement ABL Credit Agreement) constituting ABL/LC Secured Obligations, plus (iii) the principal amount of any ABL Priority DIP Financing, provided, that, (A) the sum of (1) the aggregate principal amount of such ABL Priority DIP Financing and (2) the aggregate principal amount of ABL/LC Secured Obligations outstanding pursuant to clause (b)(i) above on the date of the commencement of any Insolvency Proceeding does not exceed \$206,000,000 and (B) notwithstanding anything in this clause (b) to the contrary, for purposes of determining whether the maximum principal amounts in this clause (a) have been exceeded, the principal amount of ABL/LC Secured Obligations arising as a result of payment of interest in kind or Enforcement Expenses shall be disregarded, and any such principal amounts arising as a result of payment of interest in kind or Enforcement Expenses shall be deemed to be included in the Maximum Obligations Amount;

Plus, in the case of a Refinancing of any of the foregoing permitted pursuant to this Agreement and in the case of each of clauses (a) and (b), an amount equal to accrued and unpaid interest on, and premium with respect to, the obligations being Refinanced and other reasonable and customary fees and expenses incurred in connection with such Refinancing.

"Mortgage" means any mortgage, deed of trust, leasehold mortgage, assignment of leases and rents, modifications and any other agreement, document or instrument pursuant to which any Lien on real property is granted to secure any Secured Obligations or under which rights or remedies with respect to any such Lien are governed.

"Payment in Full of ABL/LC Secured Obligations" means, subject to Sections 5.5 and 6.2 hereof:

(a) the payment in full in cash of the principal and interest (including any interest which would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such case) constituting ABL/LC Secured Obligations, provided, that, for purposes of the definition of the term "First Priority Obligations Payment Date" as to the ABL/LC Secured Obligations, and for purposes of Section 4.1 hereof if the sum of: (i) the aggregate principal amount of indebtedness outstanding under the ABL Credit Agreement and the LC Credit Agreement, plus (ii) the aggregate face amount of any letters of credit issued but not reimbursed under the ABL Credit Agreement or LC Credit Agreement are, in the aggregate for amounts described in clauses (i) and (ii) in excess of the Maximum Obligations Amount for the ABL/LC Secured Obligations, then only the portion of the aggregate principal amount of ABL/LC Secured Obligations (excluding, for the avoidance of doubt, any obligations under Bank Product Obligations) not in excess of the Maximum Obligations Amount for the ABL/LC Secured Obligations shall be deemed to be "ABL/LC Secured Obligations" for purposes of this clause (a);

(b) the payment in full in cash of all other ABL/LC Secured Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (including any such amounts which would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such case), other than obligations described in clause (c) and clause (d) below;

(c) (i) the delivery to ABL Agent, or at ABL Agent's option, each Issuing Bank (as such term is defined in the ABL Credit Agreement) of cash collateral, or at ABL Agent's option, the delivery to ABL Agent of a letter of credit payable to ABL Agent (or at ABL Agent's option, such Issuing Bank) issued by a bank reasonably acceptable to ABL Agent (or if issued to such Issuing Bank, a bank reasonably acceptable to such Issuing Bank) in form and substance reasonably satisfactory to ABL Agent (or if issued to such Issuing Bank, in form and substance reasonably acceptable to such Issuing Bank), in either case in respect of letters of credit, banker's acceptances or similar or related instruments issued under the ABL Loan Documents (in such amount as required by the ABL Loan Documents but not to exceed one hundred three percent (103%) of the amount of such letters of credit, banker's acceptances or similar or related instruments), (ii) the delivery of cash collateral in respect of Bank Product Obligations owing to any ABL Secured Party (or, at the option of the ABL Secured Party with respect to such Bank Product Obligations, the termination of the applicable Bank Product Obligations and the payment in full in cash of the ABL Secured Obligations due and payable in connection with such termination or the execution and implementation of alternative arrangements reasonably satisfactory to the applicable ABL Secured Party), and (iii) the delivery of cash collateral to ABL Agent, or at ABL Agent's option, the delivery to ABL Agent of a letter of credit payable to ABL Agent issued by a bank reasonably acceptable to ABL Agent in form and substance reasonably satisfactory to ABL Agent, in respect of contingent ABL Secured Obligations for which a claim or demand for payment has been made at such time or in respect of matters or circumstances known to an ABL Secured Party at the time, of which such ABL Secured Party has informed ABL Agent and Grantors and which are reasonably expected to result in any loss, cost, damage or expense (including attorneys' fees and legal expenses) to any ABL Secured Party for which such ABL Secured Party is entitled to indemnification by any Grantor;

(d) (i) the delivery to LC Agent, or at LC Agent's option, each Issuing Bank (as such term is defined in the LC Credit Agreement) of cash collateral, or at LC Agent's option, the delivery to LC Agent of a letter of credit payable to LC Agent (or at LC Agent's option, such Issuing Bank) issued by a bank reasonably acceptable to LC Agent (or if issued to such Issuing Bank, a bank reasonably acceptable to such Issuing Bank) in form and substance reasonably satisfactory to LC Agent (or if issued to such Issuing Bank, in form and substance reasonably acceptable to such Issuing Bank), in either case in respect of letters of credit, banker's acceptances or similar or related instruments issued under the LC Loan Documents equal to the amount by which the amount of the cash collateral held as LC Priority Collateral is less than one hundred three percent (103%) of the amount of the LC Secured Obligations with respect to such letters of credit, banker's acceptances or similar or related instruments, if any and (ii) the delivery of cash collateral to LC Agent, or at LC Agent's option, the delivery to LC Agent of a letter of credit payable to LC Agent issued by a bank reasonably acceptable to LC Agent in form and substance reasonably satisfactory to LC Agent, in respect of contingent LC Secured Obligations for which a claim or demand for payment has been made at such time or in respect of matters or circumstances known to a LC Secured Party at the time, of which such LC Secured Party has informed LC Agent and Grantors and which are reasonably expected to result in any loss, cost, damage or expense (including attorneys' fees and legal expenses) to any LC Secured Party for which such LC Secured Party is entitled to indemnification by any Grantor;

(e) the termination of the commitments of the ABL Lenders and the financing arrangements provided by ABL Agent and the ABL Lenders to Grantors under the ABL Loan Documents; and

(f) the termination of the commitments of the LC Lenders and the financing arrangements provided by LC Agent and the LC Lenders to Grantors under the LC Loan Documents.

"Payment in Full of Term Loan Secured Obligations" means, subject to Sections 5.5 and 6.2 hereof:

(a) the payment in full in cash of the principal and interest (including any interest which would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such case) constituting Term Loan Secured Obligations, provided, that, for purposes of the definition of the term "First Priority Obligations Payment Date" as to the Term Loan Secured Obligations and for purposes of Section 4.1, if the aggregate principal amount of indebtedness outstanding under the Term Loan Agreement, is in the aggregate in excess of the Maximum Obligations Amount for the Term Loan Secured Obligations, then only the portion of the aggregate principal amount of Term Loan Secured Obligations not in excess of the Maximum Obligations Amount for the Term Loan Secured Obligations shall be deemed to be "Term Loan Secured Obligations" for purposes of this clause (a);

(b) the payment in full in cash of all other Term Loan Secured Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (including any such amounts which would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such case), other than obligations described in clause (c) below;

(c) the delivery to Term Loan Agent of cash collateral, or at Term Loan Agent's option, the delivery to Term Loan Agent of a letter of credit payable to Term Loan Agent issued by a bank reasonably acceptable to Term Loan Agent and in form and substance reasonably satisfactory to Term Loan Agent, in either case in respect of contingent Term Loan Secured Obligations for which a claim or demand for payment has been made at such time or in respect of matters or circumstances known to a Term Loan Secured Party at the time, of which such Term Loan Secured Party has informed Term Loan Agent and Grantors and which are reasonably expected to result in any loss, cost, damage or expense (including attorneys' fees and legal expenses) to any Term Loan Secured Party for which such Term Loan Secured Party is entitled to indemnification by any Grantor.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited or unlimited liability company or other entity, or a government or any political subdivision or agency thereof.

"Post-Petition Interest" means any interest, fees, expenses or other amount that accrues or would have accrued after the commencement of any Insolvency Proceeding, whether or not allowed or allowable in any such Insolvency Proceeding.

"Recovery," has the meaning specified in Section 5.5(a).

"Refinance" means, in respect of any indebtedness, to extend, refinance, renew or replace, defease or refund such indebtedness, in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings.

"Replacement ABL Credit Agreement" means (a) any replacement credit agreement entered into by the Grantors (or any of them) to Refinance, in whole but not in part, the indebtedness outstanding under the then-extant ABL Credit Agreement or (b) in the event that no indebtedness is outstanding under the then-extant ABL Credit Agreement, any replacement credit agreement entered into by the Grantors (or any of them), so long as, in the case of each of clauses (a) and (b), the commitments under the then-extant ABL Credit Agreement shall have also been terminated or in the case of any letters of credit or Bank Products Obligations Agreements, terminated, backstopped or cash collateralized; provided that (i) the incurrence of such indebtedness and the Liens securing such indebtedness is permitted by (A) the then-extant Term Loan Documents and LC Loan Documents and (B) this Agreement (including, without limitation, Section 6.2), (ii) the Borrower shall have designated the Representative of the holders of the

indebtedness under such replacement credit agreement as the "ABL Agent" by delivering a writing to such effect to the Term Loan Agent and LC Agent, (iii) the provisions of Section 6.2(a) of this Agreement shall have been complied with and (iv) the Borrower shall have delivered to the Term Loan Agent and LC Agent an officer's certificate certifying that the preceding conditions have been satisfied.

"Replacement LC Credit Agreement" means (a) any replacement credit agreement entered into by the Grantors (or any of them) to Refinance, in whole but not in part, the indebtedness outstanding under the then-extant LC Credit Agreement or (b) in the event that no indebtedness is outstanding under the then-extant LC Credit Agreement, any replacement credit agreement entered into by the Grantors (or any of them), so long as, in the case of each of clauses (a) and (b), the commitments under the then-extant LC Credit Agreement shall have also been terminated or in the case of any letters of credit terminated, backstopped or cash collateralized; provided that (i) the incurrence of such indebtedness and the Liens securing such indebtedness is permitted by (A) the then-extant Term Loan Documents and ABL Loan Documents and (B) this Agreement (including, without limitation, Section 6.2), (ii) the Borrower shall have designated the Representative of the holders of the indebtedness under such replacement credit agreement as the "LC Agent" by delivering a writing to such effect to the Term Loan Agent and ABL Agent, (iii) the provisions of Section 6.2(a) of this Agreement shall have been complied with and (iv) the Borrower shall have delivered to the Term Loan Agent and ABL Agent an officer's certificate certifying that the preceding conditions have been satisfied.

"Replacement Term Loan Agreement" means any replacement loan agreement or agreements entered into by the Grantors (or any of them) to Refinance, in whole or in part, the indebtedness outstanding under any then-extant Term Loan Agreement; provided that (a) the incurrence of such indebtedness and the Liens securing such indebtedness is permitted by (i) the ABL Loan Documents and the LC Loan Documents, (ii) the other then-extant Term Loan Documents and (iii) this Agreement (including, without limitation, Section 6.2), (b) the Borrower shall have designated the Representative of the holders of the indebtedness under such replacement loan agreement as a "Term Loan Agent" by delivering a writing to such effect to the ABL Agent and the LC Agent, (c) the provisions of Section 6.2(b) of this Agreement shall have been complied with and (d) the Borrower shall have delivered to the ABL Agent and LC Agent an officer's certificate certifying that the preceding conditions have been satisfied.

"Representative" means the agent, trustee, or other representative for the holders of the Secured Obligations of any Class designated pursuant to the applicable Loan Documents.

"Representative Joinder Agreement" means a supplement to this Agreement substantially in the form of Annex II, appropriately completed.

"Responsible Officer" means with respect to the Borrower, the chief executive officer, president, chief financial officer, general counsel, treasurer or controller and any executive vice president (or any substantially similar office to any of the foregoing), or any other officer of the Borrower designated or authorized by any of the foregoing.

"Second Priority Documents" means, with respect to (a) the ABL/LC Priority Collateral, the Term Loan Documents and (b) with respect to the Term Loan Priority Collateral, the ABL/LC Loan Documents.

"Second Priority Lien" means any Lien on any Type of Common Collateral securing any Second Priority Obligation.

“Second Priority Obligations” means, subject to Section 1.3, (a) with respect to the ABL/LC Priority Collateral, the Term Loan Secured Obligations and (b) with respect to the Term Loan Priority Collateral, the ABL/LC Secured Obligations. To the extent any payment with respect to any Second Priority Obligation (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a voidable transfer, fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any First Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties, the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred. Enforcement Expenses shall not be excluded from Second Priority Obligations regardless of whether such amounts are added to the principal balance of the loans pursuant to the Loan Documents governing the Second Priority Obligations.

“Second Priority Obligations Payment Date” means, with respect to (a) the ABL/LC Priority Collateral, the first date after the First Priority Obligations Payment Date with respect to such Common Collateral that is the date of the Payment in Full of Term Loan Secured Obligations and (b) the Term Loan Priority Collateral, the first date after the First Priority Obligations Payment Date with respect to such Common Collateral that is the date of the Payment in Full of ABL/LC Secured Obligations.

“Second Priority Permitted Actions” means the actions permitted to be taken by the Second Priority Secured Parties with respect to each Type of Common Collateral pursuant to Section 3.1(b) and Section 3.1(c).

“Second Priority Representative” means, with respect to each Type of Common Collateral, the collective reference to each Representative for the holders of the Second Priority Obligations with respect to such Common Collateral.

“Second Priority Secured Parties” means, with respect to each Type of Common Collateral, the Second Priority Representative and the holders of the Second Priority Obligations with respect to such Common Collateral.

“Second Priority Security Documents” means each agreement or document granting or purporting to grant a Lien on any Common Collateral to secure Second Priority Obligations.

“Second Priority Standstill Period” has the meaning specified in Section 3.1(b).

“Secured Obligations” means, collectively, the First Priority Obligations and the Second Priority Obligations.

“Secured Parties” means, collectively, the First Priority Secured Parties and the Second Priority Secured Parties.

“Security Documents” means, collectively, (i) the “Collateral Documents” (or like term) as defined in the ABL/LC Credit Agreements and (ii) the “Security Documents” (or like term) as defined in the Term Loan Agreement.

“Subsidiary” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits

of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Surviving ABL Obligations" has the meaning specified in Section 4.4(a).

"Term Loan Agent" has the meaning set forth in the recitals of this Agreement; provided that the term "Term Loan Agent" shall also mean the Representative for the holders of any indebtedness outstanding under each Replacement Term Loan Agreement then extant (and, if more than one Term Loan Agent exists at any time, "Term Loan Agent" shall be deemed to be a collective reference to each Term Loan Agent).

"Term Loan Agreement" has the meaning set forth in the recitals of this Agreement; provided that the term "Term Loan Agreement" shall also include any Replacement Term Loan Agreement (and if more than one Term Loan Agreement exists at any time, "Term Loan Agreement" shall be deemed to be a collective reference to each Term Loan Agreement then extant), as such Replacement Term Loan Agreement may be amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof.

"Term Loan Documents" means, collectively, the "Loan Documents" (or comparable term) as defined in the Term Loan Agreement.

"Term Loan Priority Collateral" means any and all present and future right, title and interest of the Grantors in and to the following, whether now owned or hereafter acquired, existing or arising, and wherever located to the extent constituting Common Collateral:

- (a) all real estate assets and fixtures,
- (b) all intellectual property, except to the extent provided in clause (d) of the definition of the term "ABL Priority Collateral",
- (c) all equity interests (other than, for the avoidance of doubt, cash equivalents),
- (d) all permits and licenses related to any of the foregoing (including any permits or licenses related to the ownership or operation of real estate assets or fixtures),
- (e) all deposit accounts and securities accounts maintained exclusively for identifiable proceeds of the foregoing or any other Term Loan Priority Collateral (it being understood that, to the extent that identifiable proceeds of Term Loan Priority Collateral are deposited in any deposit accounts or securities accounts that otherwise constitute ABL Priority Collateral, such identifiable proceeds shall constitute Term Loan Priority Collateral),
- (f) all documents, documents of title, general intangibles, guarantees, instruments, investment property, commercial tort claims, letters of credit, supporting obligations and letter of credit rights, in each case that are not ABL Priority Collateral,
- (g) all books, records and documents to the extent relating to the foregoing (including databases, customer lists and other records, whether tangible or electronic, which contain any information relating to any of the foregoing),

(h) all substitutions, replacements, accessions, products and proceeds (including insurance proceeds) of any of the foregoing in whatever form received, including claims against third parties, and

(i) all other Common Collateral not constituting ABL Priority Collateral.

“Term Loan Priority Collateral Enforcement Action Notice” has the meaning specified in Section 7.3(a).

“Term Loan Priority Collateral Enforcement Actions” has the meaning specified in Section 7.3(a).

“Term Loan Priority DIP Financing” has the meaning specified in Section 5.2(b).

“Term Loan Secured Obligations” means all “Obligations” (or comparable term) as defined in the Term Loan Agreement (including, for the avoidance of doubt, in any Replacement Term Loan Agreement).

“Term Loan Secured Parties” means the holders from time to time of the Term Loan Secured Obligations.

“Term Loan Security Agreement” has the meaning set forth in the recitals of this Agreement; provided that if more than one Term Loan Agreement is in effect, “Term Loan Security Agreement” shall be deemed to be a collective reference to each agreement pursuant to which Liens have been granted to secure obligations under each Term Loan Agreement then extant, in each case as any such agreements may be amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof.

“Term Loans” means the “Loans” (or comparable term) (as defined in the Term Loan Agreement, including, for the avoidance of doubt, any Replacement Term Loan Agreement).

“Type” when used to describe any Common Collateral means, as applicable, ABL/LC Priority Collateral or Term Loan Priority Collateral.

“Unasserted Contingent Obligations” means, at any time, with respect to any Class of Secured Obligations, Secured Obligations of such Class for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding (a) the principal of, and interest and premium (if any) on, and fees and expenses relating to, any Secured Obligation of such Class and (b) contingent reimbursement obligations in respect of amounts that may be drawn under outstanding letters of credit) in respect of which no assertion of liability (whether oral or written) and no claim or demand for payment (whether oral or written) has been made (and, in the case of Secured Obligations of such Class for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“United States” means the United States of America.

1.2 UCC Definitions. Unless otherwise defined herein, the following terms are used herein as defined in Article 9 of the Uniform Commercial Code: accounts, chattel paper, commercial tort claims, deposit accounts, documents, equipment, general intangibles, instruments, investment property,

inventory, letter of credit rights, payment intangibles, proceeds, securities accounts and supporting obligations. "Letters of credit" as used herein is as defined in Article 5 of the Uniform Commercial Code.

1.3 Applicability of this Agreement. Notwithstanding anything to the contrary herein, (i) upon the occurrence of the First Priority Obligations Payment Date with respect to a Type of Common Collateral, the Second Priority Obligations with respect to such Common Collateral (immediately prior to the First Priority Obligations Payment Date) shall be deemed to be the First Priority Obligations with respect to such Common Collateral for purposes of this Agreement and (ii) to the extent that the aggregate amount of any Class of Secured Obligations exceeds the Maximum Obligations Amount with respect to such Class, such excess shall not constitute First Priority Obligations or Second Priority Obligations hereunder, and shall be junior in Lien priority to all Secured Obligations.

SECTION 2. *Lien Priorities.*

2.1 Subordination of Liens.

(a) Any and all Second Priority Liens now existing or hereafter created or arising, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, are expressly junior in priority, operation and effect to any and all First Priority Liens now existing or hereafter created or arising, notwithstanding (i) anything to the contrary contained in any agreement or filing to which any Second Priority Secured Party may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any First Priority Document or Second Priority Document or any other circumstance whatsoever and (iii) the fact that any such First Priority Liens are (A) subordinated to any Lien securing any obligation of any Grantor other than the Second Priority Obligations or (B) otherwise subordinated, voided, avoided, invalidated or lapsed.

(b) [Reserved.]

(c) No Secured Party shall object to or contest, or support any other Person in contesting or objecting to, in any proceeding (including without limitation, any Insolvency Proceeding), the validity, extent, perfection, priority or enforceability of any security interest in the Common Collateral granted to any other Secured Party. No Second Priority Secured Party shall take, or cause to be taken, any action the purpose of which is to make any Second Priority Lien *pari passu* with or senior to the First Priority Lien. It is understood that nothing in this Section 2.1(c) is intended to prohibit any Second Priority Secured Party from exercising any rights expressly granted to it under this Agreement.

(d) Notwithstanding any failure by any Secured Party to perfect any or all of its security interests in the Common Collateral or any avoidance, invalidation or subordination by any third party or court of competent jurisdiction of any or all of the security interests in the Common Collateral granted to such Secured Party, the priority and rights as among the Secured Parties with respect to the Common Collateral shall be as set forth herein.

2.2 Nature of Obligations. Each of the ABL Agent, on behalf of the ABL Secured Parties, the LC Agent, on behalf of itself and the LC Secured Parties and the Term Loan Agent, on behalf of the Term Loan Secured Parties, expressly acknowledges and agrees that (i) the ABL Credit Agreement includes a revolving commitment, that in the ordinary course of business the ABL Agent and the ABL Lenders will apply payments and make advances thereunder, and that no application of any Common Collateral or the release of any Lien by the ABL Agent upon any portion of the Common Collateral in connection with a

permitted disposition by the ABL Loan Parties under the ABL Credit Agreement and the Term Loan Agreement shall constitute an Enforcement Action under this Agreement and (ii) the terms of the Secured Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the Secured Obligations may be increased, replaced or Refinanced, in each event, without notice to or consent by the Secured Parties (except to the extent required under Section 6) and without affecting the provisions hereof. The Lien priorities set forth in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or Refinancing of, or waiver, consent or accommodation with respect to any of the ABL/LC Secured Obligations or the Term Loan Secured Obligations, or any portion thereof.

Each Secured Party acknowledges that certain of the Secured Obligations are revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and that the terms of such Secured Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the Secured Obligations may be increased, replaced or Refinanced, in each event, without notice to or consent by the Secured Parties (except to the extent required under Section 6) and without affecting the provisions hereof. The lien priorities provided in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or Refinancing of or waiver, consent or accommodation with respect to any Secured Obligations, or any portion thereof.

2.3 Agreements Regarding Actions to Perfect Liens.

(a) With respect to each Type of Common Collateral, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that UCC-1 financing statements, patent, trademark or copyright filings or other filings or recordings filed or recorded by or on behalf of such Second Priority Representative or any other Second Priority Secured Party (or any agent or other representative thereof) shall be in form reasonably satisfactory to the First Priority Representative.

(b) The Second Priority Representative with respect to the Term Loan Priority Collateral agrees, on behalf of itself and the other Second Priority Secured Parties with respect to the Term Loan Priority Collateral, as the case may be, that all Mortgages now or hereafter filed against real property in favor of or for the benefit of the Second Priority Representative with respect to the Term Loan Priority Collateral shall be in substantially the same form as the Mortgages in favor of or for the benefit of the First Priority Representative with respect to the Term Loan Priority Collateral (subject to modification of those terms relating to the priority of the Mortgages) and in the case of such a Mortgage in favor of or for the benefit of the Second Priority Representative with respect to the Term Loan Priority Collateral shall, to the extent permitted by applicable law, contain a notation in substantially the following form: "The lien created by this [mortgage][deed of trust][similar instrument] on the property described herein is junior and subordinate to the lien on such property created by any mortgage, deed of trust or similar instrument now or hereafter granted to [First Priority Representative with respect to the Term Loan Priority Collateral], and its successors and assigns, in such property, in accordance with the provisions of the Intercreditor Agreement, dated as of February 26, 2021, among Bank of America, N.A., as Representative with respect to the ABL Credit Agreement (as amended from time to time), Bank of America, N.A., as Representative with respect to the LC Credit Agreement (as amended from time to time), Alter Domus (US) LLC, as Representative with respect to the Term Loan Agreement (as amended from time to time), Eastman Kodak Company and the other parties thereto, as amended from time to time".

(c) With respect to each Type of Common Collateral, the First Priority Representative hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code) over such Common Collateral

pursuant to the First Priority Documents, such possession or control is also for the benefit of the Second Priority Representative and the other Second Priority Secured Parties, but solely as gratuitous bailee or gratuitous agent, as applicable, to the extent required to perfect their security interest in such Common Collateral (such bailment or agency being intended, among other things, to satisfy the requirements of Sections 8-106(d)(3), 8-301(a)(2), 9-313(c) and 9-314 of the Uniform Commercial Code). Nothing in the preceding sentence shall be construed to impose any duty on the First Priority Representative (or any third party acting on its behalf) with respect to such Common Collateral or provide any Second Priority Representative or any other Second Priority Secured Party with respect to such Common Collateral with any rights with respect to such Common Collateral beyond those specified in this Agreement and the Second Priority Documents; provided that with respect to each Type of Common Collateral, subsequent to the occurrence of the First Priority Obligations Payment Date in each case at the Grantors' sole cost and expense, (i) the First Priority Representative shall (A) deliver to the Second Priority Representative (and each Grantor hereby directs such First Priority Representative to so deliver), any stock certificates or promissory notes evidencing or constituting such Common Collateral in its possession or control together with any necessary endorsements to the extent required by the Second Priority Documents or (B) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs and (ii) in the case of any Common Collateral consisting of deposit accounts or securities accounts as to which the First Priority Representative has control pursuant to an account control agreement, the First Priority Representative and the applicable Grantor shall take such actions, if any, as are required to cause control over such Common Collateral to become vested in the Second Priority Representative; provided that the provisions of this Agreement are intended solely to govern the respective Lien priorities as between the First Priority Secured Parties, the Second Priority Secured Parties and shall not impose on the First Priority Secured Parties any obligations in respect of the disposition of any Common Collateral (or any proceeds thereof) that would conflict with prior perfected Liens or any claims thereon in favor of any other Person that is not a Secured Party.

(d) Other than as set forth in the first proviso to the second sentence of the immediately preceding paragraph (c), any First Priority Secured Party with physical possession of or control over Common Collateral shall not have any duty or liability to protect or preserve any rights pertaining to any of such Common Collateral and, except for gross negligence or willful misconduct as determined in a final non-appealable order of a court of competent jurisdiction, each Second Priority Secured Party hereby waives and releases such Person from all claims and liabilities arising pursuant to such Person's role as gratuitous bailee with respect to such Common Collateral.

2.4 No New Liens. The parties hereto agree that there shall be no Lien, and no Grantor shall have any right to create any Lien, on any asset of such Grantor securing any Secured Obligation of such Grantor if such asset is not also subject to a Lien securing each other Secured Obligation of such Grantor, except that (a) nothing contained in this Section 2.4 shall preclude (i) the First Priority Secured Parties from being granted Adequate Protection Liens regardless of whether any Adequate Protection Liens are granted to the Second Priority Secured Parties or (ii) the Second Priority Secured Parties from being granted Adequate Protection Liens in accordance with Section 5.4 and (b) this Section 2.4 shall be inapplicable to any Lien securing obligations under any Bank Product Obligations and/or Letters of Credit (as defined in the ABL Credit Agreement and the LC Credit Agreement), and not any other obligations, that is permitted under each of the ABL/LC Credit Agreements and the Term Loan Agreement. If any Secured Party shall (nonetheless and in breach hereof) acquire or hold any Lien on any assets of any Grantor securing the Secured Obligations of such Grantor, which assets are not also subject to a Lien securing the other Secured Obligations of such Grantor as required by the first sentence of this Section 2.4, then such Secured Party shall, without the need for any further consent of any other Secured Party, and notwithstanding anything to the contrary in any Loan Document, be deemed to hold and have held such Lien for the benefit of the Secured Parties holding Secured Obligations that are required to have a Lien on such assets by the first sentence of this Section 2.4 (and each such Lien so deemed to have been

held shall be subject in all respects to the provisions of this Agreement, including without limitation the lien subordination provisions set forth in Section 2.1). In the event such Secured Party knows such assets are not subject to a Lien securing the other Secured Obligations of such Grantor as required by the first sentence of this Section 2.4, then such Secured Party shall promptly notify the other Secured Parties in writing of the existence of such Lien.

SECTION 3. *Enforcement Rights.*

3.1 Exclusive Enforcement.

(a) With respect to each Type of Common Collateral, until the First Priority Obligations Payment Date, whether or not an Insolvency Proceeding has been commenced by or against any Grantor, the First Priority Secured Parties shall have the exclusive right to take and continue (or refrain from taking or continuing) any Enforcement Action with respect to such Common Collateral, without any consultation with or consent of any Second Priority Secured Party with respect to such Common Collateral; provided that the Second Priority Secured Parties with respect to any Common Collateral may exercise credit bidding rights with respect to such Common Collateral to the extent expressly permitted under clause (y) of Section 5.6(a). With respect to each Type of Common Collateral, upon the occurrence and during the continuance of an event of default under the First Priority Documents (and subject to the provisions of the First Priority Documents), the First Priority Representative and the other First Priority Secured Parties may take and continue any Enforcement Action with respect to the applicable First Priority Obligations and such Common Collateral in such order and manner as they may determine in their sole discretion.

(b) Notwithstanding Section 3.1(a), with respect to each Type of Common Collateral, the Second Priority Representative and the Second Priority Secured Parties may enforce any of their rights and exercise any of their remedies with respect to the Common Collateral after a period of 180 days has elapsed since the date on which the Second Priority Representative has delivered to the First Priority Representative written notice of the acceleration or non-payment at maturity of the indebtedness then outstanding under the Second Priority Documents (the "Second Priority Standstill Period"); provided, that, notwithstanding the expiration of the Second Priority Standstill Period or anything to the contrary herein, with respect to each Type of Common Collateral, in no event shall the Second Priority Representative or any other Second Priority Secured Party enforce or exercise any rights or remedies with respect to such Common Collateral if the First Priority Representative or any other First Priority Secured Party shall have commenced, and shall be diligently pursuing (or shall have sought or requested relief from or modification of the automatic stay or any other stay in any Insolvency Proceeding to enable the commencement and pursuit thereof), the enforcement or exercise of any rights or remedies with respect to all or a material portion of such Common Collateral (prompt written notice thereof to be given to the Second Priority Representative by the First Priority Representative). If any stay or other order prohibiting the exercise of remedies with respect to any Type of Common Collateral has been entered in connection with any Insolvency Proceeding or by a court of competent jurisdiction, the Second Priority Standstill Period with respect to such Common Collateral shall be tolled during the pendency of any such stay or other order.

(c) It is understood that Sections 3.1(a) and 3.1(b) do not restrict the following:

(i) in any Insolvency Proceeding commenced by or against any Grantor, the Second Priority Representative with respect to each Type of Common Collateral may file a claim or statement of interest with respect to such Type of Common Collateral;

(ii) the Second Priority Representative with respect to each Type of Common Collateral may take any action (not adverse to the priority or perfection status of the Liens securing the First Priority Obligations with respect to each Type of Common Collateral, or the rights of the First Priority Representative or the First Priority Secured Parties with respect to such Type of Common Collateral to exercise remedies in respect thereof) in order to create, preserve, perfect or protect (but not enforce) the Second Priority Lien on such Type of Common Collateral;

(iii) the Second Priority Secured Parties with respect to each Type of Common Collateral shall be entitled to file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Second Priority Secured Parties with respect to such Type of Common Collateral, if any, in each case to the extent not inconsistent with the terms of this Agreement;

(iv) the Second Priority Secured Parties with respect to each Type of Common Collateral shall be entitled to file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any bankruptcy, insolvency or similar law or applicable non-bankruptcy law, in each case to the extent not inconsistent with the terms of this Agreement; and

(v) the Second Priority Secured Parties with respect to each Type of Common Collateral shall be entitled to vote on any plan of reorganization and file any proof of claim in an Insolvency Proceeding or otherwise and make any arguments and motions that are, in each case, to the extent not inconsistent with the terms of this Agreement.

3.2 Standstill and Waivers.

(a) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations Payment Date, subject to Section 3.1(c) and except in connection with the taking of any Second Priority Permitted Actions, they will not oppose, object to, interfere with, hinder or delay, in any manner, whether by judicial proceedings (including without limitation the filing of an Insolvency Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer or other disposition of such Common Collateral pursuant to an Enforcement Action (or pursuant to a sale, lease, exchange or transfer as a result of which the Second Priority Lien is automatically released pursuant to Section 4.2(a)) or any other Enforcement Action taken by or on behalf of the First Priority Representative or any other First Priority Secured Party;

(b) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations Payment Date, they have no right to (i) direct the First Priority Representative or any other First Priority Secured Party to take any Enforcement Action with respect to such Common Collateral or (ii) subject to Section 3.1(c) and except in connection with the taking of any Second Priority Permitted Actions, consent or object to the taking by the First Priority Representative or any other First Priority Secured Party of any Enforcement Action with respect to such Common Collateral or to the timing or manner thereof (or, to the extent it may have any such right described in this Section 3.2(b) as a junior lien creditor, they hereby irrevocably waive such right);

(c) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations

Payment Date, they will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding, except as otherwise provided herein, any claim against the First Priority Representative or any other First Priority Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, and none of the First Priority Representative nor any other First Priority Secured Party shall be liable for, any action taken or omitted to be taken by the First Priority Representative or any First Priority Secured Party with respect to such Common Collateral or pursuant to the First Priority Documents; provided that nothing in this Section 3.2(c) shall be construed to prevent or limit any party hereto from instituting any such suit or other proceeding to enforce the terms of this Agreement;

(d) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations Payment Date, they will not take any Enforcement Action with respect to such Common Collateral, except as otherwise permitted under the proviso to the first sentence of Section 3.1(a) or under Section 3.1(b) or Section 3.1(c);

(e) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations Payment Date, they will not commence judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce their interest in or realize upon, such Common Collateral, in each case, except as otherwise permitted under the proviso to the first sentence of Section 3.1(a) or under Section 3.1(b) or Section 3.1(c); and

(f) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations Payment Date, they will not seek, and hereby waive any right, to have such Common Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Common Collateral, except as otherwise permitted under Section 3.1(b) or under Section 3.1(c).

3.3 Judgment Creditors. In the event that any Second Priority Secured Party becomes a judgment lien creditor as a result of its enforcement of its rights as an unsecured creditor in respect of its Second Priority Obligations (it being understood that any such party may exercise its rights and remedies as an unsecured creditor against the relevant Grantors in accordance with the terms of the Second Priority Documents and applicable law; provided that such exercise of rights or remedies is not inconsistent with this Agreement), such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the First Priority Liens and the First Priority Obligations and the Second Priority Liens and the Second Priority Obligations, as applicable) to the same extent as all other Second Priority Liens (created pursuant to the Second Priority Documents), subject to this Agreement.

3.4 Cooperation.

(a) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that it shall take such actions as the First Priority Representative shall reasonably request in connection with an Enforcement Action by any First Priority Secured Party or the exercise by the First Priority Secured Parties of their rights set forth herein.

(b) With respect to each Type of Common Collateral, on the First Priority Obligations Payment Date the First Priority Representative for such Common Collateral agrees to take all reasonable actions in its power (with all costs and expenses in connection therewith to be for the account of the Grantors) to permit the Second Priority Representative for such Common Collateral to obtain, for the benefit of the Second Priority Secured Parties for such Common Collateral, a first priority security interest in such Common Collateral, including without limitation in connection with the terms of any collateral access agreement, deposit account control agreement or other third party agreement, whether with a landlord, processor, warehouse or other third party, and with respect to any such agreement delivered on or after the date hereof, the First Priority Representative for such Common Collateral shall notify the other parties thereto that it is no longer the "Secured Party Representative," "Representative," "Lender Representative" or "Notice Agent" or similar term or otherwise entitled to act under such agreement and shall confirm to such parties that the Second Priority Representative for such Common Collateral is thereafter the "Secured Party Representative," "Representative," "Lender Representative" or "Notice Agent" or similar term as any of such terms are used in any such agreement and is otherwise entitled to the rights of the secured party under such agreement.

3.5 No Additional Rights for the Grantors Hereunder. Except as provided in Section 3.6, if any Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, no Grantor shall be entitled to use such violation as a defense to any action by any Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any Secured Party.

3.6 Actions Upon Breach.

(a) With respect to each Type of Common Collateral, if any Second Priority Secured Party commences or participates in any action or proceeding against any Grantor in respect of such Common Collateral contrary to this Agreement, such Grantor, with the prior written consent of the First Priority Representative, may interpose as a defense or dilatory plea the making of this Agreement, and any First Priority Secured Party may intervene and interpose such defense or plea in its or their name or in the name of such Grantor.

(b) With respect to each Type of Common Collateral, if any Second Priority Secured Party (or any agent or other representative thereof) in any way takes, attempts to take or threatens to take any action with respect to such Common Collateral (including, without limitation, any attempt to enforce any remedy on such Common Collateral) in violation of this Agreement, or fails to take any action required by this Agreement, any First Priority Secured Party (in its or their own name or in the name of any Grantor) may obtain relief against such Second Priority Secured Party (or agent or other representative thereof), as the case may be, by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by the Second Priority Representative on behalf of each other Second Priority Secured Party that (i) the damages of the First Priority Secured Parties from its actions may at that time be difficult to ascertain and may be irreparable, and (ii) each Second Priority Secured Party waives any defense that any Grantor and/or the First Priority Secured Parties cannot demonstrate damage and/or can be made whole by the awarding of damages.

SECTION 4. *Application of Proceeds of Common Collateral; Dispositions and Releases of Common Collateral; Inspection and Insurance.*

4.1 Application of Proceeds; Turnover Provisions.

(a) All proceeds of ABL/LC Priority Collateral (to the extent such ABL/LC Priority Collateral constitutes Common Collateral) (including any interest earned thereon) received (i) in connection with any exercise of any Enforcement Action or other right or remedy (including set off) with

respect to the ABL/LC Priority Collateral, (ii) in connection with the sale or other disposition of all or any portion of the ABL/LC Priority Collateral under Section 4.2, or (iii) following the commencement of any Insolvency Proceeding (including any distributions pursuant to a plan of reorganization in such Insolvency Proceeding), in each case, shall be distributed as follows:

first, to the ABL Agent with respect to the ABL Priority Collateral, and the LC Agent with respect to the LC Priority Collateral, to be applied in accordance with the ABL/LC Intercreditor Agreement and ABL/LC Credit Agreements until the Payment in Full of the ABL/LC Secured Obligations shall have occurred;

second, to the Term Loan Agent to be applied in accordance with the Term Loan Agreement until the Payment in Full of the Term Loan Secured Obligations shall have occurred;

third, to the payment in full in cash of the remaining ABL/LC Secured Obligations;

fourth, to the payment in full in cash of the remaining Term Loan Secured Obligations; and

finally, to the relevant Grantor, or as a court of competent jurisdiction may direct.

(b) All proceeds of the Term Loan Priority Collateral (to the extent such Term Loan Priority Collateral constitutes Common Collateral) (including any interest earned thereon) received (i) in connection with any exercise of any Enforcement Action or other right or remedy (including set off) with respect to the Term Loan Priority Collateral, (ii) in connection with the sale or other disposition of all or any portion of the Term Loan Priority Collateral under Section 4.2, or (iii) following the commencement of any Insolvency Proceeding (including any distributions pursuant to a plan of reorganization in such Insolvency Proceeding), in each case, shall be distributed as follows:

first, to the Term Loan Agent to be applied in accordance with the Term Loan Agreement until the Payment in Full of the Term Loan Secured Obligations shall have occurred;

second, to the ABL Agent to be applied in accordance with the ABL/LC Intercreditor Agreement and ABL/LC Credit Agreements until the Payment in Full of the ABL/LC Secured Obligations shall have occurred;

third, to the payment in full in cash of the remaining Term Loan Secured Obligations;

fourth, to the payment in full in cash of the remaining ABL/LC Secured Obligations; and

finally, to the relevant Grantor, or as a court of competent jurisdiction may direct.

(c) With respect to each Type of Common Collateral, until the occurrence of the First Priority Obligations Payment Date, no Second Priority Secured Party may accept any such Common Collateral, including any such Common Collateral constituting proceeds, in satisfaction, in whole or in part, of the Second Priority Obligations, in violation of Sections 4.1(a) or 4.1(b). Any Common Collateral, including any Common Collateral constituting proceeds, received by a Second Priority Secured Party that is not permitted to be received pursuant to the preceding sentence shall be segregated and held in trust and promptly turned over to the First Priority Representative with respect to such Common Collateral to be applied in accordance with Section 4.1(a) or 4.1(b), as the case may be, in the same form as received, with any necessary endorsements, and each Second Priority Secured Party hereby authorizes the First Priority Representative to make any such endorsements as agent for the Second Priority Representative (which authorization, being coupled with an interest, is irrevocable). Upon the

turnover of such Common Collateral as contemplated by the immediately preceding sentence, the Second Priority Obligations purported to be satisfied by the payment of such Common Collateral shall be immediately reinstated in full as though such payment had never occurred.

4.2 Releases of Lien.

(a) With respect to each Type of Common Collateral, upon any release, sale or disposition of such Common Collateral that results in the release of the First Priority Lien on such Common Collateral and that is (i) permitted pursuant to the terms of the First Priority Documents and not prohibited under the Second Priority Documents or (ii) effected pursuant to (A) an Enforcement Action or (B) any release, sale or disposition of all or any portion of such Common Collateral by a Grantor with the consent of the First Priority Representative with respect to such Common Collateral at any time that an Event of Default under the ABL/LC Credit Agreements or Term Loan Agreement, as applicable, has occurred and is continuing, the Second Priority Lien on such Common Collateral (but not on any proceeds of such Common Collateral not required to be paid to the First Priority Secured Parties) shall be automatically and unconditionally released.

(b) With respect to each Type of Common Collateral, until the First Priority Obligations Payment Date, the Second Priority Representative shall promptly execute and deliver such release documents and instruments, make such filing (including with any Secretary of State, the United States Patent and Trademark Office or the United States Copyright Office, as applicable) and shall take such further actions as the First Priority Representative shall reasonably request to evidence any release of the Second Priority Lien described in Section 4.2(a). With respect to each Type of Common Collateral, the Second Priority Representative hereby appoints the First Priority Representative and any officer or duly authorized person of the First Priority Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Second Priority Representative and in the name of the Second Priority Representative or in the First Priority Representative's own name; provided that such power of attorney may only be exercised if the Second Priority Representative has not executed and delivered such release documents and instruments in a timely manner following a request from the First Priority Representative, and must be exercised in the First Priority Representative's reasonable discretion, solely for the purposes of carrying out the terms of Section 4.2(a), to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of Section 4.2(a), including any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

(c) In the event that Proceeds of ABL Priority Collateral are received by any Secured Party in connection with a sale, transfer or other disposition of Collateral that directly or indirectly involves some or all of the ABL Priority Collateral and some or all of the Term Loan Priority Collateral (including, without limitation, pursuant to the sale or other disposition of a division or line of business or any Capital Stock of any Grantor) (it being understood and agreed that if a Grantor is sold or otherwise disposed of and such sale or other disposition is structured as a sale of equity interests, for purposes of this Agreement, such sale shall be treated as a sale of assets and the Proceeds shall be allocated as set forth in this Section 4.2), the portion of such Proceeds that shall be allocated as (i) proceeds of Accounts and Payment Intangibles shall be in an amount equal to the face amount of such Accounts and Payment Intangibles, (ii) proceeds of Inventory shall be an amount equal to the lesser of (A) the cost or market, calculated on a first-in, first-out basis, of such Inventory and (B) the appraised orderly liquidation value of such Inventory and (iii) proceeds of Equipment shall be in an amount equal to the appraised orderly liquidation value of such Equipment.

(d) For all purposes of this Agreement, ABL Priority Collateral and Term Loan Priority Collateral shall include the Proceeds thereof received directly from such ABL Priority Collateral or Term Loan Priority Collateral including the sale or other disposition thereof; provided, that, (i) any property or asset purchased by any Grantor (whether purchased with proceeds of ABL Priority Collateral or Term Loan Priority Collateral), shall not be traced and any such property or assets will either be ABL Priority Collateral or Term Loan Priority Collateral based on the nature of such collateral and not the source of funds or other proceeds used to purchase such property or asset; and (ii) the foregoing shall not apply to (A) any property or asset purchased by any Grantor after the earlier of a Default (as defined in the ABL Credit Agreement or LC Credit Agreement) or a Default (as defined in the Term Loan Agreement) or (B) Accounts and Payment Intangibles that are the identifiable proceeds of the sale or other disposition of Term Loan Priority Collateral or cash constituting identifiable proceeds of property that was Term Loan Priority Collateral when such cash proceeds arose and are held in Deposit Accounts that contain solely such cash proceeds.

4.3 Inspection Rights and Insurance.

(a) With respect to each Type of Common Collateral, until the First Priority Obligations Payment Date, any First Priority Secured Party and its representatives and invitees may, to the extent expressly permitted by the First Priority Documents, inspect, repossess, remove and otherwise deal with such Common Collateral, and, pursuant to an Enforcement Action, the First Priority Representative may advertise and conduct public auctions or private sales of such Common Collateral, in each case without notice (other than any notice required by law) to, the involvement of or interference by any Second Priority Secured Party or liability to any Second Priority Secured Party.

(b) Proceeds of Common Collateral include insurance proceeds and, therefore, the Lien priority shall govern the ultimate disposition of casualty insurance proceeds and business interruption insurance proceeds. To effectuate the foregoing and to the extent provided by the applicable Loan Documents, the ABL Agent, the LC Agent and the Term Loan Agent shall each receive separate lender's loss payable endorsements naming themselves as loss payee and additional insured, as their interests may appear, with respect to policies which insure Common Collateral hereunder. If any insurance claim includes both ABL/LC Priority Collateral and Term Loan Priority Collateral and the insurer will not settle such claim separately with respect to ABL/LC Priority Collateral and Term Loan Priority Collateral, if the ABL/LC Controlling Agent and the Term Loan Agent are unable after negotiating in good faith to agree on the settlement for such claim, any of them (to the extent they have the right to direct the settlement of such claim under the applicable Loan Documents) may apply to a court of competent jurisdiction to make a determination regarding the allocation of proceeds of such insurance claim. All proceeds of such insurance shall be remitted to the extent required by the applicable Loan Documents to the ABL/LC Controlling Agent or the Term Loan Agent, as the case may be, and each of the ABL/LC Controlling Agent and the Term Loan Agent shall cooperate (if necessary) in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.1 hereof.

4.4 Option to Purchase ABL Secured Obligations.

(a) Without prejudice to the enforcement of remedies by the ABL Agent (whether in its capacity as First Priority Representative or Second Priority Representative) or the ABL Secured Parties, the ABL Secured Parties agree that at any time following (i) acceleration of the ABL Secured Obligations in accordance with the terms of the ABL Credit Agreement, (ii) unless (A) the Term Loan Agent has not delivered an ABL Purchase Notice within the time period set forth in this Section 4.4(a) or (B) the ABL Purchase has been effectuated in accordance with this Section 4.4(a), the commencement of an Enforcement Action by the ABL Secured Parties after an "Event of Default" under the ABL Credit Agreement or (iii) the commencement of an Insolvency Proceeding by or against any Grantor (each, an

“ABL Purchase Event”), the Term Loan Secured Parties (whether one or more) shall have the option to purchase by way of assignment (and, to the extent provided in clause (b) below, cash collateralization), and the ABL Secured Parties, severally and not jointly, hereby offer the Term Loan Secured Parties the option to purchase by way of assignment (and, to the extent provided in clause (b) below, cash collateralization) (and shall thereby also assume all commitments and duties of the ABL Secured Parties, other than in respect of Bank Products Obligations Agreements) all, but not less than all, of the aggregate amount of ABL Secured Obligations outstanding at the time of purchase (such option shall be exercisable by delivery of a written notice from the Term Loan Agent to the ABL Agent and the Borrower (the “ABL Purchase Notice”) and received by the ABL Agent and the Borrower no later than fifteen (15) Business Days after the date of the occurrence of such ABL Purchase Event; any such purchase, an “ABL Purchase”; and the persons effecting such purchase, the “ABL Purchasing Parties”); provided that (A) the Term Loan Secured Parties shall have the right, but not the obligation, to exercise any such ABL Purchase on a prorated basis among the Term Loan Secured Parties or in such other manner as the Term Loan Secured Parties shall agree, (B) at the time of (and as a condition to) any ABL Purchase all commitments pursuant to any then outstanding ABL Credit Agreement shall have terminated, (C) any ABL Purchase shall be effected not later than five (5) Business Days following date on which the ABL Agent received the ABL Purchase Notice, and (D) any ABL Purchase shall not in any way affect any rights of the ABL Secured Parties with respect to indemnification and other obligations of the Grantors under the ABL Loan Documents that are expressly stated to survive the termination of the ABL Documents (the “Surviving ABL Obligations”). Such ABL Purchase Notice from the Term Loan Agent to the ABL Agent and the Borrower shall be irrevocable unless otherwise agreed in writing by the ABL Agent, and such purchase shall occur no later than five (5) Business Days after the ABL Purchase Notice was received by the ABL Agent and the Borrower. The obligations of the ABL Secured Parties hereunder to sell the ABL Secured Obligations owing to them are several and not joint and several.

(b) Without limiting the obligations of the Grantors to the ABL Secured Parties under the ABL Loan Documents with respect to the Surviving ABL Obligations, on the date of an ABL Purchase, the ABL Purchasing Parties shall (i) pay to the ABL Secured Parties as the purchase price (the “ABL Purchase Price”) 100% of the amount of all ABL Secured Obligations (other than Unasserted Contingent Obligations) then outstanding and unpaid (including principal, interest, fees, breakage costs, attorneys’ and advisors’ fees and expenses (in each case, whether or not invoiced or final)), payable in cash, (ii) furnish cash collateral to the ABL Secured Parties in such amounts as the relevant ABL Secured Parties determine is reasonably necessary to secure such ABL Secured Parties in connection with any ABL Secured Obligations in respect of Bank Products Obligations Agreements, without prejudice to the right of such ABL Secured Parties to terminate any such Bank Products Obligations Agreements at any time, (iii) furnish cash collateral to the ABL Secured Parties in such amounts as the relevant ABL Secured Parties determine is reasonably necessary to secure such ABL Secured Parties in connection with any outstanding Letters of Credit (as defined in the ABL Credit Agreement) (not to exceed 105% of the aggregate undrawn face amount of such letters of credit) and (iv) agree to reimburse the ABL Secured Parties for (A) returned payment items relating to any checks or other payments provisionally credited to the ABL Secured Obligations and/or as to which the ABL Secured Parties have not yet received final payment and, in each case, are reflected in the ABL Purchase Price and (B) to the extent that the cash collateral furnished pursuant to clauses (ii) and/or (iii) is insufficient, all amounts thereafter drawn under any outstanding Letters of Credit or thereafter payable by the ABL Secured Parties (or any of them) in respect of Bank Products Obligations Agreements.

(c) The ABL Purchase Price and cash collateral shall be remitted by wire transfer in immediately available funds to such account of the ABL Agent as it shall designate to the ABL Purchasing Parties. The ABL Agent shall, promptly following its receipt thereof, distribute the amounts received by it in respect of the ABL Purchase Price to the ABL Secured Parties in accordance with their holdings of the applicable ABL Secured Obligations. Interest shall be calculated to but excluding the day

on which the ABL Purchase occurs if the amounts so paid by the ABL Purchasing Parties to the account designated by the ABL Agent are received in such account prior to 1:00 p.m., New York City time, and interest shall be calculated to and including such day if the amounts so paid by the ABL Purchasing Parties to the account designated by the ABL Agent are received in such account later than 1:00 p.m., New York City time.

(d) After the date of such ABL Purchase (i) the ABL Agent will promptly provide the Term Loan Agent with written notification of the termination of any Bank Products Obligations Agreements and the cancellation or termination of any Letters of Credit (as defined in the ABL Credit Agreement), in each case, for which the ABL Purchasing Parties have provided cash collateral, and (ii) to the extent any Bank Products Obligations Agreements are terminated or any Letters of Credit are cancelled or terminated without being drawn, the ABL Agent shall return to the ABL Purchasing Parties such portion of the cash collateral furnished to the ABL Agent as collateral therefor and not applied to the satisfaction of the ABL Secured Obligations to which such cash collateral relates.

(e) The ABL Purchase shall be made without representation or warranty of any kind by the ABL Secured Parties as to the ABL Secured Obligations, the ABL Priority Collateral or otherwise and without recourse to the ABL Secured Parties, except that the ABL Secured Parties shall represent and warrant: (i) the amount of the ABL Secured Obligations being purchased, (ii) that the ABL Secured Parties own the ABL Secured Obligations free and clear of any Liens (other than participation interests not prohibited under the ABL Credit Agreement, in which case the ABL Purchase Price shall be appropriately adjusted so that the ABL Purchasing Parties do not pay amounts in respect of any participation interests that remain in effect) and (iii) that the ABL Secured Parties have the right to assign the ABL Secured Obligations and the assignment is duly authorized.

(f) The ABL Purchase shall be made pursuant to assignment documentation in form and substance reasonably satisfactory to the ABL Agent (with the reasonable and documented cost of such documentation to be paid by the Grantors or, if the Grantors do not make such payment, by the respective purchasers, who shall have the right to obtain reimbursement of same from the Grantors).

(g) The obligations of the ABL Secured Parties to sell their respective ABL Secured Obligations under this Section 4.4(g) are several and not joint and several. To the extent any ABL Secured Party breaches its obligation to sell its ABL Secured Obligations under this Section 4.4(g) (a "Defaulting ABL Secured Party"), nothing in this Section 4.4(g) shall be deemed to require the ABL Agent or any other ABL Secured Party to purchase such Defaulting ABL Secured Party's ABL Secured Obligations for resale to any Term Loan Secured Party, and in all cases the ABL Agent and each ABL Secured Party complying with the terms of this Section 4.4(g) shall not be deemed to be in default of this Agreement or otherwise be deemed liable for any action or inaction of any Defaulting ABL Secured Party; provided that nothing in this Section 4.4(g) shall require any ABL Purchasing Party to purchase less than all of the ABL Secured Obligations.

(h) Each Grantor irrevocably consents to any assignment effected to one or more Term Loan Secured Parties pursuant to this Section 4.4 for purposes of all ABL Loan Documents and hereby agrees that no further consent to any such assignment pursuant to this Section from such Grantor shall be required.

SECTION 5. *Insolvency Proceedings.*

5.1 Filing of Motions

. With respect to each Type of Common Collateral, each of the First Priority Representative and the Second Priority Representative agrees on behalf of itself and the other First Priority Secured Parties and other Second Priority Secured Parties, respectively, that it shall not, in or in

connection with any Insolvency Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case to challenge, contest or otherwise object to the scope, validity, enforceability, perfection or priority of any Liens in respect of Secured Obligations held by any other Secured Party and no Secured Party shall support any other Person doing any of the foregoing.

5.2 Financing Matters.

(a) If any Grantor becomes subject to any Insolvency Proceeding, and if the ABL Agent with respect to the ABL Priority Collateral, and the LC Agent with respect to the LC Priority Collateral consents (or does not object) to the use of ABL Priority Collateral or LC Priority Collateral, as the case may be, constituting Common Collateral (for the avoidance of doubt, including but not limited to the use of any such ABL Priority Collateral that is cash collateral) by any Grantor during any Insolvency Proceeding or provides financing to any Grantor under the Bankruptcy Code secured by ABL Priority Collateral or LC Priority Collateral, or consents (or does not object) to the provision of such financing to any Grantor by any third party (any such use of cash collateral or financing, whether provided by the First Priority Secured Parties with respect to the ABL Priority Collateral or LC Priority Collateral (or any of them) or any third party approved by ABL Agent with respect to the ABL Priority Collateral and LC Agent with respect to the LC Priority Collateral, being referred to herein as an "ABL Priority DIP Financing"), then the Term Loan Agent agrees, on behalf of itself and the other Term Loan Secured Parties, that each such Term Loan Secured Party (a) will be deemed to have consented to, will raise no objection to, and will not support any other Person objecting to, the use of such ABL Priority Collateral, LC Priority Collateral or to such ABL Priority DIP Financing, (b) shall only request or accept adequate protection in connection with the use of such ABL Priority Collateral or LC Priority Collateral, or such ABL Priority DIP Financing as permitted by Section 5.4 below, (c) will subordinate (and will be deemed hereunder to have subordinated) the Second Priority Liens, and any Adequate Protection Liens provided in respect thereof (i) to the Liens on such ABL/LC Priority Collateral securing such ABL Priority DIP Financing on the same terms and conditions as the First Priority Liens on such ABL/LC Priority Collateral are subordinated to such Liens on such ABL/LC Priority Collateral securing such ABL Priority DIP Financing (and such subordination will not alter in any manner the terms of this Agreement), (ii) to any adequate protection with respect to the ABL/LC Priority Collateral provided to the ABL Agent or LC Agent, including, without limitation, Adequate Protection Liens on the ABL/LC Priority Collateral provided to the ABL/LC Secured Parties with respect to the ABL/LC Priority Collateral and (iii) to any "carve-out" with respect to the ABL/LC Priority Collateral for professional and United States Trustee fees agreed to by the ABL Agent or LC Agent or the other ABL/LC Secured Parties and (d) agrees that any notice of such events found to be adequate by the bankruptcy court shall be adequate notice; provided that, with respect to clauses (a) through (d) above,

(A) the aggregate principal amount of (1) any ABL Priority DIP Financing plus (2) the aggregate outstanding principal amount of the ABL/LC Secured Obligations outstanding as of the date of the commencement of the Insolvency Proceeding shall not exceed the maximum principal amount permitted pursuant to clause (b) of the definition of "Maximum Obligations Amount";

(B) Term Loan Agent retains a Lien on the Collateral (including Proceeds thereof arising after the commencement of such proceeding) with the same priority relative to the Liens on such Collateral of the ABL/LC Secured Parties as existed prior to the commencement of the case under the Bankruptcy Code (i.e., junior in priority to the Liens on the ABL/LC Priority Collateral securing such ABL Priority DIP Financing and the ABL/LC Secured Obligations, but senior in priority to the Liens on the Term Loan Priority Collateral securing such ABL Priority DIP Financing and ABL/LC Secured Obligations to the same extent as provided under Section 2.1);

(C) Term Loan Agent receives additional or replacement Liens on all post-petition assets of any Grantor which are subject to an additional or replacement Lien to secure the ABL Priority DIP Financing with the same priority relative to the Liens of each ABL/LC Agent as existed prior to such Insolvency Proceeding to the extent Term Loan Agent seeks such Liens and is entitled to such additional or replacement Liens under the Bankruptcy Code or other applicable debtor relief laws as determined by the Bankruptcy Court having jurisdiction over the case;

(D) such ABL Priority DIP Financing is subject to the terms of this Agreement; and

(E) as a condition of such ABL Priority DIP Financing, until the Payment in Full of Term Loan Secured Obligations, (1) all proceeds of the Term Loan Priority Collateral shall either (x) be remitted to Term Loan Agent for application in accordance with Section 4.1 hereof or (y) only be used by Grantors subject to terms and conditions acceptable to Term Loan Agent, and (2) no portion of the Term Loan Priority Collateral shall be used to repay the ABL/LC Secured Obligations outstanding as of the date of the commencement of any Insolvency Proceeding or any ABL/LC Secured Obligations incurred thereafter pursuant to any such ABL Priority DIP Financing until the Payment in Full of Term Loan Secured Obligations in accordance with Section 4.1.

(b) If any Grantor becomes subject to any Insolvency Proceeding, and if the Term Loan Agent consents (or does not object) to the use of Term Loan Priority Collateral constituting Common Collateral (for the avoidance of doubt, including but not limited to the use of any such Term Loan Priority Collateral that is cash collateral) by any Grantor during any Insolvency Proceeding or provides financing to any Grantor under the Bankruptcy Code secured by Term Loan Priority Collateral or consents (or does not object) to the provision of such financing to any Grantor by any third party (any such use of cash collateral or financing, whether provided by the Term Loan Secured Parties with respect to the Term Loan Priority Collateral (or any of them) or any third party, approved by Term Loan Agent, being referred to herein as an "Term Loan Priority DIP Financing"), then the ABL/LC Agents agree, on behalf of itself and the other ABL/LC Secured Parties, that each such ABL/LC Secured Party (a) will be deemed to have consented to, will raise no objection to, and will not support any other Person objecting to, the use of such Term Loan Priority Collateral or to such Term Loan Priority DIP Financing, (b) shall only request or accept adequate protection in connection with the use of such Term Loan Priority Collateral or such Term Loan Priority DIP Financing as permitted by Section 5.4 below, (c) will subordinate (and will be deemed hereunder to have subordinated) the Second Priority Liens and any Adequate Protection Liens provided in respect thereof (i) to the Liens on such Term Loan Priority Collateral securing such Term Loan Priority DIP Financing on the same terms and conditions as the First Priority Liens on such Term Loan Priority Collateral are subordinated to such Liens on such Term Loan Priority Collateral securing such Term Loan Priority DIP Financing (and such subordination will not alter in any manner the terms of this Agreement), (ii) to any adequate protection with respect to the Term Loan Priority Collateral provided to the Term Loan Secured Parties with respect to the Term Loan Priority Collateral, including, without limitation, Adequate Protection Liens on the Term Loan Priority Collateral provided to the Term Loan Secured Parties with respect to the Term Loan Priority Collateral and (iii) to any "carve-out" with respect to the Term Loan Priority Collateral for professional and United States Trustee fees agreed to by the Term Loan Agent or the other Term Loan Secured Parties and (d) agrees that any notice of such events found to be adequate by the bankruptcy court shall be adequate notice; provided that, with respect to clauses (a) through (d) above,

(A) the aggregate principal amount of (1) any Term Loan Priority DIP Financing plus (2) the aggregate outstanding principal amount of the Term Loan Secured Obligations outstanding as of the date of the commencement of the Insolvency Proceeding shall not exceed the maximum principal amount permitted pursuant to clause (a) of the definition of "Maximum Obligations Amount";

(B) each of ABL Agent and LC Agent retains a Lien on the Collateral (including Proceeds thereof arising after the commencement of such proceeding) with the same priority relative to the Liens on such Collateral of Term Loan Agent as existed prior to the commencement of the case under the Bankruptcy Code (i.e., junior in priority to the Liens on the Term Loan Priority Collateral securing such Term Loan Priority DIP Financing and the Term Loan Secured Obligations, but senior in priority to the Liens on the ABL/LC Priority Collateral securing such Term Loan Priority DIP Financing and the Term Loan Secured Obligations to the same extent as provided under Section 2.1);

(C) each of ABL Agent and LC Agent receives additional or replacement Liens on all post-petition assets of any Grantor which are subject to an additional or replacement Lien to secure the Term Loan Priority DIP Financing with the same priority relative to the Liens of Term Loan Agent as existed prior to such Insolvency Proceeding to the extent ABL Agent and LC Agent, as the case may be, seeks such Liens and is entitled to such additional or replacement Liens under the Bankruptcy Code or other applicable debtor relief laws as determined by the Bankruptcy Court having jurisdiction over the case;

(D) such Term Loan Priority DIP Financing is subject to the terms of this Agreement; and

(E) as a condition of such Term Loan Priority DIP Financing, until the Payment in Full of ABL Secured Obligations, (1) all proceeds of the ABL/LC Priority Collateral shall either (x) be remitted to ABL Agent in the case of ABL Priority Collateral or LC Agent in case of LC Priority Collateral for application in accordance with Section 4.1 hereof or (y) only be used by Grantors subject to terms and conditions acceptable to ABL Agent and LC Agent, and (2) no portion of the ABL/LC Priority Collateral shall be used to repay the Term Loan Secured Obligations outstanding as of the date of the commencement of any Insolvency Proceeding or any Term Loan Secured Obligations incurred thereafter pursuant to any such Term Loan Priority DIP Financing until the Payment in Full of ABL/LC Secured Obligations in accordance with Section 4.1.

(c) No ABL/LC Secured Party shall, directly or indirectly, provide, or seek to provide, or support any other Person providing or seeking to provide, the ABL Priority DIP Financing secured by Liens equal or senior in priority to the Liens on the Term Loan Priority Collateral (including any assets or property arising after the commencement of a case under the Bankruptcy Code) securing the Term Loan Secured Obligations, without the prior written consent of Term Loan Agent. No Term Loan Secured Party shall, directly or indirectly, provide, or seek to provide, or support any other Person providing or seeking to provide, the Term Loan Priority DIP Financing secured by Liens equal or senior in priority to the Liens on the ABL/LC Priority Collateral (including any assets or property arising after the commencement of a case under the Bankruptcy Code) securing the ABL/LC Secured Obligations, without the prior written consent of ABL Agent and LC Agent. For purposes hereof, all references to Collateral shall include any assets or property of the Grantors arising after the commencement of any Insolvency Proceeding that are subject to the Liens of Agents.

5.3 Relief From the Automatic Stay. With respect to each Type of Common Collateral, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that none of them will (i) seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in violation thereof, or support any other Person seeking such relief or taking such action, in each case in respect of such Common Collateral, without the prior written consent of the First Priority Representative or (ii) object to, contest, or support any other Person objecting to or contesting, any relief from the automatic stay or from any other stay in any Insolvency Proceeding requested by any First Priority Secured Party.

Adequate Protection.

With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that none of them shall object to, contest, or support any other Person objecting to or contesting, (i) any request by the First Priority Representative or any other First Priority Secured Party for adequate protection with respect to such Common Collateral, including, without limitation, in the form of Adequate Protection Liens, superpriority claims, interest, fees, expenses or other amounts or (ii) any objection by the First Priority Representative or any other First Priority Secured Party to any motion, relief, action or proceeding based on a claim of a lack of adequate protection to the First Priority Secured Parties with respect to such Common Collateral or (iii) the payment of principal, interest, fees, expenses or other amounts to the First Priority Representative or any other First Priority Secured Party under section 506(b) or 506(c) of the Bankruptcy Code or otherwise with respect to such Common Collateral. Notwithstanding anything contained in this Agreement, (1) in any Insolvency Proceeding, the Second Priority Representative and the other Second Priority Secured Parties, in each case with respect to each Type of Common Collateral, may seek, support, accept or retain adequate protection (A) only if the First Priority Secured Parties with respect to such Common Collateral are granted adequate protection that includes Adequate Protection Liens on additional collateral and superpriority claims and such First Priority Secured Parties do not object to the adequate protection being provided to them and (B) solely in the form of (x) Adequate Protection Liens on the same additional collateral, subordinated to the Adequate Protection Liens granted to the First Priority Representative or any other First Priority Secured Party and the Liens securing any DIP Financing provided by, or consented to by (including via non-objection), the First Priority Secured Parties with respect to such Common Collateral on the same basis as the other Second Priority Liens on such Common Collateral, are so subordinated to the First Priority Liens on such Common Collateral under this Agreement, (y) superpriority claims subordinated (but only to the extent such superpriority claims are satisfied from the proceeds of the Common Collateral on which the First Priority Secured Parties have First Priority Liens) to the superpriority claims granted to the First Priority Secured Parties and (z) non-monetary adequate protection that is customarily provided in an Insolvency Proceeding, including, without limitation, in the form of the provision of information and the ability to monitor such Common Collateral and (2) with respect to each Type of Common Collateral, in the event any Second Priority Secured Party receives adequate protection in the form of Adequate Protection Liens, then the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, (i) consents to the First Priority Representative having a senior Adequate Protection Lien on such additional collateral as security for the First Priority Obligations and that any Adequate Protection Liens granted to the Second Priority Secured Parties on any additional collateral shall be subordinated to the Liens on such collateral securing the First Priority Obligations and any DIP Financing provided by, or consented to by (including via non-objection), the First Priority Secured Parties with respect to such Common Collateral (and all obligations relating thereto) and any Adequate Protection Liens granted to the First Priority Secured Parties, with such subordination to be on the same terms that the other Second Priority Liens are subordinated to such First Priority Liens under this Agreement, and (ii) agrees that, if the bankruptcy court does not grant the First Priority Secured Parties a senior Adequate Protection Lien on such additional collateral, then the Second Priority Secured Parties shall be deemed to hold and have held their Adequate Protection Lien on such additional collateral for the benefit of the First Priority Secured Parties (and each such Lien so deemed to have been held shall be subject in all respects to the provisions of this Agreement, including without limitation the lien subordination provisions set forth in Section 2.1) and, until the First Priority Obligations Payment Date, any distributions in respect of such additional collateral received by the Second Priority Secured Parties shall be segregated and held in trust and promptly turned over to the First Priority Representative to repay the First Priority Obligations. To the extent so authorized by a court of competent jurisdiction, upon the turnover of such distributions as contemplated by the immediately preceding sentence, the Second Priority Obligations purported to be satisfied by such distributions shall be immediately reinstated in full as though such payment had never occurred.

(a) With respect to each Type of Common Collateral, if any First Priority Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Grantor, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be fraudulent or preferential transfer, any amount (a "Recovery"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the First Priority Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred, and the First Priority Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Second Priority Secured Parties with respect to each Type of Common Collateral agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation with respect to such Common Collateral made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

(b) With respect to each Type of Common Collateral, if any Grantor receives a Recovery from any Second Priority Secured Party, whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the Second Priority Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred, and the Second Priority Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto.

5.6

Asset Dispositions in an Insolvency Proceeding.

(a) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that (i) none of them shall, in an Insolvency Proceeding, object to or oppose (or support any Person in objecting to or opposing) any sale or disposition of any such Common Collateral that is supported by the First Priority Secured Parties, and (ii) they will be deemed to have consented under section 363 of the Bankruptcy Code (and otherwise) to any such sale supported by the First Priority Secured Parties free and clear of the Liens of the Second Priority Representative and the other Second Priority Secured Parties or other claims under Sections 363, 365 or 1129 of the Bankruptcy Code (and including any motion for bid procedures or other procedures related to the sale or disposition); provided that (A) the Lien of the Second Priority Representative shall remain in place with respect to any proceeds of any such sale or disposition that are not applied to the repayment of the First Priority Obligations and (B) the Second Priority Representative and the Second Priority Secured Parties shall be entitled to seek and exercise credit bid rights in respect of any such sale or disposition so long as the First Priority Obligations Payment Date shall occur upon consummation of such sale or disposition; provided that the Second Priority Secured Parties shall not be deemed to have agreed to any credit bid by other Secured Parties in connection with a single sale of both ABL Priority Collateral and Term Loan Priority Collateral.

(b) [Reserved.]

(c) If a single sale or disposition of Common Collateral in an Insolvency Proceeding includes both ABL Priority Collateral and Term Loan Priority Collateral, the allocation of proceeds shall be as provided in Section 4.2(c)(including any sale of equity interests as provided therein).

5.7 Separate Grants of Security and Separate Classification. Each of the ABL/LC Agents, on behalf of itself and the ABL/LC Secured Parties, and the Term Loan Agent, on behalf of itself and the Term Loan Secured Parties, acknowledges and agrees that (i) the grant of Liens on the Common Collateral securing the ABL Secured Obligations and LC Secured Obligations each constitutes a separate and distinct grant of Liens from the grant of Liens on such Common Collateral securing the Term Loan Secured Obligations and (ii) because of, among other things, their differing rights in such Common Collateral, each of the ABL Secured Obligations, the LC Secured Obligations and Term Loan Secured Obligations is fundamentally different and must be separately classified in any plan of reorganization proposed or confirmed in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if a court of competent jurisdiction holds that the claims of the ABL Secured Parties, the claims of the LC Secured Parties and/or the claims of Term Loan Secured Parties in respect of any Type of Common Collateral constitute more than one secured claim (rather than separate classes of first, second and third priority secured claims), then the Secured Parties in respect of such Common Collateral hereby acknowledge and agree that all distributions shall be made as if there were separate classes of first, second and third priority secured claims against the relevant Grantors in respect of such Common Collateral (with the effect being that, to the extent that the aggregate value of such Common Collateral is sufficient (for this purpose ignoring all claims held by the Second Priority Secured Parties), the First Priority Secured Parties with respect to such Common Collateral shall be entitled to receive, in addition to distributions to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest (at the applicable non-default rate) before any distribution is made in respect of the claims held by the Second Priority Secured Parties), with the Second Priority Secured Parties with respect to such Common Collateral hereby acknowledging and agreeing to turn over to the First Priority Secured Parties with respect to such Common Collateral distributions otherwise received or receivable by them in respect of such Common Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Priority Secured Parties with respect to such Common Collateral.

5.8 Plans of Reorganization.

(a) With respect to each Type of Common Collateral, if the claims of the First Priority Secured Parties and the claims held by the Second Priority Secured Parties constitute only one secured claim pursuant to any plan of reorganization proposed in an Insolvency Proceeding (rather than separate classes of first and second priority secured claims), notwithstanding the objection to, and vote against, such plan by such Secured Parties in accordance with Section 5.7, no Second Priority Secured Party shall support or vote its applicable claims in respect of its Secured Obligations in favor of such plan of reorganization (and each shall vote and shall be deemed to have voted to reject any plan of reorganization) unless such plan (A) pays off, in cash in full, all First Priority Obligations or (B) is supported by the First Priority Representative. If any such Second Priority Secured Party with respect to any Type of Common Collateral votes its applicable claims in respect of its Secured Obligations in favor of any plan or reorganization in violation of this Section 5.8(a), such Second Priority Secured Party irrevocably agrees that such vote shall be deemed unauthorized, void and of no force and effect and the First Priority Representative shall be, and shall be deemed, such party's "authorized agent" under Bankruptcy Rules 3018(c) and 9010, and that the First Priority Representative shall be authorized and entitled to withdraw such vote and submit a superseding ballot on behalf of such Second Priority Secured Party that is consistent herewith.

(b) If, in any Insolvency Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive restructuring plan, on account of ABL Secured Obligations and on account of Term Loan Secured Obligations, then, to the extent the debt obligations distributed on account of the ABL Secured Obligations and on account of the Term Loan Secured Obligations are secured by Liens upon the same property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

5.9 Other Matters. With respect to each Type of Common Collateral, to the extent that the Second Priority Representative or any other Second Priority Secured Party has or acquires rights under section 363 or section 364 of the Bankruptcy Code with respect to any of such Common Collateral, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, not to assert any of such rights without the prior written consent of the First Priority Representative with respect to such Common Collateral; provided that if requested by the First Priority Representative, the Second Priority Representative with respect to such Common Collateral shall timely exercise such rights in the manner requested by such First Priority Representative, including any rights to payments in respect of such rights.

5.10 No Waiver of Rights of First Priority Secured Parties. With respect to each Type of Common Collateral, nothing contained herein shall prohibit or in any way limit the First Priority Representative or any other First Priority Secured Party from objecting in any Insolvency Proceeding or otherwise to any action taken by any Second Priority Secured Party other than any action taken by such Second Priority Secured Party, as the case may be, that is expressly permitted by this Agreement.

5.11 Effectiveness in Insolvency Proceedings

. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under section 510(a) of the Bankruptcy Code, shall be effective before, during and after the commencement of an Insolvency Proceeding. Upon the commencement of an Insolvency Proceeding, all references in this Agreement to any Grantor shall include such Grantor as a debtor-in-possession and any receiver or trustee for such Grantor in any Insolvency Proceeding, and the rights and obligations hereunder of the First Priority Secured Parties and the Second Priority Secured Parties with respect to each Type of Collateral shall be fully enforceable as between such parties regardless of the pendency of Insolvency Proceedings or any related limitations on the enforcement of this Agreement against any Grantor. Notwithstanding Section 1129(b)(1) of the Bankruptcy Code, the relative rights of the ABL/LC Secured Parties and the Term Loan Secured Parties in or to any distributions from or in respect of any Collateral or Proceeds shall continue after the commencement of any Insolvency Proceeding involving any Grantor, including the filing of any petition by or against any Grantor under the Bankruptcy Code and all converted cases and subsequent cases, on the same basis as prior to the date of such commencement, subject to any court order approving the financing of, or use of cash collateral by, any Grantor as debtor-in-possession, or any other court order affecting the rights and interests of the parties hereto not in conflict with this Agreement. References to Collateral in this Agreement shall include assets of the Grantors that but for the application of Section 552 of the Bankruptcy Code would constitute ABL/LC Priority Collateral or Term Loan Priority Collateral.

SECTION 6. *Matters Relating to Loan Documents.*

6.1 General.

(a) Each of the ABL Agent, on behalf of itself and the ABL Secured Parties, the LC Agent, on behalf of itself and the LC Secured Parties and the Term Loan Agent, on behalf of itself and the Term Loan Secured Parties, and each Grantor agrees that it shall not at any time execute or deliver any

amendment or other modification to any of the First Priority Documents or the Second Priority Documents in violation of this Agreement.

(b) With respect to each Type of Common Collateral, until the First Priority Obligations Payment Date, in the event the First Priority Representative enters into any amendment, waiver or consent in respect of any of the First Priority Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any First Priority Security Document or changing in any manner the rights of any parties thereunder, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Comparable Second Priority Security Document without the consent of or action by any Second Priority Secured Party (with each First Priority Security Document as so amended, and each Second Priority Security Document as so amended, continuing to be subject to the terms hereof); provided that (i) no such amendment, waiver or consent shall have the effect of removing assets subject to the Lien of any Second Priority Security Document, except to the extent that a release of such Lien is permitted by Section 4.2, (ii) any such amendment, waiver or consent that materially and adversely affects the rights of the Second Priority Secured Parties and does not affect the First Priority Secured Parties in a like or similar manner shall not apply to the Second Priority Security Documents without the consent of the Second Priority Representative and (iii) notice of such amendment, waiver or consent shall be given to the Second Priority Representative by the First Priority Representative no later than 30 days after its effectiveness, *provided* that the failure to give such notice shall not affect the effectiveness and validity thereof or cause a default by any Grantor under the Loan Documents.

(c) Each of the Grantors and the Representatives agrees that each First Priority Security Document and Second Priority Security Document shall contain the applicable provisions set forth on Annex I hereto, or similar provisions approved by the Representatives, which approval shall not be unreasonably withheld or delayed.

6.2 Restrictions on Refinancings.

(a) The indebtedness under the ABL Credit Agreement may be Refinanced, in whole but not in part, with the same or different lenders or Representatives in a Refinancing, without the consent of the LC Agent or the holders of the LC Secured Obligations or Term Loan Agent or the holders of the Term Loan Secured Obligations; provided that (i) the holders of any indebtedness resulting from such Refinancing (or the Representative thereof) shall have become bound in writing to the terms of this Agreement in the manner set forth in Section 10 (and shall have delivered a copy of the Representative Joinder Agreement pursuant to which such holders or such Representative shall have become bound to the terms of this Agreement to each other party to this Agreement in the manner provided for notices set forth in Section 11.7) and (ii) no such Refinancing shall have the effect of increasing the sum of the principal amount of ABL Secured Obligations and the LC Secured Obligations then outstanding or permitted to be outstanding to an amount that exceeds the Maximum Obligations Amount with respect to the ABL/LC Secured Obligations.

(b) The indebtedness under the LC Credit Agreement may be Refinanced, in whole but not in part, with the same or different lenders or Representatives in a Refinancing, without the consent of the LC Agent or the holders of the LC Secured Obligations or Term Loan Agent or the holders of the Term Loan Secured Obligations; provided that (i) the holders of any indebtedness resulting from such Refinancing (or the Representative thereof) shall have become bound in writing to the terms of this Agreement in the manner set forth in Section 10 (and shall have delivered a copy of the Representative Joinder Agreement pursuant to which such holders or such Representative shall have become bound to the terms of this Agreement to each other party to this Agreement in the manner provided for notices set forth in Section 11.7) and (ii) no such Refinancing shall have the effect of increasing the sum of the LC Secured

Obligations plus the ABL Secured Obligations then outstanding or permitted to be outstanding to an amount that exceeds the Maximum Obligations Amount with respect to the ABL/LC Secured Obligations.

(c) The indebtedness in respect of the Term Loans may be Refinanced, in whole or in part, with the same or different lenders or Representatives in a Refinancing, without the consent of the ABL Agent or the ABL Secured Parties or LC Agent or the LC Secured Parties; provided that (i) the holders of any indebtedness resulting from such Refinancing (or the Representative thereof) shall have become bound in writing to the terms of this Agreement in the manner set forth in Section 10 (and shall have delivered a copy of the Representative Joinder Agreement pursuant to which such holders or such Representative shall have become bound to the terms of this Agreement to each other party to this Agreement in the manner provided for notices set forth in Section 11.7) and (ii) no such Refinancing shall have the effect of increasing the principal amount of Term Loan Secured Obligations then outstanding or permitted to be outstanding to an amount that exceeds the Maximum Obligations Amount with respect to the Term Loan Secured Obligations.

6.3 Restrictions on Amendments, Supplements and Modifications.

(a) The ABL/LC Loan Documents may be amended, amended and restated, supplemented or otherwise modified in accordance with their terms; provided, that no such amendment, supplement or modification shall, without the consent of the Term Loan Agent, have the effect of:

(i) increasing the principal amount of ABL/LC Secured Obligations then outstanding or permitted to be outstanding to an amount that exceeds the Maximum Obligations Amount with respect to the ABL/LC Secured Obligations, or

(ii) changing the final scheduled date for repayment of the loans outstanding or permitted to be outstanding under the ABL/LC Credit Agreement to an earlier date.

(b) The Term Loan Documents may be amended, amended and restated, supplemented or otherwise modified in accordance with their terms; provided, that no such amendment, supplement or modification shall, without the consent of the ABL Agent or LC Agent, have the effect of:

(i) increasing the principal amount of Term Loan Secured Obligations then outstanding or permitted to be outstanding to an amount that exceeds the Maximum Obligations Amount with respect to the Term Loan Secured Obligations,

(ii) changing the final scheduled date for repayment of any loans (or any tranche or class thereof) outstanding or permitted to be outstanding under the Term Loan Agreement to an earlier date,

(iii) modifying the terms of (a) mandatory prepayment provisions, including, without limitation, excess cash flow sweeps or any other mandatory prepayments of principal or (b) amortization, in each case of or under the Term Loan Agreement, in a manner that increases the amount or frequency of any of such payments, or requires additional mandatory prepayments or excess cash flow sweeps or limits the rights of Grantors with respect thereto.

For the avoidance of doubt, this Section 6.3 shall not apply to any ABL Priority DIP Financing or Term Loan Priority DIP Financing.

SECTION 7. *Cooperation with Respect to ABL Priority Collateral.*

7.1 Consent to License to Use Intellectual Property. The First Priority Representative with respect to the Term Loan Priority Collateral (and any purchaser, assignee or transferee of assets as provided in Section 7.3) (a) consents (without any representation, warranty or obligation whatsoever) to the grant by any Grantor to the ABL/LC Controlling Agent of a non-exclusive, royalty-free license (which will be binding on any successor or assignee of the intellectual property) to use during the ABL Priority Collateral Processing and Sale Period any Intellectual Property Collateral of such Grantor that is Term Loan Priority Collateral (or any Intellectual Property Collateral acquired by such purchaser, assignee or transferee from any Grantor, as the case may be) and (b) grants, in its capacity as a secured party (or as a purchaser, assignee or transferee, as the case may be), to the ABL/LC Controlling Agent a non-exclusive royalty-free license (which will be binding on any successor or assignee of the intellectual property) to use during the ABL Priority Collateral Processing and Sale Period, any Intellectual Property Collateral that is Term Loan Priority Collateral (or subject to such purchase, assignment or transfer, as the case may be), in each case in connection with the enforcement of any Lien held by the ABL/LC Controlling Agent upon any inventory or other ABL Priority Collateral of any Grantor and to the extent the use of such Intellectual Property Collateral is necessary or appropriate, in the good faith opinion of the ABL/LC Controlling Agent, to process, ship, produce, store, complete, supply, lease, sell (by public auction, private sale or "going out of business" or similar sale, whether in bulk, in lots or to customers in the ordinary course of business or otherwise and which sale may include augmented inventory of the same type sold in the Grantors' business) or otherwise dispose of any such inventory in any lawful manner. In the event that any ABL/LC Secured Party has commenced and is continuing any Enforcement Action with respect to any ABL Priority Collateral or any other sale or liquidation of the ABL Priority Collateral has been commenced by any Grantor (with the consent of the ABL/LC Controlling Agent), the First Priority Representative with respect to the Term Loan Priority Collateral may not sell, assign or otherwise transfer the related Term Loan Priority Collateral prior to the expiration of the ABL Priority Collateral Processing and Sale Period, unless the purchaser, assignee or transferee thereof agrees to be bound by the provisions of this Section 7.1.

7.2 Access to Information.

(a) If the First Priority Representative with respect to the Term Loan Priority Collateral, takes actual possession of any documentation that is the property of a Grantor (whether such documentation is in the form of a writing or is stored in any data equipment or data record in the physical possession of the First Priority Representative with respect to the Term Loan Priority Collateral), then upon request of an ABL/LC Agent and reasonable advance notice, the First Priority Representative with respect to the Term Loan Priority Collateral will permit such ABL/LC Agent or its representative to inspect and copy such documentation if and to the extent such ABL/LC Agent certifies to the First Priority Representative with respect to the Term Loan Priority Collateral that:

(i) such documentation contains or may contain information necessary or appropriate, in the good faith opinion of such ABL/LC Agent, to the enforcement of such ABL/LC Agent's Liens upon any ABL/LC Priority Collateral; and

(ii) the ABL/LC Agents and the ABL/LC Secured Parties are entitled to receive and use such information under applicable law and, in doing so, will comply with all obligations imposed by law or contract in respect of the disclosure or use of such information.

(b) If an ABL/LC Agent, as First Priority Representative with respect to the ABL/LC Priority Collateral, takes actual possession of any documentation that is the property of a Grantor (whether such documentation is in the form of a writing or is stored in any data equipment or data record in the physical possession of such ABL/LC Agent), then upon request of the First Priority Representative with respect to the Term Loan Priority Collateral and reasonable advance notice, such ABL/LC Agent will permit the

First Priority Representative with respect to the Term Loan Priority Collateral or its representative to inspect and copy such documentation if and to the extent the First Priority Representative with respect to the Term Loan Priority Collateral certifies to such ABL/LC Agent that:

(i) such documentation contains or may contain information necessary or appropriate, in the good faith opinion of the First Priority Representative with respect to the Term Loan Priority Collateral, to the enforcement of the Liens of the First Priority Representative with respect to the Term Loan Priority Collateral upon any Term Loan Priority Collateral; and

(ii) the First Priority Secured Parties with respect to the Term Loan Priority Collateral are entitled to receive and use such information under applicable law and, in doing so, will comply with all obligations imposed by law or contract in respect of the disclosure or use of such information.

7.3 Access to Property to Process and Sell Inventory.

(a) (i) In the event of any Enforcement Action taken by the ABL/LC Controlling Agent in respect of the ABL Priority Collateral ("ABL Priority Collateral Enforcement Actions") or if the First Priority Representative with respect to the Term Loan Priority Collateral commences any action or proceeding with respect to any of their respective rights or remedies (including, but not limited to, any action of foreclosure), enforcement, collection or execution with respect to the Term Loan Priority Collateral (or a purchaser at a foreclosure sale conducted in foreclosure of a First Priority Lien or Second Priority Lien, as the case may be, on any Term Loan Priority Collateral takes actual or constructive possession of the Term Loan Priority Collateral of any Grantor) ("Term Loan Priority Collateral Enforcement Actions"), then the First Priority Representative with respect to the Term Loan Priority Collateral, the First Priority Secured Parties with respect to the Term Loan Priority Collateral, the Second Priority Representative with respect to the Term Loan Priority Collateral and the Second Priority Secured Parties with respect to the Term Loan Priority Collateral (subject to, in the case of any Term Loan Priority Collateral Enforcement Action, a prior written request by the ABL/LC Controlling Agent to the First Priority Representative with respect to the Term Loan Priority Collateral (the "Term Loan Priority Collateral Enforcement Action Notice")) shall (A) cooperate with the ABL/LC Controlling Agent (and with its officers, employees, representatives and agents) at the cost and expense of the ABL Secured Parties or LC Secured Parties, as applicable (subject to the Grantors' reimbursement and indemnity obligations with respect thereto under the Loan Documents) in its efforts to conduct ABL Priority Collateral Enforcement Actions in the ABL Priority Collateral and to finish any work-in-process and process, ship, produce, store, complete, supply, lease, sell or otherwise handle, deal with, assemble or dispose of, in any lawful manner, the ABL Priority Collateral, (B) not hinder or restrict in any respect the ABL/LC Controlling Agent from conducting ABL Priority Collateral Enforcement Actions in the ABL Priority Collateral or from finishing any work-in-process or processing, shipping, producing, storing, completing, supplying, leasing, selling or otherwise handling, dealing with, assembling or disposing of, in any lawful manner, the ABL Priority Collateral, and (C) permit the ABL/LC Controlling Agent, its employees, agents, advisers and representatives, at the cost and expense of the ABL Secured Parties or LC Secured Parties, as applicable (subject to the Grantors' reimbursement and indemnity obligations with respect thereto under the Loan Documents), to enter upon and use the Term Loan Priority Collateral (including, without limitation, equipment, processors, computers and other machinery related to the storage or processing of records, documents or files and intellectual property), for a period commencing on (1) the date of the initial ABL Priority Collateral Enforcement Action or the date of delivery of the Term Loan Priority Collateral Enforcement Action Notice, as the case may be, and (2) ending on the date occurring 180 days thereafter (such period, as the same may be extended with the written consent of the First Priority Representative with respect to the Term Loan Priority Collateral as contemplated by the final sentence of this Section 7.3(a)(i), the "ABL Priority Collateral Processing and Sale Period"), for purposes of:

- (A) assembling and storing the ABL Priority Collateral and completing the processing of and turning into finished goods any ABL Priority Collateral consisting of work-in-process;
- (B) selling any or all of the ABL Priority Collateral located in or on such Term Loan Priority Collateral, whether in bulk, in lots or to customers in the ordinary course of business or otherwise;
- (C) removing and transporting any or all of the ABL Priority Collateral located in or on such Term Loan Priority Collateral;
- (D) otherwise processing, shipping, producing, storing, completing, supplying, leasing, selling or otherwise handling, dealing with, assembling or disposing of, in any lawful manner, the ABL Priority Collateral; and/or
- (E) taking reasonable actions to protect, secure, and otherwise enforce the rights or remedies of the ABL/LC Secured Parties and/or the ABL/LC Agents (including with respect to any ABL Priority Collateral Enforcement Actions) in and to the ABL Priority Collateral;

provided, that nothing contained in this Agreement shall restrict the rights of the First Priority Representative with respect to the Term Loan Priority Collateral from selling, assigning or otherwise transferring any Term Loan Priority Collateral prior to the expiration of such ABL Priority Collateral Processing and Sale Period if the purchaser, assignee or transferee thereof agrees in writing (for the benefit of the ABL/LC Controlling Agent, as First Priority Representative with respect to the ABL Priority Collateral, and the ABL/LC Secured Parties) to be bound by the provisions of this Section 7.3 and Section 7.1. If any stay or other order prohibiting the exercise of remedies with respect to the ABL Priority Collateral has been entered by a court of competent jurisdiction, such ABL Priority Collateral Processing and Sale Period shall be tolled during the pendency of any such stay or other order. The First Priority Representative with respect to the Term Loan Priority Collateral, upon request by the ABL/LC Controlling Agent, may in its sole discretion extend the ABL Priority Collateral Processing and Sale Period for an additional period of time.

(ii) During the period of actual occupation, use and/or control by the ABL/LC Secured Parties and/or the ABL/LC Controlling Agent (or their respective employees, agents, advisers and representatives) of any Term Loan Priority Collateral, the ABL/LC Controlling Agent and the ABL Secured Parties or LC Secured Parties, as applicable, shall (A) be responsible for the ordinary course third party expenses related thereto, including costs with respect to heat, light, water and electricity (but not real estate taxes) with respect to that portion of any premises used or occupied, (B) take proper and reasonable care of any Term Loan Priority Collateral that is used by the ABL/LC Controlling Agent or any other ABL/LC Secured Parties during the ABL Priority Collateral Processing and Sale Period and, at the sole costs and expense of the ABL Secured Parties or LC Secured Parties, as applicable, pay the costs, liabilities and expenses incurred by the First Priority Representative with respect to the Term Loan Priority Collateral as a result of any act or omission of the ABL Secured Parties or LC Secured Parties, as applicable, or their respective employees, agents and representatives in respect of their occupation, use and/or control of the Term Loan Priority Collateral pursuant to this Section 7.3, and (C) be obligated to repair at their expense any physical damage to such Term Loan Priority Collateral resulting from such occupancy, use or control or removal of ABL Priority Collateral, and to leave such Term Loan Priority Collateral in substantially the same condition as it was at the commencement of such occupancy, use or control, ordinary wear and tear excepted. Notwithstanding the foregoing, in no event shall the ABL/LC Secured Parties or the ABL/LC Agents have any liability to the First Priority Secured Parties with respect to the Term Loan Priority Collateral pursuant to this Section 7.3(a) as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Term Loan Priority Collateral

existing prior to the date of the exercise by the ABL/LC Secured Parties (or an ABL/LC Agent, as the case may be) of their rights under this Section 7.3(a) and the ABL/LC Secured Parties shall have no duty or liability to maintain the Term Loan Priority Collateral in a condition or manner better than that in which it was maintained prior to the use thereof by the ABL/LC Secured Parties, or for any diminution in the value of the Term Loan Priority Collateral that results from ordinary wear and tear resulting from the use of the Term Loan Priority Collateral by the ABL/LC Secured Parties in the manner and for the time periods specified under this Section 7.3(a). Without limiting the rights granted in this Section 7.3(a), the ABL/LC Secured Parties and the ABL/LC Agent shall cooperate with the First Priority Representative with respect to the Term Loan Priority Collateral, and the other First Priority Secured Parties with respect to the Term Loan Priority Collateral in connection with any efforts made by the First Priority Representative with respect to the Term Loan Priority Collateral or such First Priority Secured Parties to sell the Term Loan Priority Collateral.

(b) The First Priority Representative with respect to the Term Loan Priority Collateral, shall be entitled, as a condition of permitting such access and use, to demand and receive assurances reasonably satisfactory to it that the access or use requested and all activities incidental thereto:

(i) will be permitted, lawful and enforceable under applicable law and will be conducted in accordance with prudent manufacturing practices; and

(ii) will be adequately insured for damage to property and liability to persons, including property and liability insurance for the benefit of the First Priority Representative with respect to the Term Loan Priority Collateral, and the other First Priority Secured Parties with respect to the Term Loan Priority Collateral, at no cost to the First Priority Secured Parties with respect to the Term Loan Priority Collateral.

The First Priority Representative with respect to the Term Loan Priority Collateral, (x) shall provide reasonable cooperation to the ABL/LC Controlling Agent in connection with the manufacture, production, completion, handling, removal and sale of any ABL Priority Collateral by the ABL/LC Controlling Agent as provided above and (y) shall be entitled to receive, from the ABL/LC Controlling Agent, fair compensation and reimbursement for their reasonable costs and expenses incurred in connection with such cooperation, support and assistance to the ABL/LC Controlling Agent. Notwithstanding the foregoing sentence, the First Priority Representative with respect to the Term Loan Priority Collateral, and/or any such purchaser (or its transferee or successor) shall not otherwise be required to manufacture, produce, complete, remove, insure, protect, store, safeguard, sell or deliver any inventory subject to any First Priority Lien held by the ABL/LC Controlling Agent or to provide any support, assistance or cooperation to the ABL/LC Controlling Agent in respect thereof.

7.4 First Priority Representative Assurances. The First Priority Representative with respect to the Term Loan Priority Collateral, may condition its performance of any of its obligations set forth in this Section 7 upon its prior receipt (without cost to it) of such assurances as it may reasonably request to confirm that the performance of such obligation and all activities of the ABL/LC Controlling Agent or its officers, employees and agents in connection therewith or incidental thereto will not impose upon the First Priority Representative with respect to the Term Loan Priority Collateral (or any First Priority Secured Party with respect to such Term Loan Priority Collateral) any legal duty, legal liability, the expenses for which the ABL/LC Controlling Agent is expressly responsible pursuant to this Section 7 or risk of uninsured loss.

7.5 Grantor Consent. The Borrower and the other Grantors consent to the performance by the First Priority Representative with respect to the Term Loan Priority Collateral, of the obligations set forth in this Section 7 and acknowledge and agree that neither the First Priority Representative with respect to

the Term Loan Priority Collateral, nor any other First Priority Secured Party with respect to such Term Loan Priority Collateral shall ever be accountable or liable (except to the extent resulting from such party's gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final and non-appealable judgment) for any action taken or omitted by the ABL/LC Agents or any ABL/LC Secured Party or its or any of their officers, employees, agents successors or assigns in connection therewith or incidental thereto or in consequence thereof by the ABL/LC Agents or any ABL/LC Secured Party or its or any of their officers, employees, agents, successors or assigns or any other damage to or misuse or loss of any property of the Grantors as a result of any action taken or omitted by an ABL/LC Agent or its officers, employees, agents, successors or assigns.

SECTION 8. *Reliance; Waivers; etc.*

8.1 **Reliance.** The First Priority Documents and the Second Priority Documents are deemed to have been executed and delivered, and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, expressly waives all notice of the acceptance of and reliance on this Agreement by the other Secured Parties.

8.2 **No Warranties or Liability.** Each of the First Priority Representative and the Second Priority Representative with respect to each Type of Common Collateral acknowledge and agree that none of them has made any representation or warranty to each other with respect to the execution, validity, legality, completeness, collectability or enforceability of any First Priority Document or any Second Priority Document. Except as otherwise provided in this Agreement, each of the First Priority Representative and the Second Priority Representative with respect to each Type of Common Collateral will be entitled to manage and supervise their respective extensions of credit to any Grantor in accordance with law and their usual practices, modified from time to time as they deem appropriate.

8.3 **No Waivers.** No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by any noncompliance by any Grantor with the terms and conditions of any of the First Priority Documents or any of the Second Priority Documents.

SECTION 9. *Obligations Unconditional.*

All rights, agreements and obligations of the First Priority Representative and First Priority Secured Parties and the Second Priority Representative and the Second Priority Secured Parties, in each case with respect to each Type of Common Collateral, and the Grantors hereunder, to the extent applicable, shall remain in full force and effect irrespective of:

- (i) any lack of validity or enforceability of any First Priority Document or Second Priority Document;
- (ii) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the First Priority Obligations or Second Priority Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any Refinancing, replacement, refunding or restatement of any First Priority Document or Second Priority Document;
- (iii) any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any Refinancing, replacement, refunding or

restatement of all or any portion of the First Priority Obligations or Second Priority Obligations or any guarantee or guaranty thereof; or

(iv) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Grantor in respect of (a) the First Priority Obligations (other than a defense that the First Priority Obligations have been paid in full) or (b) the Second Priority Obligations (other than a defense that the Second Priority Obligations have been paid in full) or of any of the First Priority Representative, Second Priority Representative or any Grantor, to the extent applicable, in respect of this Agreement.

SECTION 10. *Additional ABL/LC Secured Obligations and Term Loan Secured Obligations.*

The Borrower may from time to time, subject to any limitations contained in the ABL/LC Loan Documents and the Term Loan Documents in effect at such time, designate additional indebtedness and related obligations that are, or are to be, secured by Liens on any assets of the Grantors that would, if such Liens were granted, constitute Common Collateral as ABL/LC Secured Obligations or Term Loan Secured Obligations, by delivering to each Representative party hereto at such time a certificate of a Responsible Officer:

(i) describing the indebtedness and other obligations being designated as ABL/LC Secured Obligations or Term Loan Secured Obligations (as the case may be) and including a statement of the maximum aggregate outstanding principal amount of such indebtedness as of the date of such certificate;

(ii) in the case of ABL/LC Secured Obligations, confirming that such obligations shall be First Priority Obligations with respect to the ABL/LC Priority Collateral and Second Priority Obligations with respect to the Term Loan Priority Collateral;

(iii) in the case of Term Loan Secured Obligations, confirming that such obligations shall be First Priority Obligations with respect to the Term Loan Priority Collateral and Second Priority Obligations with respect to the ABL/LC Priority Collateral;

(iv) identifying the Person that serves as the Representative with respect to such indebtedness and related obligations;

(v) certifying that the incurrence of such ABL/LC Secured Obligations or Term Loan Secured Obligations (as the case may be), the creation of the Liens securing such ABL/LC Secured Obligations or Term Loan Secured Obligations (as the case may be) and the designation of such indebtedness and related obligations as ABL/LC Secured Obligations or Term Loan Secured Obligations (as the case may be) hereunder (A) do not violate or result in a default under any provision of any ABL/LC Loan Document or Term Loan Document in effect at such time and (B) would not have the effect of increasing the principal amount of ABL/LC Secured Obligations or Term Loan Secured Obligations, as the case may be, then outstanding or permitted to be outstanding to an amount that exceeds the Maximum Obligations Amount with respect to the ABL/LC Secured Obligations or Term Loan Secured Obligations, as applicable; and

(vi) attaching a fully completed Representative Joinder Agreement executed and delivered by the Representative with respect to such ABL/LC Secured Obligations or Term Loan Secured Obligations (as the case may be).

Upon the delivery of such certificate and the related attachments as provided above, the obligations designated in such notice shall become ABL/LC Secured Obligations or Term Loan Secured Obligations, as applicable, for all purposes of this Agreement.

In the event of any conflict or inconsistency between the provisions of this Section 10 and the provisions of Section 11.3(b), the provisions of this Section 10 shall govern.

SECTION 11. *Miscellaneous.*

11.1 Conflicts. Except as otherwise provided herein, in the event of any conflict between the provisions of this Agreement and the provisions of any First Priority Document or any Second Priority Document, the provisions of this Agreement shall govern.

11.2 Continuing Nature of Provisions. This Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the First Priority Obligations Payment Date and the Second Priority Obligations Payment Date shall have occurred with respect to each Type of Common Collateral. This is a continuing agreement and the First Priority Secured Parties and the Second Priority Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, any Grantor on the faith hereof.

11.3 Amendments; Waivers.

(a) No amendment or modification of any of the provisions of this Agreement (other than pursuant to a Representative Joinder Agreement or a Grantor Joinder Agreement) shall be effective unless the same shall be in writing and signed by the First Priority Representative and the Second Priority Representative and, in the case of amendments or modifications that could reasonably be expected to affect the rights or interests of any Grantor, the Borrower.

(b) It is understood that the ABL Agent, the LC Agent and the Term Loan Agent, without the consent of any other Secured Party, may in their discretion determine that a supplemental agreement (which may take the form of an amendment and restatement of this Agreement) is necessary or appropriate to facilitate having additional indebtedness or other obligations ("Additional Debt") of any of the Grantors become ABL/LC Secured Obligations or Term Loan Secured Obligations, as the case may be, under this Agreement, which supplemental agreement shall specify whether such Additional Debt constitutes ABL Secured Obligations or Term Loan Secured Obligations; provided that such Additional Debt is permitted to be incurred by the ABL/LC Credit Agreement and the Term Loan Agreement, and is permitted by said Agreements to be subject to the provisions of this Agreement as ABL/LC Secured Obligations or Term Loan Secured Obligations, as applicable.

11.4 Information Concerning Financial Condition of the Borrower and the other Grantors

. With respect to each Type of Common Collateral, the First Priority Representative, on behalf of itself and the other First Priority Secured Parties and the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, hereby agree that each Secured Party assumes responsibility for keeping itself informed of the financial condition of the relevant Grantors and all other circumstances bearing upon the risk of nonpayment of the First Priority Obligations or the Second Priority Obligations. With respect to each Type of Common Collateral, the First Priority Representative, on behalf of itself and the other First Priority Secured Parties and the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances. In the event any Secured Party, in its sole discretion, undertakes at any time or from time to time to provide any

information to any other Secured Party, it shall be under no obligation (a) to provide any such information to such other party or any other party on any subsequent occasion, (b) to undertake any investigation not a part of its regular business routine, or (c) to disclose any other information.

11.5 ABL/LC Intercreditor Agreement. Notwithstanding anything to the contrary set forth herein, with respect to rights and remedies of any of the ABL Secured Parties and the LC Secured Parties, as between each other, in the event of any conflict or inconsistency with the terms and conditions set forth herein with respect to the Collateral, as between the two classes of ABL/LC Secured Parties, the terms of the ABL/LC Intercreditor Agreement (as such term is defined in the ABL Credit Agreement) shall govern and control. Notwithstanding anything to the contrary set forth herein, with respect to rights and remedies of any of the Term Loan Secured Parties, the ABL Secured Parties and the LC Secured Parties, as among each other, in the event of any conflict or inconsistency with the terms and conditions set forth in the ABL/LC Loan Documents and the Term Loan Documents with respect to the Collateral, the terms of this Agreement shall govern and control.

11.6 Applicable Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

11.7 Jurisdiction; Consent to Service of Process; Process Agent.

(a) EACH PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(b) EACH 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 IN ANY COURT REFERRED TO IN PARAGRAPH (a) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.7. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.8 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy. For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section) shall be as set forth on Schedule 1 to this Agreement or, as to each party, at such other address as may be designated by such party in a written notice to each of the other parties hereto.

11.9 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and each of the First Priority Secured Parties and the Second Priority Secured Parties and their respective successors and assigns, and nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Common Collateral or any Type thereof. All references to any Grantor shall include any Grantor as debtor-in-possession and any receiver or trustee for such Grantor in any Insolvency Proceeding.

11.10 Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

11.11 Severability. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

11.12 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by telecopy or electronic image scan transmission (such as a "pdf" file) shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall become effective when it shall have been executed by each party hereto.

11.13 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 THE TRANSACTIONS CONTEMPLATED HEREBY (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 BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Additional Grantors.

The Borrower and each other Grantor on the date of this Agreement will constitute the original Grantors party hereto. The original Grantors will cause each Person that becomes a Grantor after the date hereof to contemporaneously become a party hereto (as a Grantor) by executing and delivering a Grantor Joinder Agreement to each of the ABL/LC Agents and the Term Loan Agent. The parties hereto agree that, notwithstanding any failure to take the actions required by the immediately preceding sentence, each Person that becomes a Grantor at any time (and any security granted by any such Person) will be subject to the provisions hereof as fully as if it constituted a Grantor party hereto and had complied with the requirements of the immediately preceding sentence.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

BANK OF AMERICA, N.A.
as Representative with respect to the
ABL Credit Agreement

By: /s/ Matthew T. O'Keefe
Name: Matthew T. O'Keefe
Title: Senior Vice President

BANK OF AMERICA, N.A.
as Representative with respect to the
LC Credit Agreement

By: /s/ Matthew T. O'Keefe
Name: Matthew T. O'Keefe
Title: Senior Vice President

[Signature Page to Intercreditor Agreement]

ALTER DOMUS (US) LLC,
as Representative with respect to the
Term Loan Agreement

By: /s/ Matthew Trybula
Name: Matthew Trybula
Title: Associate Counsel

[Signature Page to Intercreditor Agreement]

EASTMAN KODAK COMPANY

By: /s/ David E. Bullwinkle
Name: David E. Bullwinkle
Title: Chief Financial Officer and Senior Vice
President

**EASTMAN KODAK INTERNATIONAL CAPITAL COMPANY, INC.
FAR EAST DEVELOPMENT LTD.
KODAK (NEAR EAST), INC.
KODAK AMERICAS, LTD.
KODAK PHILIPPINES, LTD.**

By: /s/ Roger W. Byrd
Name: Roger W. Byrd
Title: Secretary

[Signature Page to Intercreditor Agreement]

Provision for each First Priority Security Document and Second Priority Security Document

“Reference is made to the Intercreditor Agreement, dated as of 26, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the “Intercreditor Agreement”), among Eastman Kodak Company, the other Grantors party thereto, Bank of America, N.A., as Representative with respect to the ABL Credit Agreement (as defined therein), Bank of America, N.A., as Representative with respect to the LC Credit Agreement (as defined therein) and Alter Domus (US) LLC, as Representative with respect to the Term Loan Agreement (as defined therein). Notwithstanding anything herein to the contrary, the liens and security interests granted to the Agent pursuant to this Agreement and the exercise of any right or remedy by the Agent hereunder, in each case, with respect to the Collateral are subject to the limitations and provisions of the Intercreditor Agreement. In the event of any inconsistency between the terms or conditions of this Agreement and the terms and conditions of the Intercreditor Agreement, the terms and conditions of the Intercreditor Agreement shall control.”

[FORM OF] REPRESENTATIVE JOINDER AGREEMENT NO. [] dated as of [], 20[] (the "Representative Joinder Agreement") to the INTERCREDITOR AGREEMENT dated as of February 26, 2021 (the "Intercreditor Agreement"), BANK OF AMERICA, N.A., as Representative with respect to the ABL Credit Agreement, BANK OF AMERICA, N.A., as Representative with respect to the LC Credit Agreement, ALTER DOMUS (US) LLC, as Representative with respect to the Term Loan Agreement, Eastman Kodak Company (the "Borrower"), and each of the other Grantors party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Intercreditor Agreement.

B. The Borrower and/or one or more of the other Grantors proposes to issue or incur additional [ABL Secured Obligations] [LC Secured Obligations] [Term Loan Secured Obligations] and the Person identified in the signature pages hereto as the "Representative" (the "Additional Representative") will serve as the agent, trustee, or other representative for the holders of such [ABL Secured Obligations] [LC Secured Obligations] [Term Loan Secured Obligations]. The [ABL Secured Obligations] [LC Secured Obligations] [Term Loan Secured Obligations] are being designated as such by the Borrower in accordance with Section 10 of the Intercreditor Agreement.

C. Accordingly, the Additional Representative and the Borrower agree as follows, for the benefit of the Additional Representative, the Borrower and each other party to the Intercreditor Agreement:

Section 1. *Accession to the Intercreditor Agreement.* The Additional Representative (a) hereby accedes and becomes a party to the Intercreditor Agreement as a Representative for the holders of the additional [ABL Secured Obligations] [LC Secured Obligations] [Term Loan Secured Obligations] (the "Additional Secured Parties"), (b) agrees, for itself and on behalf of the Additional Secured Parties from time to time in respect of the additional [ABL Secured Obligations] [LC Secured Obligations] [Term Loan Secured Obligations], to all the terms and provisions of the Intercreditor Agreement and (c) shall have all the rights and obligations of a Representative under the Intercreditor Agreement.

Section 2. *Representations, Warranties and Acknowledgement of the Additional Representative.* The Additional Representative represents and warrants to each other Representative and to the Secured Parties that (a) it has full power and authority to enter into this Representative Joinder Agreement, in its capacity as the Representative with respect to the additional [ABL Secured Obligations] [LC Secured Obligations] [Term Loan Secured Obligations], (b) this Representative Joinder Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of this Representative Joinder Agreement and (c) the [ABL Loan Documents] [LC Loan Documents] [Term Loan Documents] relating to such additional [ABL Secured Obligations] [LC Secured Obligations] [Term Loan Secured Obligations] provide that, upon the Additional Representative's entry into this Representative Joinder Agreement, the secured parties in respect of such additional [ABL Secured Obligations] [LC Secured Obligations] [Term Loan Secured Obligations] will be subject to and bound by the provisions of the Intercreditor Agreement.

Section 3. *Counterparts.* This Representative Joinder Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Joinder Agreement shall become effective when each other Representative shall have received a counterpart of this Representative Joinder Agreement that bears the signature of the Additional Representative. Delivery of an executed counterpart of a signature

page to this Representative Joinder Agreement by telecopy or electronic image scan transmission (such as a "pdf" file) shall be effective as delivery of a manually signed counterpart of this Representative Joinder Agreement.

Section 4. *Benefit of Agreement.* **The agreements set forth herein or undertaken pursuant hereto are for the benefit of, and may be enforced by, any party to the Intercreditor Agreement.**

Section 5. *Governing Law.* **THIS REPRESENTATIVE JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

Section 6. *Severability.* In the event any one or more of the provisions contained in this Representative Joinder Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 7. *Notices.* All communications and notices hereunder shall be in writing and given as provided in Section 11.7 of the Intercreditor Agreement. All communications and notices hereunder to the Additional Representative shall be given to it at the address set forth under its signature hereto, which information supplements Section 11.7 of the Intercreditor Agreement.

Section 8. *Expenses.* The Borrower agrees to reimburse each Representative for its reasonable out-of-pocket expenses in connection with this Representative Joinder Agreement, including the reasonable fees, other charges and disbursements of counsel for each Representative.

[Signature Pages Follow]

[Signature Page to Intercreditor Agreement]

IN WITNESS WHEREOF, the Additional Representative has duly executed this Representative Joinder Agreement to the Intercreditor Agreement as of the day and year first above written.

[NAME OF ADDITIONAL REPRESENTATIVE], as REPRESENTATIVE with respect to [NAME OF AGREEMENT] and holders of the [] Secured Obligations thereunder

By: _____
Name:
Title:

Address for notices:

attention of: _____
Telecopy: _____

Acknowledged by:

BANK OF AMERICA, N.A., as
Representative with respect to the
ABL Credit Agreement

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as
Representative with respect to the
LC Credit Agreement

By: _____
Name:
Title:

ALTER DOMUS (US) LLC, as Representative with respect to the Term Loan Agreement

By: _____
Name:
Title:

[EACH OTHER REPRESENTATIVE], as Representative with respect to [the [] Agreement]

By: _____
Name:
Title:

[FORM OF] GRANTOR JOINDER AGREEMENT NO. [] dated as of [], 20[] (the "Grantor Joinder Agreement") to the INTERCREDITOR AGREEMENT dated as of September 3, 2013 (the "Intercreditor Agreement"), BANK OF AMERICA, N.A., as Representative with respect to the ABL Credit Agreement, BANK OF AMERICA, N.A., as Representative with respect to the LC Credit Agreement, ALTER DOMUS (US) LLC, as Representative with respect to the Term Loan Agreement, EASTMAN KODAK COMPANY (the "Borrower"), and each of the other Grantors party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Intercreditor Agreement.

B. [], a Subsidiary of the Borrower (the "Additional Grantor"), has granted a Lien on all or a portion of its assets to secure [ABL Secured Obligations] [LC Secured Obligations] [and] [Term Loan Secured Obligations] and such Additional Grantor is not a party to the Intercreditor Agreement.

C. The Additional Grantor wishes to become a party to the Intercreditor Agreement and to acquire and undertake the rights and obligations of a Grantor thereunder. The Additional Grantor is entering into this Grantor Joinder Agreement in accordance with the provisions of the Intercreditor Agreement in order to become a Grantor thereunder.

Accordingly, the Additional Grantor agrees as follows, for the benefit of the Representatives, the Borrower and each other party to the Intercreditor Agreement:

Section 1. *Accession to the Intercreditor Agreement.* The Additional Grantor (a) hereby accedes and becomes a party to the Intercreditor Agreement as a Grantor with the same force and effect as if originally named therein as a Grantor, (b) agrees to all the terms and provisions of the Intercreditor Agreement and (c) shall have all the rights and obligations of a Grantor under the Intercreditor Agreement.

Section 2. *Representations, Warranties and Acknowledgment of the Additional Grantor.* The Additional Grantor represents and warrants to each Representative and to the Secured Parties that this Grantor Joinder Agreement has been duly authorized, executed and delivered by such Additional Grantor and constitutes the legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, 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.

Section 3. *Counterparts.* This Grantor Joinder Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Grantor Joinder Agreement shall become effective when each other Representative shall have received a counterpart of this Grantor Joinder Agreement that bears the signature of the Additional Grantor. Delivery of an executed counterpart of a signature page to this Grantor Joinder Agreement by telecopy or electronic image scan transmission (such as a "pdf" file) shall be effective as delivery of a manually signed counterpart of this Grantor Joinder Agreement.

Section 4. *Benefit of Agreement.* **The agreements set forth herein or undertaken pursuant hereto are for the benefit of, and may be enforced by, any party to the Intercreditor Agreement.**

Section 5. *Governing Law.* **THIS GRANTOR JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

Section 6. *Severability.* In the event any one or more of the provisions contained in this Grantor Joinder Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 7. *Notices.* All communications and notices hereunder shall be in writing and given as provided in Section 11.7 of the Intercreditor Agreement.

Section 8. The Additional Grantor agrees to reimburse each Representative for its reasonable out-of-pocket expenses in connection with this Grantor Joinder Agreement, including the reasonable fees, other charges and disbursements of counsel for each Representative.

[Signature Pages Follow]

[Signature Page to Intercreditor Agreement]

IN WITNESS WHEREOF, the Additional Grantor has duly executed this Grantor Joinder Agreement to the Intercreditor Agreement as of the day and year first above written.

[NAME OF SUBSIDIARY]

By:

Name:

Title:

Acknowledged by:

BANK OF AMERICA, N.A., as Representative with respect to the ABL Credit Agreement

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as Representative with respect to the LC Credit Agreement

By: _____
Name:
Title:

ALTER DOMUS (US) LLC, as Representative with respect to the Term Loan Agreement

By: _____
Name:
Title:

[EACH OTHER REPRESENTATIVE], as Representative with respect to [the [] Agreement]

By: _____
Name:
Title:

[Signature Page to Intercreditor Agreement]

INTERCREDITOR AGREEMENT

Dated as of

February 26, 2021

Among

BANK OF AMERICA, N.A.,
as Representative with respect to the ABL Credit Agreement,

BANK OF AMERICA, N.A.,
as Representative with respect to the LC Credit Agreement,

EASTMAN KODAK COMPANY

and

THE OTHER GRANTORS PARTY HERETO

	Page
SECTION 1.	1
Definitions; Other Interpretive Provisions.	
1.1 Definitions	1
1.2 UCC Definitions	12
1.3 Applicability of this Agreement	12
SECTION 2.	13
Lien Priorities.	
2.1 Subordination of Liens.	13
2.2 Nature of Obligations	13
2.3 Agreements Regarding Actions to Perfect Liens.	14
2.4 No New Liens	15
SECTION 3.	15
Enforcement Rights.	
3.1 Exclusive Enforcement.	15
3.2 Standstill and Waivers.	16
3.3 Judgment Creditors	18
3.4 Cooperation.	18
3.5 No Additional Rights for the Grantors Hereunder	18
3.6 Actions Upon Breach.	18
SECTION 4.	19
Application of Proceeds of Common Collateral; Dispositions and Releases of Common Collateral; Inspection and Insurance.	
4.1 Application of Proceeds; Turnover Provisions.	19
4.2 Releases of Lien.	20
4.3 Inspection Rights and Insurance.	21
4.4 Reserved.	22
SECTION 5.	22
Insolvency Proceedings.	
5.1 Filing of Motions	22
5.2 Financing Matters.	22
5.3 Relief From the Automatic Stay	24
5.4 Adequate Protection	25
5.5 Avoidance Issues.	26
5.6 Asset Dispositions in an Insolvency Proceeding.	26
5.7 Separate Grants of Security and Separate Classification	27
5.8 Plans of Reorganization.	27
5.9 Other Matters	28
5.10 No Waiver of Rights of First Priority Secured Parties	28
5.11 Effectiveness in Insolvency Proceedings	28

SECTION 6.	Matters Relating to Loan Documents.	28
	6.1 General.	28
	6.2 Restrictions on Refinancings.	29
	6.3 Restrictions on Amendments, Supplements and Modifications.	29
SECTION 7.	Reserved.	30
SECTION 8.	Reliance; Waivers; etc.	30
	8.1 Reliance	30
	8.2 No Warranties or Liability	30
	8.3 No Waivers	30
SECTION 9.	Obligations Unconditional.	31
SECTION 10.	Additional LC Secured Obligations and LC Secured Obligations.	31
SECTION 11.	Miscellaneous.	32
	11.1 Conflicts	32
	11.2 Continuing Nature of Provisions	32
	11.3 Amendments; Waivers.	32
	11.4 Information Concerning Financial Condition of the Borrower and the other Grantors	33
	11.5 Term Loan Intercreditor Agreement	33
	11.6 Applicable Law	33
	11.7 Jurisdiction; Consent to Service of Process; Process Agent.	33
	11.8 Notices	34
	11.9 Successors and Assigns	34
	11.10 Headings	34
	11.11 Severability	34
	11.12 Counterparts; Integration; Effectiveness	34
	11.13 Waiver of Jury Trial	34
	11.14 Additional Grantors	35

INTERCREDITOR AGREEMENT

INTERCREDITOR AGREEMENT (this "Agreement"), dated as of February 26, 2021, among BANK OF AMERICA, N.A. ("BofA"), as Representative with respect to the ABL Credit Agreement and BANK OF AMERICA, N.A., as Representative with respect to the LC Credit Agreement, Eastman Kodak Company (the "Borrower"), and each of the other Grantors party hereto.

WHEREAS, the Borrower, the lenders party thereto and BofA, as administrative agent (in such capacity, the "ABL Agent") are parties to that certain Second Amended and Restated Credit Agreement, dated as of May 26, 2016 (as amended and restated as of May 24, 2019 and on or about the date hereof, and as the same may be further amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof, the "ABL Credit Agreement"), pursuant to which such lenders (the "ABL Lenders") have agreed to make loans and extend other financial accommodations to the Borrower; and

WHEREAS, the Borrower, the lenders party thereto (the "LC Lenders") and BofA, as administrative agent (in such capacity, the "LC Agent") are parties to that certain Letter of Credit Agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof, the "LC Credit Agreement"), pursuant to which the issuing bank thereunder has agreed to provide letters of credit to the Borrower and the lenders have agreed to participate therein; and

WHEREAS, the Grantors and the ABL Agent are parties to that certain Security Agreement dated as of May 26, 2016 (as amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof, the "ABL Security Agreement"), pursuant to which such Grantors have granted Liens on their assets securing the ABL Secured Obligations; and

WHEREAS, the Grantors and the LC Agent are parties to that certain Security Agreement dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof, the "LC Security Agreement"), pursuant to which such Grantors have granted Liens on their assets securing the LC Secured Obligations; and

WHEREAS, it is the desire of the parties hereto to set forth their respective rights and priorities with respect to the Common Collateral;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which is expressly recognized by all of the parties hereto, the parties agree as follows:

SECTION 1. *Definitions; Other Interpretive Provisions.*

1.1 Definitions. The following terms, as used herein, have the following meanings:

"ABL Agent" has the meaning set forth in the recitals of this Agreement; provided that the term "ABL Agent" shall also mean the Representative for the holders of any indebtedness outstanding under any Replacement ABL Credit Agreement then extant (and, if more than one ABL Agent exists at any time, "ABL Agent" shall be deemed to be a collective reference to each ABL Agent).

"ABL Credit Agreement" has the meaning set forth in the recitals of this Agreement; provided that the term "ABL Credit Agreement" shall also include any Replacement ABL Credit Agreement,
as

such Replacement ABL Credit Agreement may be amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof.

“ABL Lenders” has the meaning set forth in the recitals of this Agreement.

“ABL Loan Documents” means (a) the “Loan Documents” as defined in the ABL Credit Agreement or (b) the “Loan Documents” (or any comparable term) as defined in any Replacement ABL Credit Agreement, as the case may be.

“ABL Priority Collateral” means any and all present and future right, title and interest of the Grantors in and to the following, whether now owned or hereafter acquired, existing or arising, and wherever located to the extent constituting Common Collateral:

- (a) cash and cash equivalents (including instruments that are intended to approximate the foregoing, but excluding the LC Priority Collateral),
- (b) accounts and payment intangibles other than accounts and payment intangibles which constitute identifiable proceeds of Term Loan Priority Collateral,
- (c) machinery and equipment, and related assets (including chattel paper),
- (d) inventory and related assets (including chattel paper), and non-exclusive licenses on the owned intellectual property relating to such inventory,
- (e) payments under business interruption insurance policies,
- (f) intercompany advances made by any Grantor to any other Grantor or to any Subsidiary of the Borrower,
- (g) all deposit accounts and securities accounts (other than deposit accounts and securities accounts maintained exclusively for identifiable proceeds of Term Loan Priority Collateral and other than deposit accounts or securities accounts constituting LC Priority Collateral), provided, that, to the extent that identifiable proceeds of Term Loan Priority Collateral are deposited in any such deposit accounts or securities accounts, such identifiable proceeds shall constitute Term Loan Priority Collateral,
- (h) all books, records and documents to the extent relating to the foregoing and to the other ABL Priority Collateral (including databases, customer lists and other records, whether tangible or electronic, which contain any information relating to any of the foregoing), and lockbox and deposit accounts into which any such proceeds are paid or transferred,
- (i) to the extent evidencing, governing, securing or otherwise reasonably related to any of the foregoing and the other ABL Priority Collateral, all documents, documents of title, general intangibles (other than intellectual property except to the extent expressly provided in clause (d) above), guarantees, instruments, investment property, commercial tort claims, letters of credit, supporting obligations and letter of credit rights, and
- (j) all substitutions, replacements, accessions, products and proceeds (including insurance proceeds) of any of the foregoing in whatever form received, including claims against third parties.

“ABL Priority DIP Financing” has the meaning specified in Section 5.2(a).

“ABL Secured Obligations” means all “Secured Obligations” (or comparable term) as defined in the ABL Credit Agreement (including, for the avoidance of doubt, in any Replacement ABL Credit Agreement).

“ABL Secured Parties” means holders from time to time of the ABL Secured Obligations.

“ABL Security Agreement” has the meaning set forth in the recitals of this Agreement; provided that if a Replacement ABL Credit Agreement is in effect, “ABL Security Agreement” shall be deemed to be a reference to each agreement pursuant to which Liens have been granted to secure obligations under the Replacement ABL Credit Agreement, in each case, as such agreement may be amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof.

“Additional Debt” has the meaning specified in Section 11.3(b).

“Adequate Protection Liens” means any Liens granted in any Insolvency Proceeding to any Secured Party as adequate protection of the Secured Obligations held by such Secured Party.

“Agent” means, as the context may require, any of the ABL Agent and the LC Agent.

“Bank Product Obligations” has the meaning specified in the ABL Credit Agreement as in effect on the date hereof.

“Bank Products Obligations Agreements” has the meaning specified in the ABL Credit Agreement as in effect on the date hereof.

“Bankruptcy Code” means the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended from time to time.

“BofA” has the meaning set forth in the preamble of this Agreement.

“Borrower” has the meaning set forth in the preamble of this Agreement.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to remain closed.

“Class” refers to the determination (a) in relation to any particular Type of Common Collateral, (i) with respect to any Secured Obligations, whether such Secured Obligations are First Priority Obligations or Second Priority Obligations and (ii) with respect to any Secured Party, whether such Secured Party is a First Priority Secured Party or a Second Priority Secured Party and (b) in relation to any Secured Obligations, whether such Secured Obligations are LC Secured Obligations or Term Loan Secured Obligations.

“Common Collateral” means all assets of the Grantors on which Liens have been granted (or purported to be granted) pursuant to the Loan Documents to secure more than one Class of Secured Obligations, whether or not any such Liens are avoided, invalidated, lapsed or unperfected.

“Comparable Second Priority Security Document” means, in relation to any Common Collateral subject to any First Priority Security Document, that Second Priority Security Document that creates a security interest in the same Common Collateral, granted by the same Grantor, as applicable.

“DIP Financing” means an ABL Priority DIP Financing or a LC Priority DIP Financing.

“Enforcement Action” means, with respect to any Class of Secured Obligations, the exercise of any rights and remedies with respect to any Common Collateral securing such obligations or the commencement or prosecution of enforcement of any of the rights and remedies under the Loan Documents governing such Class, or applicable law, including, without limitation, the exercise of any rights of set-off, recoupment or credit bidding, and the exercise of any rights or remedies of a secured creditor under the Uniform Commercial Code, the Bankruptcy Code (including credit bidding rights) or other similar creditors’ rights, bankruptcy, insolvency, reorganization or similar laws of any applicable jurisdiction. For the avoidance of doubt, none of the following shall be deemed to constitute an “Enforcement Action”: (a) the filing in bankruptcy court of a proof of claim or a motion seeking adequate protection to the extent permitted herein; (b) the collection or application of, or the delivery of any activation notice (or revocation of such activation notice) with respect to, funds from time to time on deposit in any deposit account or securities account representing ABL Priority Collateral, (c) the consent by a Secured Party to a sale or other disposition by any Grantor of any of its assets or properties, (d) the reduction of advance rates or sub-limits by the ABL Agent and the ABL Lenders, (e) the imposition of reserves or change in eligibility standards or criteria by the ABL Agent, or (f) the imposition of the default rate of interest in respect of any or all of the ABL Secured Obligations or the LC Secured Obligations.

“Enforcement Expenses” means all out-of-pocket costs, expenses or fees (including fees incurred by an ABL Agent or LC Agent, as applicable, or any attorneys, appraisers, collection agents or other agents or consultants retained by such Agent) that any such Agent or any other Secured Party (to the extent such costs, expenses or fees are reimbursable under the terms of the ABL Credit Agreement or the LC Credit Agreement, as applicable) may suffer or incur after the occurrence of an “Event of Default” under the ABL Credit Agreement or LC Credit Agreement, as applicable, on account or in connection with the enforcement of this Agreement, including (a) the repossession, storage, repair, appraisal, insuring, completion of the manufacture of, preparing for sale, advertising for sale, selling, collecting or otherwise preserving or realizing upon any Common Collateral, (b) the settlement or satisfaction of any prior Lien or other encumbrance upon any Common Collateral or (c) the enforcement of any of the ABL Loan Documents or the LC Loan Documents, as the case may be. Enforcement Expenses shall not be excluded from First Priority Obligations regardless of whether such amounts are added to the principal balance of the loans pursuant to the Loan Documents governing the First Priority Obligations.

“First Priority Documents” means, with respect to any Type of Common Collateral, the Loan Documents governing the related First Priority Obligations.

“First Priority Lien” means any Lien on any Type of Common Collateral securing any First Priority Obligation.

“First Priority Obligations” means, subject to Section 1.3, (i) with respect to the ABL Priority Collateral, the ABL Secured Obligations and (ii) with respect to the LC Priority Collateral, the LC Secured Obligations. To the extent any payment with respect to any First Priority Obligation (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a voidable transfer, fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Second Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred. Enforcement Expenses shall not be excluded from First Priority Obligations regardless of whether such amounts are added to the principal balance of the loans pursuant to the Loan Documents governing the applicable First Priority Obligations.

“First Priority Obligations Payment Date” means (a) with respect to the ABL Priority Collateral, the date of written notice by the ABL Agent to LC Agent of the Payment in Full of ABL Secured Obligations and (b) with respect to the LC Priority Collateral, the date of written notice by LC Agent to the ABL Agent of the Payment in Full of LC Secured Obligations. For the avoidance of doubt, a Refinancing of First Priority Obligations with respect to any Type of Common Collateral that is permitted hereby shall not give rise to the First Priority Obligations Payment Date with respect to such Common Collateral unless the terms thereof expressly so provide with reference to this Agreement.

“First Priority Representative” means (a) with respect to the ABL Priority Collateral, the ABL Agent and (b) with respect to the LC Priority Collateral, the LC Agent.

“First Priority Secured Parties” means, with respect to each Type of Common Collateral, the First Priority Representative and the holders of the First Priority Obligations.

“First Priority Security Documents” means each agreement or document granting or purporting to grant a Lien on any Common Collateral to secure First Priority Obligations.

“Grantor Joinder Agreement” means a supplement to this Agreement substantially in the form of Annex II, appropriately completed.

“Grantors” means the Borrower and each Subsidiary of the Borrower that has at any time granted a Lien on any assets that constitute Common Collateral to secure any of the Secured Obligations.

“Insolvency Proceeding” means (a) any voluntary or involuntary case or proceeding in respect of bankruptcy, insolvency, winding up, receivership, liquidation, reorganization, dissolution or assignment for the benefit of creditors, in each of the foregoing events whether under the Bankruptcy Code or any similar federal, state or foreign bankruptcy, insolvency, reorganization, receivership or similar law, (b) any proceeding seeking the appointment of any trustee, receiver, liquidator, custodian or other insolvency official with similar powers with respect to such Person or any or all of its assets or properties, (c) any liquidation, dissolution, reorganization or winding up whether voluntary or involuntary and whether or not involving insolvency or bankruptcy or (d) any other marshalling of assets and liabilities of any Person.

“Intellectual Property Collateral” has the meaning specified in the ABL Security Agreement as in effect on the date hereof.

“LC Agent” has the meaning set forth in the recitals of this Agreement; provided that the term “LC Agent” shall also mean the Representative for the holders of any indebtedness outstanding under any Replacement LC Credit Agreement then extant (and, if more than one LC Agent exists at any time, “LC Agent” shall be deemed to be a collective reference to each LC Agent).

“LC Credit Agreement” has the meaning set forth in the recitals of this Agreement; provided that the term “LC Credit Agreement” shall also include any Replacement LC Credit Agreement, as such Replacement LC Credit Agreement may be amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof.

“LC Lenders” has the meaning set forth in the recitals of this Agreement.

“LC Loan Documents” means (a) the “Loan Documents” as defined in the LC Credit Agreement or (b) the “Loan Documents” (or any comparable term) as defined in any Replacement LC Credit Agreement, as the case may be.

“LC Priority Collateral” means (a) the “Cash Collateral Account” as defined in the LC Credit Agreement, (b) all of the sums from time to time in the Cash Collateral Account (and all cash, checks and other negotiable instruments, funds and other evidences of payment held therein or credited thereto), (c) any securities, instruments, financial assets, investment property, and any other property credited to the Cash Collateral Account, or issued in replacement of or in substitution or exchange for any of the foregoing, (d) any and all proceeds and products of any thereof and any interest, dividend or income accrued or earned thereon, any additions, substitutions or renewals thereof, and any other amounts held in the Cash Collateral Account, whether now or hereafter existing or arising, and (e) any books and records relating thereto, and any proceeds of the foregoing (including any cash interest, income, or dividends with respect to the foregoing).

“LC Priority DIP Financing” has the meaning specified in Section 5.2(b).

“LC Secured Obligations” means all “Secured Obligations” (or comparable term) as defined in the LC Credit Agreement (including, for the avoidance of doubt, in any Replacement LC Credit Agreement).

“LC Secured Parties” means holders from time to time of the LC Secured Obligations.

“LC Security Agreement” has the meaning set forth in the recitals of this Agreement; provided that if a Replacement LC Credit Agreement is in effect, “LC Security Agreement” shall be deemed to be a reference to each agreement pursuant to which Liens have been granted to secure obligations under the Replacement LC Credit Agreement, in each case, as such agreement may be amended, amended and restated, supplemented or otherwise modified in accordance with the terms hereof and thereof.

“Lien” means any lien, security interest, hypothecation, hypothec or other charge or encumbrance of any kind on the property of a Person, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property; provided the term “Lien” shall not include any license of intellectual property.

“Loan Document” means any of the ABL Loan Documents and the LC Loan Documents.

“Maximum Obligations Amount” means

(a) with respect to the principal amount of LC Secured Obligations (i) \$50,000,000 (which amount shall be increased by the amount of all interest, fees, costs, expenses, indemnities and other amounts accrued or charged with respect to any of the LC Secured Obligations as and when the same accrues or becomes due and payable, irrespective of whether the same is added to the principal amount of the LC Secured Obligations and including the same as would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable, in whole or in part, in any such Insolvency Proceeding plus (ii) the principal amount of any LC Priority DIP Financing, provided, that, (A) the sum of (1) the aggregate principal amount of such LC Priority DIP Financing and (2) the aggregate principal amount of LC Secured Obligations outstanding pursuant to clause (a)(i) above on the date of the commencement of any Insolvency Proceeding does not exceed \$55,000,000 and (B) notwithstanding anything in this clause (a) to the contrary, for purposes of determining whether the maximum principal amounts in this clause (a) have been exceeded, the principal amount of LC Secured Obligations arising as a result of payment of interest in kind or Enforcement Expenses shall be disregarded, and any such principal amounts arising as a result of payment of interest in kind or Enforcement Expenses shall be deemed to be included in the Maximum Obligations Amount; and

(b) with respect to the principal amount of ABL Secured Obligations, together with the undrawn face amount of and unreimbursed drawings with respect to letters of credit constituting ABL Secured Obligations, (i) \$115,000,000 (which amount shall be increased by the amount of all interest, fees, costs, expenses, indemnities and other amounts accrued or charged with respect to any of the ABL Secured Obligations as and when the same accrues or becomes due and payable, irrespective of whether the same is added to the principal amount of the LC Secured Obligations and including the same as would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable, in whole or in part, in any such Insolvency Proceeding) plus (ii) the aggregate amount of Bank Product Obligations (or a comparable term in any Replacement ABL Credit Agreement) constituting ABL Secured Obligations, plus (iii) the principal amount of any ABL Priority DIP Financing, provided, that, (A) the sum of (1) the aggregate principal amount of such ABL Priority DIP Financing and (2) the aggregate principal amount of ABL Secured Obligations outstanding pursuant to clause (b)(i) above on the date of the commencement of any Insolvency Proceeding does not exceed \$201,000,000 and (B) notwithstanding anything in this clause (b) to the contrary, for purposes of determining whether the maximum principal amounts in this clause (a) have been exceeded, the principal amount of ABL Secured Obligations arising as a result of payment of interest in kind or Enforcement Expenses shall be disregarded, and any such principal amounts arising as a result of payment of interest in kind or Enforcement Expenses shall be deemed to be included in the Maximum Obligations Amount;

Plus, in the case of a Refinancing of any of the foregoing permitted pursuant to this Agreement and in the case of each of clauses (a) and (b), an amount equal to accrued and unpaid interest on, and premium with respect to, the obligations being Refinanced and other reasonable and customary fees and expenses incurred in connection with such Refinancing.

“Mortgage” means any mortgage, deed of trust, leasehold mortgage, assignment of leases and rents, modifications and any other agreement, document or instrument pursuant to which any Lien on real property is granted to secure any Secured Obligations or under which rights or remedies with respect to any such Lien are governed.

“Payment in Full of ABL Secured Obligations” means, subject to Sections 5.5 and 6.2 hereof:

(a) the payment in full in cash of the principal and interest (including any interest which would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such case) constituting ABL Secured Obligations, provided, that, for purposes of the definition of the term “First Priority Obligations Payment Date” as to the LC Secured Obligations, and for purposes of Section 4.1 hereof if the sum of: (i) the aggregate principal amount of indebtedness outstanding under the ABL Credit Agreement, plus (ii) the aggregate face amount of any letters of credit issued but not reimbursed under the ABL Credit Agreement are, in the aggregate for amounts described in clauses (i) and (ii) in excess of the Maximum Obligations Amount for the ABL Secured Obligations, then only the portion of the aggregate principal amount of ABL Secured Obligations (excluding, for the avoidance of doubt, any obligations under Bank Product Obligations) not in excess of the Maximum Obligations Amount for the ABL Secured Obligations shall be deemed to be “ABL Secured Obligations” for purposes of this clause (a);

(b) the payment in full in cash of all other ABL Secured Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (including any such amounts which would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such case), other than obligations described in clause (c) below;

(c) (i) the delivery to ABL Agent, or at ABL Agent's option, each Issuing Bank (as such term is defined in the ABL Credit Agreement) of cash collateral, or at ABL Agent's option, the delivery to ABL Agent of a letter of credit payable to ABL Agent (or at ABL Agent's option, such Issuing Bank) issued by a bank reasonably acceptable to ABL Agent (or if issued to such Issuing Bank, a bank reasonably acceptable to such Issuing Bank) in form and substance reasonably satisfactory to ABL Agent (or if issued to such Issuing Bank, in form and substance reasonably acceptable to such Issuing Bank), in either case in respect of letters of credit, banker's acceptances or similar or related instruments issued under the ABL Loan Documents (in such amount as required by the ABL Loan Documents but not to exceed one hundred three percent (103%) of the amount of such letters of credit, banker's acceptances or similar or related instruments), (ii) the delivery of cash collateral in respect of Bank Product Obligations owing to any ABL Secured Party (or, at the option of the ABL Secured Party with respect to such Bank Product Obligations, the termination of the applicable Bank Product Obligations and the payment in full in cash of the ABL Secured Obligations due and payable in connection with such termination or the execution and implementation of alternative arrangements reasonably satisfactory to the applicable ABL Secured Party), and (iii) the delivery of cash collateral to ABL Agent, or at ABL Agent's option, the delivery to ABL Agent of a letter of credit payable to ABL Agent issued by a bank reasonably acceptable to ABL Agent in form and substance reasonably satisfactory to ABL Agent, in respect of contingent ABL Secured Obligations for which a claim or demand for payment has been made at such time or in respect of matters or circumstances known to an ABL Secured Party at the time, of which such ABL Secured Party has informed ABL Agent and Grantors and which are reasonably expected to result in any loss, cost, damage or expense (including attorneys' fees and legal expenses) to any ABL Secured Party for which such ABL Secured Party is entitled to indemnification by any Grantor;

(d) the termination of the commitments of the ABL Lenders and the financing arrangements provided by ABL Agent and the ABL Lenders to Grantors under the ABL Loan Documents.

"Payment in Full of LC Secured Obligations" means, subject to Sections 5.5 and 6.2 hereof:

(a) the payment in full in cash of the principal and interest (including any interest which would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such case) constituting LC Secured Obligations, provided, that, for purposes of the definition of the term "First Priority Obligations Payment Date" as to the LC Secured Obligations, and for purposes of Section 4.1 hereof if the sum of: (i) the aggregate principal amount of indebtedness outstanding under the LC Credit Agreement, plus (ii) the aggregate face amount of any letters of credit issued but not reimbursed under the LC Credit Agreement are, in the aggregate for amounts described in clauses (i) and (ii) in excess of the Maximum Obligations Amount for the LC Secured Obligations, then only the portion of the aggregate principal amount of LC Secured Obligations not in excess of the Maximum Obligations Amount for the LC Obligations shall be deemed to be "LC Secured Obligations" for purposes of this clause (a);

(b) the payment in full in cash of all other LC Secured Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (including any such amounts which would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such case), other than obligations described in clause (c) below;

(c) (i) the delivery to LC Agent, or at LC Agent's option, each Issuing Bank (as such term is defined in the LC Credit Agreement) of cash collateral, or at LC Agent's option, the delivery to LC Agent of a letter of credit payable to LC Agent (or at LC Agent's option, such Issuing Bank) issued by a bank reasonably acceptable to LC Agent (or if issued to such Issuing Bank, a bank reasonably acceptable to such Issuing Bank) in form and substance reasonably satisfactory to LC Agent (or if issued to such

Issuing Bank, in form and substance reasonably acceptable to such Issuing Bank), in either case in respect of letters of credit, banker's acceptances or similar or related instruments issued under the LC Loan Documents equal to the amount by which the amount of the cash collateral held as LC Priority Collateral is less than one hundred three percent (103%) of the amount of the LC Secured Obligations with respect to such letters of credit, banker's acceptances or similar or related instruments, if any and (ii) the delivery of cash collateral to LC Agent, or at LC Agent's option, the delivery to LC Agent of a letter of credit payable to LC Agent issued by a bank reasonably acceptable to LC Agent in form and substance reasonably satisfactory to LC Agent, in respect of contingent LC Secured Obligations for which a claim or demand for payment has been made at such time or in respect of matters or circumstances known to a LC Secured Party at the time, of which such LC Secured Party has informed LC Agent and Grantors and which are reasonably expected to result in any loss, cost, damage or expense (including attorneys' fees and legal expenses) to any LC Secured Party for which such LC Secured Party is entitled to indemnification by any Grantor;

(d) the termination of the commitments of the LC Lenders and the financing arrangements provided by LC Agent and the LC Lenders to Grantors under the LC Loan Documents.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited or unlimited liability company or other entity, or a government or any political subdivision or agency thereof.

"Post-Petition Interest" means any interest, fees, expenses or other amount that accrues or would have accrued after the commencement of any Insolvency Proceeding, whether or not allowed or allowable in any such Insolvency Proceeding.

"Recovery." has the meaning specified in Section 5.5(a).

"Refinance" means, in respect of any indebtedness, to extend, refinance, renew or replace, defease or refund such indebtedness, in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings.

"Replacement ABL Credit Agreement" means (a) any replacement credit agreement entered into by the Grantors (or any of them) to Refinance, in whole but not in part, the indebtedness outstanding under the then-extant ABL Credit Agreement or (b) in the event that no indebtedness is outstanding under the then-extant ABL Credit Agreement, any replacement credit agreement entered into by the Grantors (or any of them), so long as, in the case of each of clauses (a) and (b), the commitments under the then-extant ABL Credit Agreement shall have also been terminated or in the case of any letters of credit or Bank Products Obligations Agreements, terminated, backstopped or cash collateralized; provided that (i) the incurrence of such indebtedness and the Liens securing such indebtedness is permitted by (A) the then-extant LC Loan Documents and (B) this Agreement (including, without limitation, Section 6.2), (ii) the Borrower shall have designated the Representative of the holders of the indebtedness under such replacement credit agreement as the "ABL Agent" by delivering a writing to such effect to the LC Agent, (iii) the provisions of Section 6.2(a) of this Agreement shall have been complied with and (iv) the Borrower shall have delivered to the LC Agent an officer's certificate certifying that the preceding conditions have been satisfied.

"Replacement LC Credit Agreement" means (a) any replacement credit agreement entered into by the Grantors (or any of them) to Refinance, in whole but not in part, the indebtedness outstanding under the then-extant LC Credit Agreement or (b) in the event that no indebtedness is outstanding under the then-extant LC Credit Agreement, any replacement credit agreement entered into by the Grantors (or any of them), so long as, in the case of each of clauses (a) and (b), the commitments under the then-extant LC

Credit Agreement shall have also been terminated or in the case of any letters of credit terminated, backstopped or cash collateralized; provided that (i) the incurrence of such indebtedness and the Liens securing such indebtedness is permitted by (A) the then-extant ABL Loan Documents and (B) this Agreement (including, without limitation, Section 6.2), (ii) the Borrower shall have designated the Representative of the holders of the indebtedness under such replacement credit agreement as the "LC Agent" by delivering a writing to such effect to the ABL Agent, (iii) the provisions of Section 6.2(a) of this Agreement shall have been complied with and (iv) the Borrower shall have delivered to the ABL Agent an officer's certificate certifying that the preceding conditions have been satisfied.

“Representative” means the agent, trustee, or other representative for the holders of the Secured Obligations of any Class designated pursuant to the applicable Loan Documents.

“Representative Joinder Agreement” means a supplement to this Agreement substantially in the form of Annex I, appropriately completed.

“Responsible Officer” means with respect to the Borrower, the chief executive officer, president, chief financial officer, general counsel, treasurer or controller and any executive vice president (or any substantially similar office to any of the foregoing), or any other officer of the Borrower designated or authorized by any of the foregoing.

“Second Priority Documents” means, with respect to (a) the ABL Priority Collateral, the LC Loan Documents and (b) with respect to the LC Loan Priority Collateral, the ABL Loan Documents.

“Second Priority Lien” means any Lien on any Type of Common Collateral securing any Second Priority Obligation.

“Second Priority Obligations” means, subject to Section 1.3, (a) with respect to the ABL Priority Collateral, the LC Secured Obligations and (b) with respect to the LC Collateral, the ABL Secured Obligations. To the extent any payment with respect to any Second Priority Obligation (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a voidable transfer, fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any First Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties, the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred. Enforcement Expenses shall not be excluded from Second Priority Obligations regardless of whether such amounts are added to the principal balance of the loans pursuant to the Loan Documents governing the Second Priority Obligations.

“Second Priority Obligations Payment Date” means, with respect to (a) the LC Priority Collateral, the first date after the First Priority Obligations Payment Date with respect to such Common Collateral that is the date of the Payment in Full of LC Secured Obligations and (b) the LC Priority Collateral, the first date after the First Priority Obligations Payment Date with respect to such Common Collateral that is the date of the Payment in Full of LC Secured Obligations.

“Second Priority Permitted Actions” means the actions permitted to be taken by the Second Priority Secured Parties with respect to each Type of Common Collateral pursuant to Section 3.1(b) and Section 3.1(c).

“Second Priority Representative” means, with respect to each Type of Common Collateral, the collective reference to each Representative for the holders of the Second Priority Obligations with respect to such Common Collateral.

“Second Priority Secured Parties” means, with respect to each Type of Common Collateral, the Second Priority Representative and the holders of the Second Priority Obligations with respect to such Common Collateral.

“Second Priority Security Documents” means each agreement or document granting or purporting to grant a Lien on any Common Collateral to secure Second Priority Obligations.

“Second Priority Standstill Period” has the meaning specified in Section 3.1(b).

“Secured Obligations” means, collectively, the First Priority Obligations and the Second Priority Obligations.

“Secured Parties” means, collectively, the First Priority Secured Parties and the Second Priority Secured Parties.

“Security Documents” means, collectively, (i) the “Collateral Documents” (or like term) as defined in the ABL Credit Agreements and (ii) the “Security Documents” (or like term) as defined in the LC Credit Agreement.

“Subsidiary” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person’s other Subsidiaries.

“Surviving ABL Obligations” has the meaning specified in Section 4.4(a).

“Term Loan Intercreditor Agreement” has the meaning specified in the ABL Credit Agreement.

“Term Loan Priority Collateral” means any and all present and future right, title and interest of the Grantors in and to the following, whether now owned or hereafter acquired, existing or arising, and wherever located to the extent constituting Common Collateral:

- (a) all real estate assets and fixtures,
- (b) all intellectual property, except to the extent provided in clause (d) of the definition of the term “ABL Priority Collateral”,
- (c) all equity interests (other than, for the avoidance of doubt, cash equivalents),
- (d) all permits and licenses related to any of the foregoing (including any permits or licenses related to the ownership or operation of real estate assets or fixtures),

(e) all deposit accounts and securities accounts maintained exclusively for identifiable proceeds of the foregoing or any other Term Loan Priority Collateral (it being understood that, to the extent that identifiable proceeds of Term Loan Priority Collateral are deposited in any deposit accounts or securities accounts that otherwise constitute ABL Priority Collateral, such identifiable proceeds shall constitute Term Loan Priority Collateral),

(f) all documents, documents of title, general intangibles, guarantees, instruments, investment property, commercial tort claims, letters of credit, supporting obligations and letter of credit rights, in each case that are not ABL Priority Collateral,

(g) all books, records and documents to the extent relating to the foregoing (including databases, customer lists and other records, whether tangible or electronic, which contain any information relating to any of the foregoing),

(h) all substitutions, replacements, accessions, products and proceeds (including insurance proceeds) of any of the foregoing in whatever form received, including claims against third parties, and

(i) all other Common Collateral not constituting ABL Priority Collateral.

“Type” when used to describe any Common Collateral means, as applicable, ABL Priority Collateral or LC Priority Collateral.

“Unasserted Contingent Obligations” means, at any time, with respect to any Class of Secured Obligations, Secured Obligations of such Class for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding (a) the principal of, and interest and premium (if any) on, and fees and expenses relating to, any Secured Obligation of such Class and (b) contingent reimbursement obligations in respect of amounts that may be drawn under outstanding letters of credit) in respect of which no assertion of liability (whether oral or written) and no claim or demand for payment (whether oral or written) has been made (and, in the case of Secured Obligations of such Class for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“United States” means the United States of America.

1.2 UCC Definitions. Unless otherwise defined herein, the following terms are used herein as defined in Article 9 of the Uniform Commercial Code: accounts, chattel paper, commercial tort claims, deposit accounts, documents, equipment, general intangibles, instruments, investment property, inventory, letter of credit rights, payment intangibles, proceeds, securities accounts and supporting obligations. “Letters of credit” as used herein is as defined in Article 5 of the Uniform Commercial Code.

1.3 Applicability of this Agreement. Notwithstanding anything to the contrary herein, (i) upon the occurrence of the First Priority Obligations Payment Date with respect to a Type of Common Collateral, the Second Priority Obligations with respect to such Common Collateral (immediately prior to the First Priority Obligations Payment Date) shall be deemed to be the First Priority Obligations with respect to such Common Collateral for purposes of this Agreement and (ii) to the extent that the aggregate amount of any Class of Secured Obligations exceeds the Maximum Obligations Amount with respect to such Class, such excess shall not constitute First Priority Obligations or Second Priority Obligations hereunder, and shall be junior in Lien priority to all Secured Obligations.

2.1 Subordination of Liens.

(a) Any and all Second Priority Liens now existing or hereafter created or arising, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, are expressly junior in priority, operation and effect to any and all First Priority Liens now existing or hereafter created or arising, notwithstanding (i) anything to the contrary contained in any agreement or filing to which any Second Priority Secured Party may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any First Priority Document or Second Priority Document or any other circumstance whatsoever and (iii) the fact that any such First Priority Liens are (A) subordinated to any Lien securing any obligation of any Grantor other than the Second Priority Obligations or (B) otherwise subordinated, voided, avoided, invalidated or lapsed.

(b) [Reserved.]

(c) No Secured Party shall object to or contest, or support any other Person in contesting or objecting to, in any proceeding (including without limitation, any Insolvency Proceeding), the validity, extent, perfection, priority or enforceability of any security interest in the Common Collateral granted to any other Secured Party. No Second Priority Secured Party shall take, or cause to be taken, any action the purpose of which is to make any Second Priority Lien *pari passu* with or senior to the First Priority Lien. It is understood that nothing in this Section 2.1(c) is intended to prohibit any Second Priority Secured Party from exercising any rights expressly granted to it under this Agreement.

(d) Notwithstanding any failure by any Secured Party to perfect any or all of its security interests in the Common Collateral or any avoidance, invalidation or subordination by any third party or court of competent jurisdiction of any or all of the security interests in the Common Collateral granted to such Secured Party, the priority and rights as among the Secured Parties with respect to the Common Collateral shall be as set forth herein.

2.2 Nature of Obligations. Each of the ABL Agent, on behalf of the ABL Secured Parties and the LC Agent, on behalf of itself and the LC Secured Parties, expressly acknowledges and agrees that (i) the ABL Credit Agreement includes a revolving commitment, that in the ordinary course of business the ABL Agent and the ABL Lenders will apply payments and make advances thereunder, and that no application of any Common Collateral or the release of any Lien by the ABL Agent upon any portion of the Common Collateral in connection with a permitted disposition by the ABL Loan Parties under the ABL Credit Agreement and the LC Credit Agreement shall constitute an Enforcement Action under this Agreement and (ii) the terms of the Secured Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the Secured Obligations may be increased, replaced or Refinanced, in each event, without notice to or consent by the Secured Parties (except to the extent required under Section 6) and without affecting the provisions hereof. The Lien priorities set forth in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or Refinancing of, or waiver, consent or accommodation with respect to any of the ABL Secured Obligations or the LC Secured Obligations, or any portion thereof.

Each Secured Party acknowledges that certain of the Secured Obligations are revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or

reduced and subsequently reborrowed, and that the terms of such Secured Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the Secured Obligations may be increased, replaced or Refinanced, in each event, without notice to or consent by the Secured Parties (except to the extent required under Section 6) and without affecting the provisions hereof. The lien priorities provided in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or Refinancing of or waiver, consent or accommodation with respect to any Secured Obligations, or any portion thereof.

2.3 Agreements Regarding Actions to Perfect Liens.

(a) With respect to each Type of Common Collateral, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that UCC-1 financing statements, patent, trademark or copyright filings or other filings or recordings filed or recorded by or on behalf of such Second Priority Representative or any other Second Priority Secured Party (or any agent or other representative thereof) shall be in form reasonably satisfactory to the First Priority Representative.

(b) [Reserved].

(c) With respect to each Type of Common Collateral, the First Priority Representative hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code) over such Common Collateral pursuant to the First Priority Documents, such possession or control is also for the benefit of the Second Priority Representative and the other Second Priority Secured Parties, but solely as gratuitous bailee or gratuitous agent, as applicable, to the extent required to perfect their security interest in such Common Collateral (such bailment or agency being intended, among other things, to satisfy the requirements of Sections 8-106(d)(3), 8-301(a)(2), 9-313(c) and 9-314 of the Uniform Commercial Code). Nothing in the preceding sentence shall be construed to impose any duty on the First Priority Representative (or any third party acting on its behalf) with respect to such Common Collateral or provide any Second Priority Representative or any other Second Priority Secured Party with respect to such Common Collateral with any rights with respect to such Common Collateral beyond those specified in this Agreement and the Second Priority Documents; provided that with respect to each Type of Common Collateral, subsequent to the occurrence of the First Priority Obligations Payment Date in each case at the Grantors' sole cost and expense, (i) the First Priority Representative shall (A) deliver to the Second Priority Representative (and each Grantor hereby directs such First Priority Representative to so deliver), any stock certificates or promissory notes evidencing or constituting such Common Collateral in its possession or control together with any necessary endorsements to the extent required by the Second Priority Documents or (B) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs and (ii) in the case of any Common Collateral consisting of deposit accounts or securities accounts as to which the First Priority Representative has control pursuant to an account control agreement, the First Priority Representative and the applicable Grantor shall take such actions, if any, as are required to cause control over such Common Collateral to become vested in the Second Priority Representative; provided that the provisions of this Agreement are intended solely to govern the respective Lien priorities as between the First Priority Secured Parties, the Second Priority Secured Parties and shall not impose on the First Priority Secured Parties any obligations in respect of the disposition of any Common Collateral (or any proceeds thereof) that would conflict with prior perfected Liens or any claims thereon in favor of any other Person that is not a Secured Party.

(d) Other than as set forth in the first proviso to the second sentence of the immediately preceding paragraph (c), any First Priority Secured Party with physical possession of or control over Common Collateral shall not have any duty or liability to protect or preserve any rights pertaining to any

of such Common Collateral and, except for gross negligence or willful misconduct as determined in a final non-appealable order of a court of competent jurisdiction, each Second Priority Secured Party hereby waives and releases such Person from all claims and liabilities arising pursuant to such Person's role as gratuitous bailee with respect to such Common Collateral.

2.4 No New Liens. The parties hereto agree that there shall be no Lien, and no Grantor shall have any right to create any Lien, on any asset of such Grantor securing any Secured Obligation of such Grantor if such asset is not also subject to a Lien securing each other Secured Obligation of such Grantor, except that (a) nothing contained in this Section 2.4 shall preclude (i) the First Priority Secured Parties from being granted Adequate Protection Liens regardless of whether any Adequate Protection Liens are granted to the Second Priority Secured Parties or (ii) the Second Priority Secured Parties from being granted Adequate Protection Liens in accordance with Section 5.4 and (b) this Section 2.4 shall be inapplicable to any Lien securing obligations under any Bank Product Obligations and/or Letters of Credit (as defined in the ABL Credit Agreement and the LC Credit Agreement), and not any other obligations, that is permitted under each of the ABL Credit Agreements and the LC Credit Agreement. If any Secured Party shall (nonetheless and in breach hereof) acquire or hold any Lien on any assets of any Grantor securing the Secured Obligations of such Grantor, which assets are not also subject to a Lien securing the other Secured Obligations of such Grantor as required by the first sentence of this Section 2.4, then such Secured Party shall, without the need for any further consent of any other Secured Party, and notwithstanding anything to the contrary in any Loan Document, be deemed to hold and have held such Lien for the benefit of the Secured Parties holding Secured Obligations that are required to have a Lien on such assets by the first sentence of this Section 2.4 (and each such Lien so deemed to have been held shall be subject in all respects to the provisions of this Agreement, including without limitation the lien subordination provisions set forth in Section 2.1). In the event such Secured Party knows such assets are not subject to a Lien securing the other Secured Obligations of such Grantor as required by the first sentence of this Section 2.4, then such Secured Party shall promptly notify the other Secured Parties in writing of the existence of such Lien.

SECTION 3. *Enforcement Rights.*

3.1 Exclusive Enforcement.

(a) With respect to each Type of Common Collateral, until the First Priority Obligations Payment Date, whether or not an Insolvency Proceeding has been commenced by or against any Grantor, the First Priority Secured Parties shall have the exclusive right to take and continue (or refrain from taking or continuing) any Enforcement Action with respect to such Common Collateral, without any consultation with or consent of any Second Priority Secured Party with respect to such Common Collateral; provided that the Second Priority Secured Parties with respect to any Common Collateral may exercise credit bidding rights with respect to such Common Collateral to the extent expressly permitted under Section 5.6(a). With respect to each Type of Common Collateral, upon the occurrence and during the continuance of an event of default under the First Priority Documents (and subject to the provisions of the First Priority Documents), the First Priority Representative and the other First Priority Secured Parties may take and continue any Enforcement Action with respect to the applicable First Priority Obligations and such Common Collateral in such order and manner as they may determine in their sole discretion.

(b) Notwithstanding Section 3.1(a), with respect to each Type of Common Collateral, the Second Priority Representative and the Second Priority Secured Parties may enforce any of their rights and exercise any of their remedies with respect to the Common Collateral after a period of 180 days has elapsed since the date on which the Second Priority Representative has delivered to the First Priority Representative written notice of the acceleration or non-payment at maturity of the indebtedness then outstanding under the Second Priority Documents (the "Second Priority Standstill Period"); provided,

that, notwithstanding the expiration of the Second Priority Standstill Period or anything to the contrary herein, with respect to each Type of Common Collateral, in no event shall the Second Priority Representative or any other Second Priority Secured Party enforce or exercise any rights or remedies with respect to such Common Collateral if the First Priority Representative or any other First Priority Secured Party shall have commenced, and shall be diligently pursuing (or shall have sought or requested relief from or modification of the automatic stay or any other stay in any Insolvency Proceeding to enable the commencement and pursuit thereof), the enforcement or exercise of any rights or remedies with respect to all or a material portion of such Common Collateral (prompt written notice thereof to be given to the Second Priority Representative by the First Priority Representative). If any stay or other order prohibiting the exercise of remedies with respect to any Type of Common Collateral has been entered in connection with any Insolvency Proceeding or by a court of competent jurisdiction, the Second Priority Standstill Period with respect to such Common Collateral shall be tolled during the pendency of any such stay or other order.

(c) It is understood that Sections 3.1(a) and 3.1(b) do not restrict the following:

(i) in any Insolvency Proceeding commenced by or against any Grantor, the Second Priority Representative with respect to each Type of Common Collateral may file a claim or statement of interest with respect to such Type of Common Collateral;

(ii) the Second Priority Representative with respect to each Type of Common Collateral may take any action (not adverse to the priority or perfection status of the Liens securing the First Priority Obligations with respect to each Type of Common Collateral, or the rights of the First Priority Representative or the First Priority Secured Parties with respect to such Type of Common Collateral to exercise remedies in respect thereof) in order to create, preserve, perfect or protect (but not enforce) the Second Priority Lien on such Type of Common Collateral;

(iii) the Second Priority Secured Parties with respect to each Type of Common Collateral shall be entitled to file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Second Priority Secured Parties with respect to such Type of Common Collateral, if any, in each case to the extent not inconsistent with the terms of this Agreement;

(iv) the Second Priority Secured Parties with respect to each Type of Common Collateral shall be entitled to file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any bankruptcy, insolvency or similar law or applicable non-bankruptcy law, in each case to the extent not inconsistent with the terms of this Agreement; and

(v) the Second Priority Secured Parties with respect to each Type of Common Collateral shall be entitled to vote on any plan of reorganization and file any proof of claim in an Insolvency Proceeding or otherwise and make any arguments and motions that are, in each case, to the extent not inconsistent with the terms of this Agreement.

3.2 Standstill and Waivers.

(a) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations Payment Date, subject to Section 3.1(c) and except in connection with the taking of any Second Priority Permitted Actions, they will not oppose, object to, interfere with, hinder or delay, in any manner, whether

by judicial proceedings (including without limitation the filing of an Insolvency Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer or other disposition of such Common Collateral pursuant to an Enforcement Action (or pursuant to a sale, lease, exchange or transfer as a result of which the Second Priority Lien is automatically released pursuant to Section 4.2(a)) or any other Enforcement Action taken by or on behalf of the First Priority Representative or any other First Priority Secured Party;

(b) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations Payment Date, they have no right to (i) direct the First Priority Representative or any other First Priority Secured Party to take any Enforcement Action with respect to such Common Collateral or (ii) subject to Section 3.1(c) and except in connection with the taking of any Second Priority Permitted Actions, consent or object to the taking by the First Priority Representative or any other First Priority Secured Party of any Enforcement Action with respect to such Common Collateral or to the timing or manner thereof (or, to the extent it may have any such right described in this Section 3.2(b) as a junior lien creditor, they hereby irrevocably waive such right);

(c) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations Payment Date, they will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding, except as otherwise provided herein, any claim against the First Priority Representative or any other First Priority Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, and none of the First Priority Representative nor any other First Priority Secured Party shall be liable for, any action taken or omitted to be taken by the First Priority Representative or any First Priority Secured Party with respect to such Common Collateral or pursuant to the First Priority Documents; provided that nothing in this Section 3.2(c) shall be construed to prevent or limit any party hereto from instituting any such suit or other proceeding to enforce the terms of this Agreement;

(d) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations Payment Date, they will not take any Enforcement Action with respect to such Common Collateral, except as otherwise permitted under the proviso to the first sentence of Section 3.1(a) or under Section 3.1(b) or Section 3.1(c);

(e) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations Payment Date, they will not commence judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce their interest in or realize upon, such Common Collateral, in each case, except as otherwise permitted under the proviso to the first sentence of Section 3.1(a) or under Section 3.1(b) or Section 3.1(c); and

(f) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees, for the benefit of the First Priority Representative and each other First Priority Secured Party, that until the First Priority Obligations Payment Date, they will not seek, and hereby waive any right, to have such Common Collateral or any

part thereof marshaled upon any foreclosure or other disposition of such Common Collateral, except as otherwise permitted under Section 3.1(b) or under Section 3.1(c).

3.3 Judgment Creditors. In the event that any Second Priority Secured Party becomes a judgment lien creditor as a result of its enforcement of its rights as an unsecured creditor in respect of its Second Priority Obligations (it being understood that any such party may exercise its rights and remedies as an unsecured creditor against the relevant Grantors in accordance with the terms of the Second Priority Documents and applicable law; provided that such exercise of rights or remedies is not inconsistent with this Agreement), such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the First Priority Liens and the First Priority Obligations and the Second Priority Liens and the Second Priority Obligations, as applicable) to the same extent as all other Second Priority Liens (created pursuant to the Second Priority Documents), subject to this Agreement.

3.4 Cooperation.

(a) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that it shall take such actions as the First Priority Representative shall reasonably request in connection with an Enforcement Action by any First Priority Secured Party or the exercise by the First Priority Secured Parties of their rights set forth herein.

(b) With respect to each Type of Common Collateral, on the First Priority Obligations Payment Date the First Priority Representative for such Common Collateral agrees to take all reasonable actions in its power (with all costs and expenses in connection therewith to be for the account of the Grantors) to permit the Second Priority Representative for such Common Collateral to obtain, for the benefit of the Second Priority Secured Parties for such Common Collateral, a first priority security interest in such Common Collateral, including without limitation in connection with the terms of any collateral access agreement, deposit account control agreement or other third party agreement, whether with a landlord, processor, warehouse or other third party, and with respect to any such agreement delivered on or after the date hereof, the First Priority Representative for such Common Collateral shall notify the other parties thereto that it is no longer the "Secured Party Representative," "Representative," "Lender Representative" or "Notice Agent" or similar term or otherwise entitled to act under such agreement and shall confirm to such parties that the Second Priority Representative for such Common Collateral is thereafter the "Secured Party Representative," "Representative," "Lender Representative" or "Notice Agent" or similar term as any of such terms are used in any such agreement and is otherwise entitled to the rights of the secured party under such agreement.

3.5 No Additional Rights for the Grantors Hereunder

. Except as provided in Section 3.6, if any Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, no Grantor shall be entitled to use such violation as a defense to any action by any Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any Secured Party.

3.6 Actions Upon Breach.

(a) With respect to each Type of Common Collateral, if any Second Priority Secured Party commences or participates in any action or proceeding against any Grantor in respect of such Common Collateral contrary to this Agreement, such Grantor, with the prior written consent of the First Priority Representative, may interpose as a defense or dilatory plea the making of this Agreement, and any First Priority Secured Party may intervene and interpose such defense or plea in its or their name or in the name of such Grantor.

(b) With respect to each Type of Common Collateral, if any Second Priority Secured Party (or any agent or other representative thereof) in any way takes, attempts to take or threatens to take any action with respect to such Common Collateral (including, without limitation, any attempt to enforce any remedy on such Common Collateral) in violation of this Agreement, or fails to take any action required by this Agreement, any First Priority Secured Party (in its or their own name or in the name of any Grantor) may obtain relief against such Second Priority Secured Party (or agent or other representative thereof), as the case may be, by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by the Second Priority Representative on behalf of each other Second Priority Secured Party that (i) the damages of the First Priority Secured Parties from its actions may at that time be difficult to ascertain and may be irreparable, and (ii) each Second Priority Secured Party waives any defense that any Grantor and/or the First Priority Secured Parties cannot demonstrate damage and/or can be made whole by the awarding of damages.

SECTION 4. *Application of Proceeds of Common Collateral; Dispositions and Releases of Common Collateral; Inspection and Insurance.*

4.1 *Application of Proceeds; Turnover Provisions.*

(a) All proceeds of ABL Priority Collateral (to the extent such ABL Priority Collateral constitutes Common Collateral) (including any interest earned thereon) received (i) in connection with any exercise of any Enforcement Action or other right or remedy (including set off) with respect to the ABL Priority Collateral, (ii) in connection with the sale or other disposition of all or any portion of the ABL Priority Collateral under Section 4.2, or (iii) following the commencement of any Insolvency Proceeding (including any distributions pursuant to a plan of reorganization in such Insolvency Proceeding), in each case, shall be distributed as follows:

first, to the ABL Agent with respect to the ABL Priority Collateral, to be applied in accordance with the Term Loan Intercreditor Agreement and ABL Credit Agreement until the Payment in Full of the ABL Secured Obligations shall have occurred;

second, to the LC Agent to be applied in accordance with the LC Credit Agreement until the Payment in Full of the LC Secured Obligations shall have occurred;

third, to the payment in full in cash of the remaining ABL Secured Obligations;

fourth, to the payment in full in cash of the remaining LC Secured Obligations; and

finally, to the relevant Grantor, or as a court of competent jurisdiction may direct.

(b) All proceeds of the LC Priority Collateral (to the extent such LC Priority Collateral constitutes Common Collateral) (including any interest earned thereon) received (i) in connection with any exercise of any Enforcement Action or other right or remedy (including set off) with respect to the LC Priority Collateral, (ii) in connection with the sale or other disposition of all or any portion of the LC Priority Collateral under Section 4.2, or (iii) following the commencement of any Insolvency Proceeding (including any distributions pursuant to a plan of reorganization in such Insolvency Proceeding), in each case, shall be distributed as follows:

first, to the LC Agent to be applied in accordance with the Term Loan Intercreditor Agreement and the LC Credit Agreement until the Payment in Full of the LC Secured Obligations shall have occurred;

second, to the ABL Agent to be applied in accordance with the Term Loan Intercreditor Agreement and ABL Credit Agreement until the Payment in Full of the ABL Secured Obligations shall have occurred;

third, to the payment in full in cash of the remaining LC Secured Obligations;

fourth, to the payment in full in cash of the remaining ABL Secured Obligations; and

finally, to the relevant Grantor, or as a court of competent jurisdiction may direct.

(c) With respect to each Type of Common Collateral, until the occurrence of the First Priority Obligations Payment Date, no Second Priority Secured Party may accept any such Common Collateral, including any such Common Collateral constituting proceeds, in satisfaction, in whole or in part, of the Second Priority Obligations, in violation of Sections 4.1(a) or 4.1(b). Any Common Collateral, including any Common Collateral constituting proceeds, received by a Second Priority Secured Party that is not permitted to be received pursuant to the preceding sentence shall be segregated and held in trust and promptly turned over to the First Priority Representative with respect to such Common Collateral to be applied in accordance with Section 4.1(a) or 4.1(b), as the case may be, in the same form as received, with any necessary endorsements, and each Second Priority Secured Party hereby authorizes the First Priority Representative to make any such endorsements as agent for the Second Priority Representative (which authorization, being coupled with an interest, is irrevocable). Upon the turnover of such Common Collateral as contemplated by the immediately preceding sentence, the Second Priority Obligations purported to be satisfied by the payment of such Common Collateral shall be immediately reinstated in full as though such payment had never occurred.

4.2 Releases of Lien.

(a) With respect to each Type of Common Collateral, upon any release, sale or disposition of such Common Collateral that results in the release of the First Priority Lien on such Common Collateral and that is (i) permitted pursuant to the terms of the First Priority Documents and not prohibited under the Second Priority Documents or (ii) effected pursuant to (A) an Enforcement Action or (B) any release, sale or disposition of all or any portion of such Common Collateral by a Grantor with the consent of the First Priority Representative with respect to such Common Collateral at any time that an Event of Default under the ABL Credit Agreement or LC Credit Agreement, as applicable, has occurred and is continuing, the Second Priority Lien on such Common Collateral (but not on any proceeds of such Common Collateral not required to be paid to the First Priority Secured Parties) shall be automatically and unconditionally released.

(b) With respect to each Type of Common Collateral, until the First Priority Obligations Payment Date, the Second Priority Representative shall promptly execute and deliver such release documents and instruments, make such filing (including with any Secretary of State, the United States Patent and Trademark Office or the United States Copyright Office, as applicable) and shall take such further actions as the First Priority Representative shall reasonably request to evidence any release of the Second Priority Lien described in Section 4.2(a). With respect to each Type of Common Collateral, the Second Priority Representative hereby appoints the First Priority Representative and any officer or duly authorized person of the First Priority Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Second Priority Representative and in the name of the Second Priority Representative or in the First Priority Representative's own name; provided that such power of attorney may only be exercised if the Second Priority Representative has not executed and delivered such release documents and instruments in a timely manner following a request from the First Priority Representative, and must be exercised in the

First Priority Representative's reasonable discretion, solely for the purposes of carrying out the terms of Section 4.2(a), to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of Section 4.2(a), including any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

(c) In the event that Proceeds of ABL Priority Collateral are received by any Secured Party in connection with a sale, transfer or other disposition of Collateral that directly or indirectly involves some or all of the ABL Priority Collateral and some or all of the LC Priority Collateral (including, without limitation, pursuant to the sale or other disposition of a division or line of business or any Capital Stock of any Grantor) (it being understood and agreed that if a Grantor is sold or otherwise disposed of and such sale or other disposition is structured as a sale of equity interests, for purposes of this Agreement, such sale shall be treated as a sale of assets and the Proceeds shall be allocated as set forth in this Section 4.2), the portion of such Proceeds that shall be allocated as (i) proceeds of Accounts and Payment Intangibles shall be in an amount equal to the face amount of such Accounts and Payment Intangibles, (ii) proceeds of Inventory shall be an amount equal to the lesser of (A) the cost or market, calculated on a first-in, first-out basis, of such Inventory and (B) the appraised orderly liquidation value of such Inventory and (iii) proceeds of Equipment shall be in an amount equal to the appraised orderly liquidation value of such Equipment.

(d) For all purposes of this Agreement, ABL Priority Collateral and LC Priority Collateral shall include the Proceeds thereof received directly from such ABL Priority Collateral or LC Priority Collateral including the sale or other disposition thereof; provided, that, (i) any property or asset purchased by any Grantor (whether purchased with proceeds of ABL Priority Collateral or LC Priority Collateral), shall not be traced and any such property or assets will either be ABL Priority Collateral or LC Priority Collateral based on the nature of such collateral and not the source of funds or other proceeds used to purchase such property or asset; and (ii) the foregoing shall not apply to (A) any property or asset purchased by any Grantor after the earlier of a Default (as defined in the ABL Credit Agreement or LC Credit Agreement) or a Default (as defined in the LC Credit Agreement) or (B) Accounts and Payment Intangibles that are the identifiable proceeds of the sale or other disposition of LC Priority Collateral or cash constituting identifiable proceeds of property that was LC Priority Collateral when such cash proceeds arose and are held in Deposit Accounts that contain solely such cash proceeds.

4.3 Inspection Rights and Insurance.

(a) With respect to each Type of Common Collateral, until the First Priority Obligations Payment Date, any First Priority Secured Party and its representatives and invitees may, to the extent expressly permitted by the First Priority Documents, inspect, repossess, remove and otherwise deal with such Common Collateral, and, pursuant to an Enforcement Action, the First Priority Representative may advertise and conduct public auctions or private sales of such Common Collateral, in each case without notice (other than any notice required by law) to, the involvement of or interference by any Second Priority Secured Party or liability to any Second Priority Secured Party.

(b) Proceeds of Common Collateral include insurance proceeds and, therefore, the Lien priority shall govern the ultimate disposition of casualty insurance proceeds and business interruption insurance proceeds. To effectuate the foregoing and to the extent provided by the applicable Loan Documents, the ABL Agent and the LC Agent shall each receive separate lender's loss payable endorsements naming themselves as loss payee and additional insured, as their interests may appear, with respect to policies which insure Common Collateral hereunder. If any insurance claim includes both ABL Priority Collateral and LC Priority Collateral and the insurer will not settle such claim separately with respect to ABL Priority Collateral and LC Priority Collateral, if the ABL Agent and the LC Agent are

unable after negotiating in good faith to agree on the settlement for such claim, any of them (to the extent they have the right to direct the settlement of such claim under the applicable Loan Documents) may apply to a court of competent jurisdiction to make a determination regarding the allocation of proceeds of such insurance claim. All proceeds of such insurance shall be remitted to the extent required by the applicable Loan Documents to the ABL Agent or the LC Agent, as the case may be, and each of the ABL Agent and the LC Agent shall cooperate (if necessary) in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.1 hereof.

4.4 Reserved.

SECTION 5. *Insolvency Proceedings.*

5.1 Filing of Motions. With respect to each Type of Common Collateral, each of the First Priority Representative and the Second Priority Representative agrees on behalf of itself and the other First Priority Secured Parties and other Second Priority Secured Parties, respectively, that it shall not, in or in connection with any Insolvency Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case to challenge, contest or otherwise object to the scope, validity, enforceability, perfection or priority of any Liens in respect of Secured Obligations held by any other Secured Party and no Secured Party shall support any other Person doing any of the foregoing.

5.2 Financing Matters.

(a) If any Grantor becomes subject to any Insolvency Proceeding, and if the ABL Agent consents (or does not object) to the use of ABL Priority Collateral constituting Common Collateral (for the avoidance of doubt, including but not limited to the use of any such ABL Priority Collateral that is cash collateral) by any Grantor during any Insolvency Proceeding or provides financing to any Grantor under the Bankruptcy Code secured by ABL Priority Collateral, or consents (or does not object) to the provision of such financing to any Grantor by any third party (any such use of cash collateral or financing, whether provided by the First Priority Secured Parties with respect to the ABL Priority Collateral (or any of them) or any third party approved by ABL Agent, being referred to herein as an “ABL Priority DIP Financing”), then the LC Agent agrees, on behalf of itself and the other LC Secured Parties, that each such LC Secured Party (a) will be deemed to have consented to, will raise no objection to, and will not support any other Person objecting to, the use of such ABL Priority Collateral or to such ABL Priority DIP Financing, (b) shall only request or accept adequate protection in connection with the use of such ABL Priority Collateral or such ABL Priority DIP Financing as permitted by Section 5.4 below, (c) will subordinate (and will be deemed hereunder to have subordinated) the Second Priority Liens, and any Adequate Protection Liens provided in respect thereof (i) to the Liens on such ABL Priority Collateral securing such ABL Priority DIP Financing on the same terms and conditions as the First Priority Liens on such ABL Priority Collateral are subordinated to such Liens on such ABL Priority Collateral securing such ABL Priority DIP Financing (and such subordination will not alter in any manner the terms of this Agreement), (ii) to any adequate protection with respect to the ABL Priority Collateral provided to the ABL Agent, including, without limitation, Adequate Protection Liens on the ABL Priority Collateral provided to the ABL Secured Parties with respect to the ABL Priority Collateral and (iii) to any “carve-out” with respect to the ABL Priority Collateral for professional and United States Trustee fees agreed to by the ABL Agent or the other ABL Secured Parties and (d) agrees that any notice of such events found to be adequate by the bankruptcy court shall be adequate notice; provided that, with respect to clauses (a) through (d) above,

(A) the aggregate principal amount of (1) any ABL Priority DIP Financing plus (2) the aggregate outstanding principal amount of the ABL Secured Obligations outstanding as of the date of

the commencement of the Insolvency Proceeding shall not exceed the maximum principal amount permitted pursuant to clause (b) of the definition of "Maximum Obligations Amount";

(B) LC Agent retains a Lien on the Collateral (including Proceeds thereof arising after the commencement of such proceeding) with the same priority relative to the Liens on such Collateral of the ABL Secured Parties as existed prior to the commencement of the case under the Bankruptcy Code (i.e., junior in priority to the Liens on the ABL Priority Collateral securing such ABL Priority DIP Financing and the ABL Secured Obligations, but senior in priority to the Liens on the LC Priority Collateral securing such ABL Priority DIP Financing and ABL Secured Obligations to the same extent as provided under Section 2.1);

(C) LC Agent receives additional or replacement Liens on all post-petition assets of any Grantor which are subject to an additional or replacement Lien to secure the ABL Priority DIP Financing with the same priority relative to the Liens of ABL Agent as existed prior to such Insolvency Proceeding to the extent LC Agent seeks such Liens and is entitled to such additional or replacement Liens under the Bankruptcy Code or other applicable debtor relief laws as determined by the Bankruptcy Court having jurisdiction over the case;

(D) such ABL Priority DIP Financing is subject to the terms of this Agreement; and

(E) as a condition of such ABL Priority DIP Financing, until the Payment in Full of LC Secured Obligations, (1) all proceeds of the LC Priority Collateral shall either (x) be remitted to LC Agent for application in accordance with Section 4.1 hereof or (y) only be used by Grantors subject to terms and conditions acceptable to LC Agent, and (2) no portion of the LC Priority Collateral shall be used to repay the ABL Secured Obligations outstanding as of the date of the commencement of any Insolvency Proceeding or any ABL Secured Obligations incurred thereafter pursuant to any such ABL Priority DIP Financing until the Payment in Full of LC Secured Obligations in accordance with Section 4.1.

(b) If any Grantor becomes subject to any Insolvency Proceeding, and if the LC Agent consents (or does not object) to the use of LC Priority Collateral constituting Common Collateral (for the avoidance of doubt, including but not limited to the use of any such LC Priority Collateral that is cash collateral) by any Grantor during any Insolvency Proceeding or provides financing to any Grantor under the Bankruptcy Code secured by LC Priority Collateral or consents (or does not object) to the provision of such financing to any Grantor by any third party (any such use of cash collateral or financing, whether provided by the LC Secured Parties with respect to the LC Priority Collateral (or any of them) or any third party, approved by LC Agent, being referred to herein as an "LC Priority DIP Financing"), then the ABL Agent agrees, on behalf of itself and the other ABL Secured Parties, that each such ABL Secured Party (a) will be deemed to have consented to, will raise no objection to, and will not support any other Person objecting to, the use of such LC Priority Collateral or to such LC Priority DIP Financing, (b) shall only request or accept adequate protection in connection with the use of such LC Priority Collateral or such LC Priority DIP Financing as permitted by Section 5.4 below, (c) will subordinate (and will be deemed hereunder to have subordinated) the Second Priority Liens and any Adequate Protection Liens provided in respect thereof (i) to the Liens on such LC Priority Collateral securing such LC Priority DIP Financing on the same terms and conditions as the First Priority Liens on such LC Priority Collateral are subordinated to such Liens on such LC Priority Collateral securing such LC Priority DIP Financing (and such subordination will not alter in any manner the terms of this Agreement), (ii) to any adequate protection with respect to the LC Priority Collateral provided to the LC Secured Parties with respect to the LC Priority Collateral, including, without limitation, Adequate Protection Liens on the LC Priority Collateral provided to the LC Secured Parties with respect to the LC Priority Collateral and (iii) to any "carve-out" with respect to the LC Priority Collateral for professional and United States Trustee fees

agreed to by the LC Agent or the other LC Secured Parties and (d) agrees that any notice of such events found to be adequate by the bankruptcy court shall be adequate notice; provided that, with respect to clauses (a) through (d) above,

(A) the aggregate principal amount of (1) any LC Priority DIP Financing plus (2) the aggregate outstanding principal amount of the LC Secured Obligations outstanding as of the date of the commencement of the Insolvency Proceeding shall not exceed the maximum principal amount permitted pursuant to clause (a) of the definition of "Maximum Obligations Amount";

(B) ABL Agent retains a Lien on the Collateral (including Proceeds thereof arising after the commencement of such proceeding) with the same priority relative to the Liens on such Collateral of LC Agent as existed prior to the commencement of the case under the Bankruptcy Code (i.e., junior in priority to the Liens on the LC Priority Collateral securing such LC Priority DIP Financing and the LC Secured Obligations, but senior in priority to the Liens on the ABL Priority Collateral securing such LC Priority DIP Financing and the LC Secured Obligations to the same extent as provided under Section 2.1);

(C) ABL Agent receives additional or replacement Liens on all post-petition assets of any Grantor which are subject to an additional or replacement Lien to secure the LC Priority DIP Financing with the same priority relative to the Liens of LC Agent as existed prior to such Insolvency Proceeding to the extent ABL Agent seeks such Liens and is entitled to such additional or replacement Liens under the Bankruptcy Code or other applicable debtor relief laws as determined by the Bankruptcy Court having jurisdiction over the case;

(D) such LC Priority DIP Financing is subject to the terms of this Agreement; and

(E) as a condition of such LC Priority DIP Financing, until the Payment in Full of ABL Secured Obligations, (1) all proceeds of the ABL Priority Collateral shall either (x) be remitted to ABL Agent for application in accordance with Section 4.1 hereof or (y) only be used by Grantors subject to terms and conditions acceptable to ABL Agent, and (2) no portion of the ABL Priority Collateral shall be used to repay the LC Secured Obligations outstanding as of the date of the commencement of any Insolvency Proceeding or any LC Secured Obligations incurred thereafter pursuant to any such LC Priority DIP Financing until the Payment in Full of ABL Secured Obligations in accordance with Section 4.1.

(c) No ABL Secured Party shall, directly or indirectly, provide, or seek to provide, or support any other Person providing or seeking to provide, the ABL Priority DIP Financing secured by Liens equal or senior in priority to the Liens on the LC Priority Collateral (including any assets or property arising after the commencement of a case under the Bankruptcy Code) securing the LC Secured Obligations, without the prior written consent of LC Agent. No LC Secured Party shall, directly or indirectly, provide, or seek to provide, or support any other Person providing or seeking to provide, the LC Priority DIP Financing secured by Liens equal or senior in priority to the Liens on the ABL Priority Collateral (including any assets or property arising after the commencement of a case under the Bankruptcy Code) securing the ABL Secured Obligations, without the prior written consent of ABL Agent. For purposes hereof, all references to Collateral shall include any assets or property of the Grantors arising after the commencement of any Insolvency Proceeding that are subject to the Liens of Agents.

5.3 Relief From the Automatic Stay. With respect to each Type of Common Collateral, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that none of them will (i) seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in violation thereof, or support any other Person seeking such relief or

taking such action, in each case in respect of such Common Collateral, without the prior written consent of the First Priority Representative or (ii) object to, contest, or support any other Person objecting to or contesting, any relief from the automatic stay or from any other stay in any Insolvency Proceeding requested by any First Priority Secured Party.

5.4 Adequate Protection. With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that none of them shall object to, contest, or support any other Person objecting to or contesting, (i) any request by the First Priority Representative or any other First Priority Secured Party for adequate protection with respect to such Common Collateral, including, without limitation, in the form of Adequate Protection Liens, superpriority claims, interest, fees, expenses or other amounts or (ii) any objection by the First Priority Representative or any other First Priority Secured Party to any motion, relief, action or proceeding based on a claim of a lack of adequate protection to the First Priority Secured Parties with respect to such Common Collateral or (iii) the payment of principal, interest, fees, expenses or other amounts to the First Priority Representative or any other First Priority Secured Party under section 506(b) or 506(c) of the Bankruptcy Code or otherwise with respect to such Common Collateral. Notwithstanding anything contained in this Agreement, (1) in any Insolvency Proceeding, the Second Priority Representative and the other Second Priority Secured Parties, in each case with respect to each Type of Common Collateral, may seek, support, accept or retain adequate protection (A) only if the First Priority Secured Parties with respect to such Common Collateral are granted adequate protection that includes Adequate Protection Liens on additional collateral and superpriority claims and such First Priority Secured Parties do not object to the adequate protection being provided to them and (B) solely in the form of (x) Adequate Protection Liens on the same additional collateral, subordinated to the Adequate Protection Liens granted to the First Priority Representative or any other First Priority Secured Party and the Liens securing any DIP Financing provided by, or consented to by (including via non-objection), the First Priority Secured Parties with respect to such Common Collateral on the same basis as the other Second Priority Liens on such Common Collateral, are so subordinated to the First Priority Liens on such Common Collateral under this Agreement, (y) superpriority claims subordinated (but only to the extent such superpriority claims are satisfied from the proceeds of the Common Collateral on which the First Priority Secured Parties have First Priority Liens) to the superpriority claims granted to the First Priority Secured Parties and (z) non-monetary adequate protection that is customarily provided in an Insolvency Proceeding, including, without limitation, in the form of the provision of information and the ability to monitor such Common Collateral and (2) with respect to each Type of Common Collateral, in the event any Second Priority Secured Party receives adequate protection in the form of Adequate Protection Liens, then the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, (i) consents to the First Priority Representative having a senior Adequate Protection Lien on such additional collateral as security for the First Priority Obligations and that any Adequate Protection Liens granted to the Second Priority Secured Parties on any additional collateral shall be subordinated to the Liens on such collateral securing the First Priority Obligations and any DIP Financing provided by, or consented to by (including via non-objection), the First Priority Secured Parties with respect to such Common Collateral (and all obligations relating thereto) and any Adequate Protection Liens granted to the First Priority Secured Parties, with such subordination to be on the same terms that the other Second Priority Liens are subordinated to such First Priority Liens under this Agreement, and (ii) agrees that, if the bankruptcy court does not grant the First Priority Secured Parties a senior Adequate Protection Lien on such additional collateral, then the Second Priority Secured Parties shall be deemed to hold and have held their Adequate Protection Lien on such additional collateral for the benefit of the First Priority Secured Parties (and each such Lien so deemed to have been held shall be subject in all respects to the provisions of this Agreement, including without limitation the lien subordination provisions set forth in Section 2.1) and, until the First Priority Obligations Payment Date, any distributions in respect of such additional collateral received by the Second Priority Secured Parties shall be segregated and held in trust and promptly turned over to the First Priority Representative to repay the First Priority Obligations. To the extent so authorized

by a court of competent jurisdiction, upon the turnover of such distributions as contemplated by the immediately preceding sentence, the Second Priority Obligations purported to be satisfied by such distributions shall be immediately reinstated in full as though such payment had never occurred.

5.5 Avoidance Issues.

(a) With respect to each Type of Common Collateral, if any First Priority Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Grantor, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be fraudulent or preferential transfer, any amount (a "Recovery"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the First Priority Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred, and the First Priority Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Second Priority Secured Parties with respect to each Type of Common Collateral agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation with respect to such Common Collateral made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

(b) With respect to each Type of Common Collateral, if any Grantor receives a Recovery from any Second Priority Secured Party, whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the Second Priority Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred, and the Second Priority Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto.

5.6 Asset Dispositions in an Insolvency Proceeding.

(a) With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that (i) none of them shall, in an Insolvency Proceeding, object to or oppose (or support any Person in objecting to or opposing) any sale or disposition of any such Common Collateral that is supported by the First Priority Secured Parties, and (ii) they will be deemed to have consented under section 363 of the Bankruptcy Code (and otherwise) to any such sale supported by the First Priority Secured Parties free and clear of the Liens of the Second Priority Representative and the other Second Priority Secured Parties or other claims under Sections 363, 365 or 1129 of the Bankruptcy Code (and including any motion for bid procedures or other procedures related to the sale or disposition); provided that (A) the Lien of the Second Priority Representative shall remain in place with respect to any proceeds of any such sale or disposition that are not applied to the repayment of the First Priority Obligations and (B) the Second Priority Representative and the Second Priority Secured Parties shall be entitled to seek and exercise credit bid rights in respect of any such sale or disposition so long as the First Priority Obligations Payment Date shall occur upon consummation of such sale or disposition; provided that the Second Priority Secured Parties shall not be deemed to have agreed to any credit bid by other Secured Parties in connection with a single sale of both ABL Priority Collateral and LC Priority Collateral.

(b) [Reserved.]

(c) If a single sale or disposition of Common Collateral in an Insolvency Proceeding includes both ABL Priority Collateral and LC Priority Collateral, the allocation of proceeds shall be as provided in Section 4.2(c)(including any sale of equity interests as provided therein).

5.7 **Separate Grants of Security and Separate Classification.** ABL Agent, on behalf of itself and the ABL Secured Parties, and the LC Agent, on behalf of itself and the LC Secured Parties, acknowledges and agrees that (i) the grant of Liens on the Common Collateral securing the ABL Secured Obligations constitutes a separate and distinct grant of Liens from the grant of Liens on such Common Collateral securing the LC Secured Obligations and (ii) because of, among other things, their differing rights in such Common Collateral, each of the ABL Secured Obligations and LC Secured Obligations is fundamentally different and must be separately classified in any plan of reorganization proposed or confirmed in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if a court of competent jurisdiction holds that the claims of the ABL Secured Parties and/or the claims of LC Secured Parties in respect of any Type of Common Collateral constitute more than one secured claim (rather than separate classes of first, second and third priority secured claims), then the Secured Parties in respect of such Common Collateral hereby acknowledge and agree that all distributions shall be made as if there were separate classes of first and second priority secured claims against the relevant Grantors in respect of such Common Collateral (with the effect being that, to the extent that the aggregate value of such Common Collateral is sufficient (for this purpose ignoring all claims held by the Second Priority Secured Parties), the First Priority Secured Parties with respect to such Common Collateral shall be entitled to receive, in addition to distributions to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest (at the applicable non-default rate) before any distribution is made in respect of the claims held by the Second Priority Secured Parties), with the Second Priority Secured Parties with respect to such Common Collateral hereby acknowledging and agreeing to turn over to the First Priority Secured Parties with respect to such Common Collateral distributions otherwise received or receivable by them in respect of such Common Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Priority Secured Parties with respect to such Common Collateral.

5.8 **Plans of Reorganization.**

(a) With respect to each Type of Common Collateral, if the claims of the First Priority Secured Parties and the claims held by the Second Priority Secured Parties constitute only one secured claim pursuant to any plan of reorganization proposed in an Insolvency Proceeding (rather than separate classes of first and second priority secured claims), notwithstanding the objection to, and vote against, such plan by such Secured Parties in accordance with Section 5.7, no Second Priority Secured Party shall support or vote its applicable claims in respect of its Secured Obligations in favor of such plan of reorganization (and each shall vote and shall be deemed to have voted to reject any plan of reorganization) unless such plan (A) pays off, in cash in full, all First Priority Obligations or (B) is supported by the First Priority Representative. If any such Second Priority Secured Party with respect to any Type of Common Collateral votes its applicable claims in respect of its Secured Obligations in favor of any plan of reorganization in violation of this Section 5.8(a), such Second Priority Secured Party irrevocably agrees that such vote shall be deemed unauthorized, void and of no force and effect and the First Priority Representative shall be, and shall be deemed, such party's "authorized agent" under Bankruptcy Rules 3018(c) and 9010, and that the First Priority Representative shall be authorized and entitled to withdraw such vote and submit a superseding ballot on behalf of such Second Priority Secured Party that is consistent herewith.

(b) If, in any Insolvency Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed, pursuant to a plan of reorganization or similar dispositive restructuring plan, on account of ABL Secured Obligations and on account of LC Secured Obligations, then, to the extent the debt obligations distributed on account of the ABL Secured Obligations and on account of the LC Secured Obligations are secured by Liens upon the same property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

5.9 Other Matters. With respect to each Type of Common Collateral, to the extent that the Second Priority Representative or any other Second Priority Secured Party has or acquires rights under section 363 or section 364 of the Bankruptcy Code with respect to any of such Common Collateral, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, not to assert any of such rights without the prior written consent of the First Priority Representative with respect to such Common Collateral; provided that if requested by the First Priority Representative, the Second Priority Representative with respect to such Common Collateral shall timely exercise such rights in the manner requested by such First Priority Representative, including any rights to payments in respect of such rights.

5.10 No Waiver of Rights of First Priority Secured Parties. With respect to each Type of Common Collateral, nothing contained herein shall prohibit or in any way limit the First Priority Representative or any other First Priority Secured Party from objecting in any Insolvency Proceeding or otherwise to any action taken by any Second Priority Secured Party other than any action taken by such Second Priority Secured Party, as the case may be, that is expressly permitted by this Agreement.

5.11 Effectiveness in Insolvency Proceedings. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under section 510(a) of the Bankruptcy Code, shall be effective before, during and after the commencement of an Insolvency Proceeding. Upon the commencement of an Insolvency Proceeding, all references in this Agreement to any Grantor shall include such Grantor as a debtor-in-possession and any receiver or trustee for such Grantor in any Insolvency Proceeding, and the rights and obligations hereunder of the First Priority Secured Parties and the Second Priority Secured Parties with respect to each Type of Collateral shall be fully enforceable as between such parties regardless of the pendency of Insolvency Proceedings or any related limitations on the enforcement of this Agreement against any Grantor. Notwithstanding Section 1129(b)(1) of the Bankruptcy Code, the relative rights of the LC Secured Parties and the LC Secured Parties in or to any distributions from or in respect of any Collateral or Proceeds shall continue after the commencement of any Insolvency Proceeding involving any Grantor, including the filing of any petition by or against any Grantor under the Bankruptcy Code and all converted cases and subsequent cases, on the same basis as prior to the date of such commencement, subject to any court order approving the financing of, or use of cash collateral by, any Grantor as debtor-in-possession, or any other court order affecting the rights and interests of the parties hereto not in conflict with this Agreement. References to Collateral in this Agreement shall include assets of the Grantors that but for the application of Section 552 of the Bankruptcy Code would constitute LC Priority Collateral or LC Priority Collateral.

SECTION 6. *Matters Relating to Loan Documents.*

6.1 General.

(a) ABL Agent, on behalf of itself and the ABL Secured Parties and the LC Agent, on behalf of itself and the LC Secured Parties, and each Grantor agrees that it shall not at any time execute or deliver any amendment or other modification to any of the First Priority Documents or the Second Priority Documents in violation of this Agreement.

(b) With respect to each Type of Common Collateral, until the First Priority Obligations Payment Date, in the event the First Priority Representative enters into any amendment, waiver or consent in respect of any of the First Priority Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any First Priority Security Document or changing in any manner the rights of any parties thereunder, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Comparable Second Priority Security Document without the consent of or action by any Second Priority Secured Party (with each First Priority Security Document as so amended, and each Second Priority Security Document as so amended, continuing to be subject to the terms hereof); provided that (i) no such amendment, waiver or consent shall have the effect of removing assets subject to the Lien of any Second Priority Security Document, except to the extent that a release of such Lien is permitted by Section 4.2, (ii) any such amendment, waiver or consent that materially and adversely affects the rights of the Second Priority Secured Parties and does not affect the First Priority Secured Parties in a like or similar manner shall not apply to the Second Priority Security Documents without the consent of the Second Priority Representative and (iii) notice of such amendment, waiver or consent shall be given to the Second Priority Representative by the First Priority Representative no later than 30 days after its effectiveness, *provided* that the failure to give such notice shall not affect the effectiveness and validity thereof or cause a default by any Grantor under the Loan Documents.

6.2 Restrictions on Refinancings.

(a) The indebtedness under the ABL Credit Agreement may be Refinanced, in whole but not in part, with the same or different lenders or Representatives in a Refinancing, without the consent of the LC Agent or the holders of the LC Secured Obligations; provided that (i) the holders of any indebtedness resulting from such Refinancing (or the Representative thereof) shall have become bound in writing to the terms of this Agreement in the manner set forth in Section 10 (and shall have delivered a copy of the Representative Joinder Agreement pursuant to which such holders or such Representative shall have become bound to the terms of this Agreement to each other party to this Agreement in the manner provided for notices set forth in Section 11.7) and (ii) no such Refinancing shall have the effect of increasing the sum of the principal amount of ABL Secured Obligations then outstanding or permitted to be outstanding to an amount that exceeds the Maximum Obligations Amount with respect to the ABL Secured Obligations.

(b) The indebtedness under the LC Credit Agreement may be Refinanced, in whole but not in part, with the same or different lenders or Representatives in a Refinancing, without the consent of the ABL Agent or the holders of the ABL Secured Obligations; provided that (i) the holders of any indebtedness resulting from such Refinancing (or the Representative thereof) shall have become bound in writing to the terms of this Agreement in the manner set forth in Section 10 (and shall have delivered a copy of the Representative Joinder Agreement pursuant to which such holders or such Representative shall have become bound to the terms of this Agreement to each other party to this Agreement in the manner provided for notices set forth in Section 11.7) and (ii) no such Refinancing shall have the effect of increasing the sum of the LC Secured Obligations then outstanding or permitted to be outstanding to an amount that exceeds the Maximum Obligations Amount with respect to the ABL Secured Obligations.

6.3 Restrictions on Amendments, Supplements and Modifications.

(a) The ABL Loan Documents may be amended, amended and restated, supplemented or otherwise modified in accordance with their terms; provided, that no such amendment, supplement or modification shall, without the consent of the LC Agent, have the effect of:

(i) increasing the principal amount of ABL Secured Obligations then outstanding or permitted to be outstanding to an amount that exceeds the Maximum Obligations Amount with respect to the ABL Secured Obligations, or

(ii) changing the final scheduled date for repayment of the loans outstanding or permitted to be outstanding under the ABL Credit Agreement to an earlier date.

(b) The LC Documents may be amended, amended and restated, supplemented or otherwise modified in accordance with their terms; provided, that no such amendment, supplement or modification shall, without the consent of the ABL Agent have the effect of:

(i) increasing the principal amount of LC Secured Obligations then outstanding or permitted to be outstanding to an amount that exceeds the Maximum Obligations Amount with respect to the LC Secured Obligations,

(ii) changing the final scheduled date for repayment of any loans (or any tranche or class thereof) outstanding or permitted to be outstanding under the LC Credit Facility Agreement to an earlier date,

(iii) modifying the terms of (a) mandatory prepayment provisions, including, without limitation, excess cash flow sweeps or any other mandatory prepayments of principal or (b) amortization, in each case of or under the LC Credit Facility Agreement, in a manner that increases the amount or frequency of any of such payments, or requires additional mandatory prepayments or excess cash flow sweeps or limits the rights of Grantors with respect thereto.

For the avoidance of doubt, this Section 6.3 shall not apply to any ABL Priority DIP Financing or LC Priority DIP Financing.

SECTION 7. *Reserved.*

SECTION 8. *Reliance; Waivers; etc.*

8.1 **Reliance.** The First Priority Documents and the Second Priority Documents are deemed to have been executed and delivered, and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. With respect to each Type of Common Collateral, the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, expressly waives all notice of the acceptance of and reliance on this Agreement by the other Secured Parties.

8.2 **No Warranties or Liability.** Each of the First Priority Representative and the Second Priority Representative with respect to each Type of Common Collateral acknowledge and agree that none of them has made any representation or warranty to each other with respect to the execution, validity, legality, completeness, collectability or enforceability of any First Priority Document or any Second Priority Document. Except as otherwise provided in this Agreement, each of the First Priority Representative and the Second Priority Representative with respect to each Type of Common Collateral will be entitled to manage and supervise their respective extensions of credit to any Grantor in accordance with law and their usual practices, modified from time to time as they deem appropriate.

8.3 **No Waivers.** No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by

any noncompliance by any Grantor with the terms and conditions of any of the First Priority Documents or any of the Second Priority Documents.

SECTION 9. *Obligations Unconditional.*

All rights, agreements and obligations of the First Priority Representative and First Priority Secured Parties and the Second Priority Representative and the Second Priority Secured Parties, in each case with respect to each Type of Common Collateral, and the Grantors hereunder, to the extent applicable, shall remain in full force and effect irrespective of:

(i) any lack of validity or enforceability of any First Priority Document or Second Priority Document;

(ii) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the First Priority Obligations or Second Priority Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any Refinancing, replacement, refunding or restatement of any First Priority Document or Second Priority Document;

(iii) any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any Refinancing, replacement, refunding or restatement of all or any portion of the First Priority Obligations or Second Priority Obligations or any guarantee or guaranty thereof; or

(iv) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Grantor in respect of (a) the First Priority Obligations (other than a defense that the First Priority Obligations have been paid in full) or (b) the Second Priority Obligations (other than a defense that the Second Priority Obligations have been paid in full) or of any of the First Priority Representative, Second Priority Representative or any Grantor, to the extent applicable, in respect of this Agreement.

SECTION 10. *Additional LC Secured Obligations and LC Secured Obligations.*

The Borrower may from time to time, subject to any limitations contained in the ABL Loan Documents and the LC Documents in effect at such time, designate additional indebtedness and related obligations that are, or are to be, secured by Liens on any assets of the Grantors that would, if such Liens were granted, constitute Common Collateral as ABL Secured Obligations or LC Secured Obligations, by delivering to each Representative party hereto at such time a certificate of a Responsible Officer:

(i) describing the indebtedness and other obligations being designated as ABL Secured Obligations or LC Secured Obligations (as the case may be) and including a statement of the maximum aggregate outstanding principal amount of such indebtedness as of the date of such certificate;

(ii) in the case of ABL Secured Obligations, confirming that such obligations shall be First Priority Obligations with respect to the ABL Priority Collateral and Second Priority Obligations with respect to the LC Priority Collateral;

(iii) in the case of LC Secured Obligations, confirming that such obligations shall be First Priority Obligations with respect to the LC Priority Collateral and Second Priority Obligations with respect to the ABL Priority Collateral;

(iv) identifying the Person that serves as the Representative with respect to such indebtedness and related obligations;

(v) certifying that the incurrence of such ABL Secured Obligations or LC Secured Obligations (as the case may be), the creation of the Liens securing such ABL Secured Obligations or LC Secured Obligations (as the case may be) and the designation of such indebtedness and related obligations as ABL Secured Obligations or LC Secured Obligations (as the case may be) hereunder (A) do not violate or result in a default under any provision of any ABL Loan Document or LC Document in effect at such time and (B) would not have the effect of increasing the principal amount of ABL Secured Obligations or LC Secured Obligations, as the case may be, then outstanding or permitted to be outstanding to an amount that exceeds the Maximum Obligations Amount with respect to the ABL Secured Obligations or LC Secured Obligations, as applicable; and

(vi) attaching a fully completed Representative Joinder Agreement executed and delivered by the Representative with respect to such ABL Secured Obligations or LC Secured Obligations (as the case may be).

Upon the delivery of such certificate and the related attachments as provided above, the obligations designated in such notice shall become ABL Secured Obligations or LC Secured Obligations, as applicable, for all purposes of this Agreement.

In the event of any conflict or inconsistency between the provisions of this Section 10 and the provisions of Section 11.3(b), the provisions of this Section 10 shall govern.

SECTION 11. *Miscellaneous.*

11.1 Conflicts. Except as otherwise provided herein, in the event of any conflict between the provisions of this Agreement and the provisions of any First Priority Document or any Second Priority Document, the provisions of this Agreement shall govern.

11.2 Continuing Nature of Provisions. This Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the First Priority Obligations Payment Date and the Second Priority Obligations Payment Date shall have occurred with respect to each Type of Common Collateral. This is a continuing agreement and the First Priority Secured Parties and the Second Priority Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, any Grantor on the faith hereof.

11.3 Amendments; Waivers.

(a) No amendment or modification of any of the provisions of this Agreement (other than pursuant to a Representative Joinder Agreement or a Grantor Joinder Agreement) shall be effective unless the same shall be in writing and signed by the First Priority Representative and the Second Priority Representative and, in the case of amendments or modifications that could reasonably be expected to affect the rights or interests of any Grantor, the Borrower.

(b) It is understood that the ABL Agent and the LC Agent, without the consent of any other Secured Party, may in their discretion determine that a supplemental agreement (which may take the form of an amendment and restatement of this Agreement) is necessary or appropriate to facilitate having additional indebtedness or other obligations ("Additional Debt") of any of the Grantors become ABL Secured Obligations or LC Secured Obligations, as the case may be, under this Agreement, which

supplemental agreement shall specify whether such Additional Debt constitutes ABL Secured Obligations or LC Secured Obligations; provided that such Additional Debt is permitted to be incurred by the ABL Credit Agreement and the LC Credit Facility Agreement, and is permitted by said Agreements to be subject to the provisions of this Agreement as ABL Secured Obligations or LC Secured Obligations, as applicable.

11.4 Information Concerning Financial Condition of the Borrower and the other Grantors. With respect to each Type of Common Collateral, the First Priority Representative, on behalf of itself and the other First Priority Secured Parties and the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, hereby agree that each Secured Party assumes responsibility for keeping itself informed of the financial condition of the relevant Grantors and all other circumstances bearing upon the risk of nonpayment of the First Priority Obligations or the Second Priority Obligations. With respect to each Type of Common Collateral, the First Priority Representative, on behalf of itself and the other First Priority Secured Parties and the Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances. In the event any Secured Party, in its sole discretion, undertakes at any time or from time to time to provide any information to any other Secured Party, it shall be under no obligation (a) to provide any such information to such other party or any other party on any subsequent occasion, (b) to undertake any investigation not a part of its regular business routine, or (c) to disclose any other information.

11.5 Term Loan Intercreditor Agreement. Notwithstanding anything to the contrary set forth in the Term Loan Intercreditor Agreement, with respect to rights and remedies of any of the ABL Secured Parties and the LC Secured Parties, as between each other, in the event of any conflict or inconsistency with the terms and conditions set forth herein with respect to the Collateral, as between the ABL Secured Parties and the LC Secured Parties, the terms of this Agreement shall govern and control.

11.6 Applicable Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

11.7 Jurisdiction; Consent to Service of Process; Process Agent.

(a) EACH PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(b) EACH 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 IN ANY COURT REFERRED TO IN

PARAGRAPH (a) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.7. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.8 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy. For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section) shall be as set forth on Schedule 1 to this Agreement or, as to each party, at such other address as may be designated by such party in a written notice to each of the other parties hereto.

11.9 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and each of the First Priority Secured Parties and the Second Priority Secured Parties and their respective successors and assigns, and nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Common Collateral or any Type thereof. All references to any Grantor shall include any Grantor as debtor-in-possession and any receiver or trustee for such Grantor in any Insolvency Proceeding.

11.10 Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

11.11 Severability. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

11.12 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by telecopy or electronic image scan transmission (such as a "pdf" file) shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall become effective when it shall have been executed by each party hereto.

11.13 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 THE TRANSACTIONS CONTEMPLATED HEREBY (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 BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.14 Additional Grantors. The Borrower and each other Grantor on the date of this Agreement will constitute the original Grantors party hereto. The original Grantors will cause each Person that becomes a Grantor after the date hereof to contemporaneously become a party hereto (as a Grantor) by executing and delivering a Grantor Joinder Agreement to each of the ABL Agent and the LC Agent. The parties hereto agree that, notwithstanding any failure to take the actions required by the immediately preceding sentence, each Person that becomes a Grantor at any time (and any security granted by any such Person) will be subject to the provisions hereof as fully as if it constituted a Grantor party hereto and had complied with the requirements of the immediately preceding sentence.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

BANK OF AMERICA, N.A.
as Representative with respect to the
ABL Credit Agreement

By: /s/ Matthew T. O'Keefe
Name: Matthew T. O'Keefe
Title: Senior Vice President

BANK OF AMERICA, N.A.
as Representative with respect to the
LC Credit Agreement

By: /s/ Matthew T. O'Keefe
Name: Matthew T. O'Keefe
Title: Senior Vice President

[Signature Page to LC Facility Intercreditor Agreement (Kodak)]

EASTMAN KODAK COMPANY

By: /s/ David E. Bullwinkle
Name: David E. Bullwinkle
Title: Chief Financial Officer and Senior Vice
President

**EASTMAN KODAK INTERNATIONAL CAPITAL COMPANY, INC.
FAR EAST DEVELOPMENT LTD.
KODAK (NEAR EAST), INC.
KODAK AMERICAS, LTD.
KODAK PHILIPPINES, LTD.**

By: /s/ Roger W. Byrd
Name: Roger W. Byrd
Title: Secretary

[Signature Page to LC Facility Intercreditor Agreement (Kodak)]

Notices**Notices to Bank of America, N.A., as Representative with respect to the ABL Credit Agreement:**

Bank of America, N.A.
100 Federal Street
MA5-100-09-12
Boston, MA 02110
Attn: Matthew T. O'Keefe
Senior Vice President

with a copy to:

Otterbourg P.C.
230 Park Avenue
New York, NY 10169
Attention: David Morse
Fax: 212-682-6104
Email: dmorse@otterbourg.com

Notices to Bank of America, N.A., as Representative with respect to the LC Credit Agreement:

Bank of America, N.A.
100 Federal Street
MA5-100-09-12
Boston, MA 02110
Attn: Matthew T. O'Keefe
Senior Vice President

with a copy to:

Otterbourg P.C.
230 Park Avenue
New York, NY 10169
Attention: David Morse
Fax: 212-682-6104
Email: dmorse@otterbourg.com

Notices to Borrower and the other Grantors party hereto:

Eastman Kodak Company
343 State Street
Rochester, NY 14650
Attn: General Counsel
Tel: 585-726-3536
Email: Roger.Byrd@kodak.com
Website: www.kodak.com

with a copy to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10005
Attn: S. Neal McKnight
Email: mcknightn@sullcrom.com

[FORM OF] REPRESENTATIVE JOINDER AGREEMENT NO. [] dated as of [], 20[] (the "Representative Joinder Agreement") to the INTERCREDITOR AGREEMENT dated as of February 26, 2021 (the "Intercreditor Agreement"), BANK OF AMERICA, N.A., as Representative with respect to the ABL Credit Agreement, and BANK OF AMERICA, N.A., as Representative with respect to the LC Credit Agreement, EASTMAN KODAK COMPANY (the "Borrower"), and each of the other Grantors party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Intercreditor Agreement.

B. The Borrower and/or one or more of the other Grantors proposes to issue or incur additional [ABL Secured Obligations] [LC Secured Obligations] and the Person identified in the signature pages hereto as the "Representative" (the "Additional Representative") will serve as the agent, trustee, or other representative for the holders of such [ABL Secured Obligations] [LC Secured Obligations]. The [ABL Secured Obligations] [LC Secured Obligations] are being designated as such by the Borrower in accordance with Section 10 of the Intercreditor Agreement.

C. Accordingly, the Additional Representative and the Borrower agree as follows, for the benefit of the Additional Representative, the Borrower and each other party to the Intercreditor Agreement:

Section 1. *Accession to the Intercreditor Agreement.* The Additional Representative (a) hereby accedes and becomes a party to the Intercreditor Agreement as a Representative for the holders of the additional [ABL Secured Obligations] [LC Secured Obligations] (the "Additional Secured Parties"), (b) agrees, for itself and on behalf of the Additional Secured Parties from time to time in respect of the additional [ABL Secured Obligations] [LC Secured Obligations], to all the terms and provisions of the Intercreditor Agreement and (c) shall have all the rights and obligations of a Representative under the Intercreditor Agreement.

Section 2. *Representations, Warranties and Acknowledgement of the Additional Representative.* The Additional Representative represents and warrants to each other Representative and to the Secured Parties that (a) it has full power and authority to enter into this Representative Joinder Agreement, in its capacity as the Representative with respect to the additional [ABL Secured Obligations] [LC Secured Obligations], (b) this Representative Joinder Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of this Representative Joinder Agreement and (c) the [ABL Loan Documents] [LC Loan Documents] relating to such additional [ABL Secured Obligations] [LC Secured Obligations] provide that, upon the Additional Representative's entry into this Representative Joinder Agreement, the secured parties in respect of such additional [ABL Secured Obligations] [LC Secured Obligations] will be subject to and bound by the provisions of the Intercreditor Agreement.

Section 3. *Counterparts.* This Representative Joinder Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Representative Joinder Agreement shall become effective when each other Representative shall have received a counterpart of this Representative Joinder Agreement that bears the signature of the Additional Representative. Delivery of an executed counterpart of a signature page to this Representative Joinder Agreement by telecopy or electronic image scan transmission (such as

a “pdf” file) shall be effective as delivery of a manually signed counterpart of this Representative Joinder Agreement.

Section 4. *Benefit of Agreement.* **The agreements set forth herein or undertaken pursuant hereto are for the benefit of, and may be enforced by, any party to the Intercreditor Agreement.**

Section 5. *Governing Law.* **THIS REPRESENTATIVE JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

Section 6. *Severability.* In the event any one or more of the provisions contained in this Representative Joinder Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 7. *Notices.* All communications and notices hereunder shall be in writing and given as provided in Section 11.7 of the Intercreditor Agreement. All communications and notices hereunder to the Additional Representative shall be given to it at the address set forth under its signature hereto, which information supplements Section 11.7 of the Intercreditor Agreement.

Section 8. *Expenses.* The Borrower agrees to reimburse each Representative for its reasonable out-of-pocket expenses in connection with this Representative Joinder Agreement, including the reasonable fees, other charges and disbursements of counsel for each Representative.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Additional Representative has duly executed this Representative Joinder Agreement to the Intercreditor Agreement as of the day and year first above written.

[NAME OF ADDITIONAL REPRESENTATIVE], as REPRESENTATIVE with respect to [NAME OF AGREEMENT] and holders of the [] Secured Obligations thereunder

By: _____
Name: _____
Title: _____

Address for notices:

attention of: _____
Telecopy: _____

Acknowledged by:

BANK OF AMERICA, N.A., as
Representative with respect to the
ABL Credit Agreement

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as
Representative with respect to the
LC Credit Agreement

By: _____
Name:
Title:

[EACH OTHER REPRESENTATIVE], as Representative with respect to [the [] Agreement]

By: _____
Name:
Title:

[FORM OF] GRANTOR JOINDER AGREEMENT NO. [] dated as of [], 20[] (the "Grantor Joinder Agreement") to the INTERCREDITOR AGREEMENT dated as of February 26, 2021 (the "Intercreditor Agreement"). BANK OF AMERICA, N.A., as Representative with respect to the ABL Credit Agreement, and BANK OF AMERICA, N.A., as Representative with respect to the LC Credit Agreement, EASTMAN KODAK COMPANY (the "Borrower"), and each of the other Grantors party thereto.

A. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Intercreditor Agreement.

B. [], a Subsidiary of the Borrower (the "Additional Grantor"), has granted a Lien on all or a portion of its assets to secure [ABL Secured Obligations] [LC Secured Obligations] and such Additional Grantor is not a party to the Intercreditor Agreement.

C. The Additional Grantor wishes to become a party to the Intercreditor Agreement and to acquire and undertake the rights and obligations of a Grantor thereunder. The Additional Grantor is entering into this Grantor Joinder Agreement in accordance with the provisions of the Intercreditor Agreement in order to become a Grantor thereunder.

Accordingly, the Additional Grantor agrees as follows, for the benefit of the Representatives, the Borrower and each other party to the Intercreditor Agreement:

Section 1. *Accession to the Intercreditor Agreement.* The Additional Grantor (a) hereby accedes and becomes a party to the Intercreditor Agreement as a Grantor with the same force and effect as if originally named therein as a Grantor, (b) agrees to all the terms and provisions of the Intercreditor Agreement and (c) shall have all the rights and obligations of a Grantor under the Intercreditor Agreement.

Section 2. *Representations, Warranties and Acknowledgment of the Additional Grantor.* The Additional Grantor represents and warrants to each Representative and to the Secured Parties that this Grantor Joinder Agreement has been duly authorized, executed and delivered by such Additional Grantor and constitutes the legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, 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.

Section 3. *Counterparts.* This Grantor Joinder Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Grantor Joinder Agreement shall become effective when each other Representative shall have received a counterpart of this Grantor Joinder Agreement that bears the signature of the Additional Grantor. Delivery of an executed counterpart of a signature page to this Grantor Joinder Agreement by telecopy or electronic image scan transmission (such as a "pdf" file) shall be effective as delivery of a manually signed counterpart of this Grantor Joinder Agreement.

Section 4. *Benefit of Agreement.* **The agreements set forth herein or undertaken pursuant hereto are for the benefit of, and may be enforced by, any party to the Intercreditor Agreement.**

Section 5. *Governing Law.* **THIS GRANTOR JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

Section 6. *Severability.* In the event any one or more of the provisions contained in this Grantor Joinder Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 7. *Notices.* All communications and notices hereunder shall be in writing and given as provided in Section 11.7 of the Intercreditor Agreement.

Section 8. The Additional Grantor agrees to reimburse each Representative for its reasonable out-of-pocket expenses in connection with this Grantor Joinder Agreement, including the reasonable fees, other charges and disbursements of counsel for each Representative.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Additional Grantor has duly executed this Grantor Joinder Agreement to the Intercreditor Agreement as of the day and year first above written.

[NAME OF SUBSIDIARY]

By:

Name:

Title:

Acknowledged by:

BANK OF AMERICA, N.A., as Representative with respect to the ABL Credit Agreement

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as Representative with respect to the LC Credit Agreement

By: _____
Name:
Title:

[EACH OTHER REPRESENTATIVE], as Representative with respect to [the [] Agreement]

By: _____
Name:
Title:

**AMENDMENT NUMBER ONE TO
SERIES A PREFERRED STOCK PURCHASE AGREEMENT**

THIS AMENDMENT NUMBER ONE TO SERIES A PREFERRED STOCK PURCHASE AGREEMENT (this "**Amendment**"), is made and entered into as of the 24th day of December, 2020, by and among Eastman Kodak Company, a New Jersey corporation (the "**Company**"), Longleaf Partners Small-Cap Fund, C2W Partners Master Fund Limited, and Deseret Mutual Pension Trust (each a "**Purchaser**" and collectively, the "**Purchasers**"), and Southeastern Asset Management, Inc. ("**Southeastern**") and amends the Series A Preferred Stock Purchase Agreement dated November 7, 2016 by and among the Company, the Purchasers and Southeastern (the "**Purchase Agreement**"). Capitalized terms used but not defined herein shall have the respective meanings given thereto in the Purchase Agreement.

RECITALS

WHEREAS, Southeastern, as investment manager on behalf of the Purchasers, has notified the Company of its desire to relinquish voting and director nomination rights relating to the Series A Preferred Stock in connection with reducing the Purchasers' overall financial and voting exposure to the Company; and

WHEREAS, the Purchasers desire to relinquish their right to nominate members to the Company's Board of Directors pursuant to Section 5.6 of the Purchase Agreement and the Company desires to facilitate such relinquishment;

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein, the Company and the Purchasers hereby agree as follows:

1. Amendment. Section 5.6 of the Purchase Agreement is hereby amended by deleting the text of such Section 5.6 in its entirety and adding "[RESERVED]." in the place thereof.

2. Miscellaneous. Sections 8.2, 8.3, 8.4 and 8.14 of the Purchase Agreement shall apply to this Amendment in the same manner as they apply to the Purchase Agreement to the same extent as if such Sections were set forth herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Company, the Purchasers and Southeastern have executed this Amendment as of the date first written above.

COMPANY:

EASTMAN KODAK COMPANY

By: /s/ Roger W. Byrd

Name: Roger W. Byrd

Title: General Counsel, Secretary and Senior Vice President

[Signature Page to Amendment Number One to Series A Preferred Stock Purchase Agreement]

SOUTHEASTERN ASSET MANAGEMENT, INC.

By: /s/ Andrew R. McCarroll

Name: Andrew R. McCarroll

Title: General Counsel

[Signature Page to Amendment Number One to Series A Preferred Stock Purchase Agreement]

PURCHASERS:

C2W PARTNERS MASTER FUND LIMITED

By: SOUTHEASTERN ASSET MANAGEMENT, INC.
Acting as Investment Advisor

By: /s/ Andrew R. McCarroll

Name: Andrew R. McCarroll

Title: General Counsel

LONGLEAF PARTNERS SMALL-CAP FUND

By: SOUTHEASTERN ASSET MANAGEMENT, INC.
Acting as Investment Counsel

By: /s/ Andrew R. McCarroll

Name: Andrew R. McCarroll

Title: General Counsel

DESERET MUTUAL PENSION TRUST

By: SOUTHEASTERN ASSET MANAGEMENT, INC.
Acting as Investment Adviser

By: /s/ Andrew R. McCarroll

Name: Andrew R. McCarroll

Title: General Counsel

[Signature Page to Amendment Number One to Series A Preferred Stock Purchase Agreement]

Eastman Kodak Company and Subsidiary Companies	
Subsidiaries of the Registrant as of December 31, 2020 are listed below:	
1680382 Ontario Limited	Ontario, Canada
Eastman Kodak Holdings B.V.	Netherlands
Da Hai (Shanghai) Trading Co Ltd	China
Eastman Kodak International Capital Company, Inc.	Delaware
Eastman Kodak Sarl	Switzerland
Far East Development Ltd	Delaware
FPC Inc.	California
Horsell Graphic Industries Ltd.	United Kingdom
Kodak	France
Kodak (Australasia) Pty. Ltd.	Australia
Kodak (China) Company Limited	China
Kodak (China) Investment Company Limited	China
Kodak (China) Limited	Hong Kong
Kodak (Malaysia) Sdn. Bhd.	Malaysia
Kodak (Near East), Inc.	New York
Kodak (Shanghai) International Trading Co. Ltd.	China
Kodak (Singapore) Pte. Limited	Singapore
Kodak (Thailand) Limited	Thailand
Kodak (Xiamen) Digital Imaging Products Company	China
Kodak A/S	Denmark
Kodak Americas, Ltd.	New York
Kodak Argentina S.A.I.C.	Argentina
Kodak Brasileira Comércio de Produtos para Imagem e Serviços Ltda.	Brazil
Kodak Canada ULC	British Columbia, Canada
Kodak Chilena S.A.F.	Chile
Kodak de Colombia, SAS	Columbia
Kodak de Mexico S.A. de C.V.	Mexico
Kodak Electronic Products (Shanghai) Company Limited	China
Kodak Film Lab Atlanta, Inc.	Delaware
Kodak GmbH	Austria
Kodak GmbH	Germany
Kodak Graphic Communications EAD	Germany
Kodak Graphic Communications GmbH	Germany
Kodak Graphic Communications Limited	United Kingdom
Kodak Holding GmbH	Germany
Kodak IL Ltd.	Israel
Kodak India Private Limited	India
Kodak International Finance Limited	United Kingdom
Kodak Japan Ltd.	Japan

Kodak Korea Limited	South Korea
Kodak LB Tech, LLC	Delaware
Kodak Light Blocking New Materials LLC	Delaware
Kodak Limited	United Kingdom
Kodak Mexicana S.A.de C.V.	Mexico
Kodak Nederland B.V.	Netherlands
Kodak New Zealand Limited	New Zealand
Kodak Nordic AB	Sweden
Kodak OOO	Russia
Kodak Oy	Finland
Kodak PE Tech, LLC	Delaware
Kodak Philippines, Ltd.	New York
Kodak Polska Sp.zo.o	Poland
Kodak Polychrome Graphics (Maderia) Servicos Ltd.	Barbados
Kodak Polychrome Graphics Company Ltd.	Barbados
Kodak Polychrome Graphics Cono Sur SA	Uruguay
Kodak Polychrome Graphics Export SAFI	Uruguay
Kodak Realty, Inc.	New York
Kodak SA/NV	Belgium
Kodak Societa per Azioni	Italy
Kodak Societe Anonyme	Switzerland
Kodak Unterstutzungs-gesellschaft GmbH	Germany
Kodak, Sociedad Anonima	Spain
Kodakit (Singapore) Pte. Ltd.	Singapore
KP Services (Jersey) Limited	Jersey, Channel Islands
KPG Finance (Barbados) SRL	Barbados
KPSH P Co1 Limited	Jersey, Channel Islands
KPSH P Co2 Limited	Jersey, Channel Islands
Laboratories Kodak S.A.S.	France
Laser-Pacific Media Corporation	Delaware
NPEC Inc.	California

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-190957) pertaining to the registration of 4,792,480 shares of common stock under the Eastman Kodak Company 2013 Omnibus Incentive Plan,
- (2) Registration Statement (Form S-8 No. 333-225437) pertaining to the registration of 1,000,000 shares of common stock under the Eastman Kodak Company 2013 Omnibus Incentive Plan,
- (3) Registration Statement (Form S-3 No. 333-213029) pertaining to the registration of \$1,200,000,000 of common stock, preferred stock, debt securities, depository shares, warrants, purchase contracts, guarantees and units of Eastman Kodak Company,
- (4) Registration Statement (Form S-3 No. 333-216006) pertaining to the registration of 2,000,000 shares of Series A Convertible Preferred Stock and 11,494,200 shares of common stock of Eastman Kodak Company, and
- (5) Registration Statement (Form S-8 No. 333-250827) pertaining to the registration of 7,500,000 shares of common stock related under the Eastman Kodak Company 2013 Omnibus Incentive Plan;

of our report dated March 16, 2021, with respect to the consolidated financial statements and schedule of Eastman Kodak Company included in this Annual Report (Form 10-K) of Eastman Kodak Company for the year ended December 31, 2020.

/s/ Ernst & Young LLP

Rochester, New York
March 16, 2021

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-190957, 333-225437 and 333-250827) and Form S-3 (Nos. 333-213029 and 333-216006) of Eastman Kodak Company of our report dated March 17, 2020, except for the change in composition of reportable segments discussed in Note 27 to the consolidated financial statements, as to which the date is March 16, 2021, relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Rochester, New York
March 16, 2021

CERTIFICATION

I, James V. Continenza, certify that:

- 1) I have reviewed this Form 10-K;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James V. Continenza

James V. Continenza

Executive Chairman and Chief Executive Officer

Date: March 16, 2021

CERTIFICATION

I, David E. Bullwinkle, certify that:

- 1) I have reviewed this Form 10-K;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/David E. Bullwinkle
David E. Bullwinkle
Chief Financial Officer

Date: March 16, 2021

**CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Eastman Kodak Company (the "Company") on Form 10-K for the period ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James V. Continenza, Executive Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- 1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James V. Continenza

James V. Continenza
Executive Chairman and Chief Executive Officer

Date: March 16, 2021

**CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Eastman Kodak Company (the "Company") on Form 10-K for the period ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David E. Bullwinkle, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- 1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/David E. Bullwinkle

David E. Bullwinkle
Chief Financial Officer

Date: March 16, 2021